

The Food and Beverage Market Entry Handbook:

Peru:

a Practical Guide to the Market in Peru for European Agri-food Products



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1 The Food and Beverage Market Entry Handbook: Peru

This Handbook is intended to act as a reference for those agri-food producers planning for, or in the process of entering, the Peruvian market. This Handbook provides **step-by-step guides** on entering the agri-food market in Peru including relevant information such as **analysis of the Peruvian market** for different product categories, **market access** and **market entry procedures**, **IP protection**, **referrals to professional buyers** and a signposting and referral system providing useful contacts and ways to penetrate the Peruvian market.

1.1 How to use this handbook

Depending on your stage of market entry, company profile, and product range, different sections within this handbook will be helpful to a different extent for your business strategies.

For those wishing to learn more about the Peru food and beverage market in general, section 2 provides a general country overview; section 3 provides an overview of the agri-food market; and section 4 an overview of market entry. These latter two sections contain information on the food and beverage market, market access procedures, customs procedures, SPS and labelling requirements, intellectual property protection, including the status of geographical indications. The information contained within these sections is of a general nature and so may not be relevant for those in the more advanced stages of market entry.

If you want to find out more information relevant to your product, then check out the **Market Snapshots for Selected Products** (section 5). This content illustrates the market situation, market access procedures, SPS requirements etc. specific for this product or product category. This information will provide more industry-specific information to consider as part of any market entry or market expansion strategies.

If you already have decided that the Peruvian market is where you want to be, but you need some support, then the **Support Services Directory** can point you in the right direction. Contact information for a service provider, business facilitation support organisation, or from a business contact, could help put you in touch with the right parties who can help you to build your brand in the Peruvian market.

2 Country introduction and overview



Capital:	Lima
Population:	33 million (2020)
Area:	1.285 million sq. km ² – 20 th largest in the world
Political structure:	Unitary semi-presidential representative democratic republic
Major languages:	Spanish, Aymara
Major religions:	Roman Catholic (76%), Other Christian (18%) Atheist (5%)
Life expectancy:	76 years (men), 78 years (women)
Currency:	Peruvian Sol (PEN = 100 Céntimos; 2021: 1 EUR = 4.60 /S Pen)
GDP growth:	-11% (2020) <i>Largely impacted by the outbreak of COVID-19, GDP growth in 2019 was 2.2%</i>
Exports:	24% of GDP (2020)
Imports:	22% of GDP (2020)
Main exports:	Copper, gold, petroleum and zinc
Main imports:	Petroleum oils, transmitter equipment, automobiles, maize
Unemployment rate:	3.2% (2020); urban: 6.2% (2020)
Labour force:	72.7% (2019)
Main industries:	<ul style="list-style-type: none"> • Agriculture: >9% of GDP (but employs 27% of the workforce) • Manufacturing: ~31% of GDP • Services: ~60% of GDP
Average household income (2020):	EUR 17 418
Household expenditure on food and beverages (2020):	EUR 4 245
Food and beverage market size (2020):	EUR 34 billion

Sources: Euromonitor International: Economies and Consumers, 2021; IMF; UN, World Bank; WHO, ECB. * Goods only listed

2.1 Country overview: Peru at a glance

2.1.1 Past economic and political trends

- *Peru has long attracted visitors and settlers as a result of the numerous raw mineral resources found in the country such as silver, copper, and gold.*
- *Peru gained independence from Spain in 1821; Spanish remains the main language.*
- *Peru's governmental structure changed several times in the 20th century leading to the country's current Unitary semi-presidential representative democratic republic governmental system which was established in 1993.*
- *Peru's economy was heavily affected by the wider Latin American debt crisis leading to a lost decade of economic output in the 80s, economy has since opened and free-market reforms have taken place resulting in year-on-year GDP growth between 1990 and 2019.*

The history of Peru spans several civilizations and cultures spread out across the mountainous regions of the country; civilisations such as the Incas were amongst some of the most advanced states in pre-Columbia South America. Spanish explorers arrived in Peru in 1531 and consequently, Peru began the process of being integrated into the wider Spanish empire. The territory attracted several waves of mainly Spanish and Portuguese explorers and miners due to the wide abundance of raw mineral resources in the region such as silver, copper, and gold. It was during this time that the country's current capital Lima was founded. Peru, alongside many Latin American nations slowly moved away from the Spanish power structure and began to seek independence which culminated in the Peruvian war of independence. As a result of this war, the country was able to declare its independence on 28 July 1821.

While some territorial disputes arose following independence, these have now been long resolved to lead to the establishment of the borders of modern-day Peru. The country was a founding member of the United Nations. Politically, throughout most of the 20th century, Peru's governmental structure alternated between governmental systems and political ideologies. This ultimately culminated in the country's current government structure which was established by the 1993 constitution of Peru.

Economically, the country was impacted by the wider Latin American debt crisis of the 1980s leading to what is commonly referred to as a lost decade as a result of lost economic output during this period. Since 1990 however, the country has implemented several market reforms seeking to open the economy to international trade and investment which resulted in the economy returning to economic growth year on year up until the outbreak of COVID-19 in 2020.

2.1.2 Current economic situation and mid-term outlook

- *The economy of Peru witnessed a year of year GDP average growth rate of 4.5% between 2000 and 2020, with this growth only coming to a stop in 2020 due to the outbreak of COVID-19.*
- *Peru is amongst the worst affected nations economically by COVID-19, with GDP in the country falling by 11% in 2020.*

- *The Peruvian economy is likely to rebound quickly in 2021 due to increased demand for Peruvian raw minerals and the economic re-opening of Peru's major trading partners, the US and China.*
- *Peru elected a new left-wing government at the beginning of 2021 which is likely to have economic consequences for the next five years.*

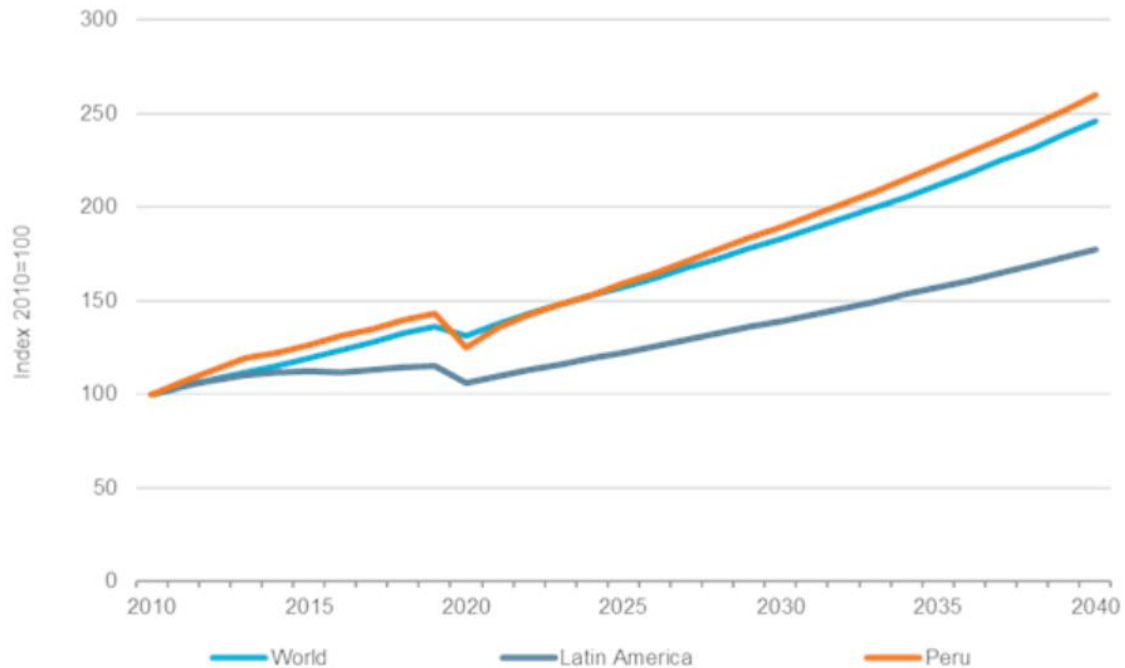
Peru's economy experienced year on year GDP growth between the years 2000 and 2020 with the economy continuing to grow even through the great recession of 2008. The country has signed numerous free trade agreements in this time and has been able to leverage its extraction of raw minerals combined with a rapidly urbanised and educated population to sustain GDP growth for the previous two decades. The economy of Peru only witnessed a decline in GDP growth in 2020 which was due to the outbreak of COVID-19 which affected many of Peru's key economic activities.

Peru's economy has been heavily impacted by the outbreak of COVID-19 and the consequent lockdowns that were implemented in the country. This resulted in GDP growth in Peru in 2020 declining by 11% which means Peru has been one of the worst affected countries economically as a result of COVID-19. This economic contraction has been the country's worst since the Latin American debt crisis of the 1980s. A fall in demand for Peruvian raw mineral resources and the country having amongst the highest cases of COVID-19 in the region per capita help to explain why the economic decline in output in Peru was particularly high.

The economy at the beginning of 2021 has however started to recover and grow aided by the opening up of both Peru and its major trading partners - most notably the USA and China. GDP growth is forecasted to strongly rebound with levels as high as 10% growth being forecasted by the IMF for 2021. Demand for Peruvian resources is likely to grow as economies worldwide reopen which will have positive ramifications for the Peruvian economy.

At the beginning of 2021, Peru held a general election which resulted in Pedro Castillo being elected president of the country, his election is likely to have economic implications for the country if he follows through on his manifesto, which foresaw notable policy shifts. The general outlook for the country can be summarised by an expected rebound into economic growth in 2021 and beyond after a year of a sharp contraction in 2020, combined with the general re-opening of most of the world's economy should further positively impact the economy of Peru.

Figure 2-1: Real GDP Growth and Per Capita GDP in Peru: 2010-2040



Note: Data for 2021-2040 is forecast. GDP per capita are in constant 2020 prices

Source: Euromonitor International: Economies and Consumers, 2021

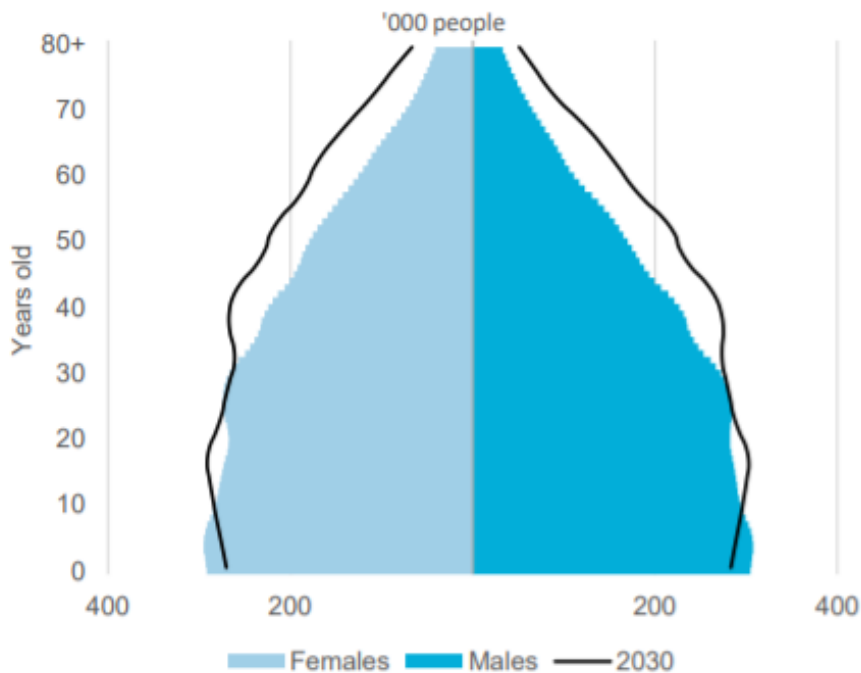
2.1.3 Populations trends

- Peru is the 5th most populous Latin American state, and it is the world's 6th largest Spanish-speaking country.
- Live births per woman continue to decline with the figure being 4.4 in 1990 and declining to 2.2 in 2020.
- Economic and political crises in wider Latin America have resulted in immigrants arriving in large numbers to Peru, with 800 000 Venezuelans arriving alone in recent years.
- The population is highly urbanised with 78% of the population living in urban areas; Lima alone is home to roughly 30% of the population.

The population of Peru in 2020 stood at 33 million which makes Peru the fifth most populous Latin American state, after Argentina which is the fourth most populous and before Venezuela which is the sixth most populous. Peru also has the 6th largest Spanish-speaking population in the world. The Peruvian fertility rate in 2020 was 2.2 births per woman which is slightly ahead of the generally accepted replacement rate of 2.1. However, births per woman continue to decline with the current 2.2 figure being half that of the 4.4 live births per woman in 1990. Today, 78% of the country's population lives in urban areas with the capital Lima being home to roughly 30% of Peru's population. The remaining 22% of the population lives in the country's vast rural areas. Population growth in the country has been further impacted by the wider political and economic crisis in Latin America with Peru attracting roughly 800 000 Venezuelan immigrants in recent years as a result of civil unrest currently taking place in Venezuela. The

current population density of Peru is 40 people per square kilometre which makes Peru one of the world's least densely populated countries. Ethnically, roughly 60% of the population identifies as Mestizo followed by 25% Amerindian, 5% white, and 3.6% black; there is also a sizable Asian population in the country mainly located in urban areas. Peru's population is also amongst one of the most rapidly ageing in the world with the current figure of 9% of the population being over 60 expected to rise to 22.7% by 2050.

Figure 2-2: Age Pyramid in 2018 and 2030 in Peru



Source: Euromonitor International: Economies and Consumers, 2021

2.2 Geography and key markets

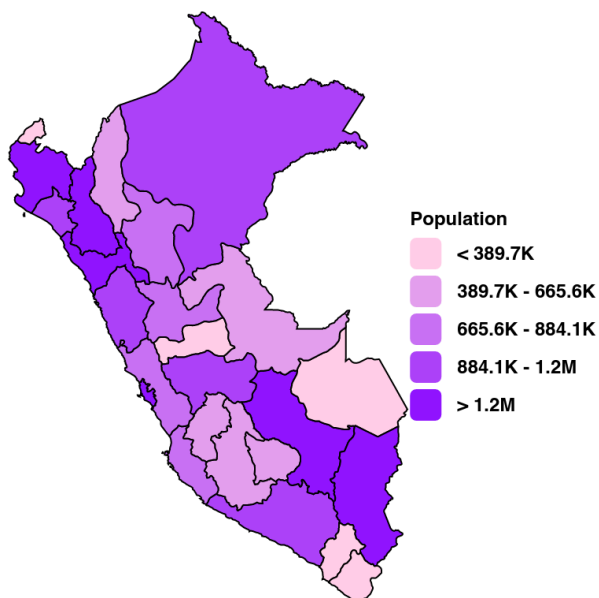
Peru is the fourth largest country in Latin America by land area with the country being 1.2 million square km. Peru is located on the west coast of the South American continent and has a large coast facing the Pacific Ocean. The country borders five other nations - Bolivia, Brazil, Chile, Colombia, and Ecuador. Geographically, Peru's climate is impacted by the country's topical latitude, mountain ranges, and two ocean currents (El Nino and Humboldt) which gives Peru a wide diversity of climates. The country has a tropical climate with wet and dry seasons. The eastern portion of the country includes the Amazon basin which accounts for roughly 60% of the territory of Peru. The Andes mountain range is the largest in the country and is home to the widest varieties of climates in the country with the region receiving the most rainfall in the country. The coast of Peru is a microclimatic region with the south and central regions of the coast consisting of a largely subtropical desert climate and are composed of sandy and rocky shores. The proximity of the Andes mountains to the coast results in the coastal regions of Peru receiving less

rainfall than the rest of the country. The northern coast largely has a different climate from the rest of the coast with the region being much drier. The presence of the El Niño oceanic current results in the average temperature of this region changing drastically and consequently. Winters in this region are typically warmer than in other regions of Peru.

2.2.1 Overview of urban markets

The capital city Lima is the largest city by population, by a large distance with the city being home to 9.5 million individuals or roughly 30% of the Peruvian population. Lima is located roughly in the centre of the Peruvian coastline and attracted settlers due to its central location within the country of Peru as well as with the city's relatively mild climate and topography which aided its urban development and settlement. The next largest cities include Arequipa, in the south of the country, which has a population of roughly 1 million and is the country's second-largest city. Trujillo is the largest city located in the north of Peru with a population of 800 000. Iquitos is the largest city located within the Peruvian Amazon region and has a population of 380 000. Generally, outside of Lima, Arequipa and Trujillo, and Chiclayo, the cities of Peru are quite small and do not exceed a population of half a million.

Figure 2-3: Administrative regions of Peru and populations



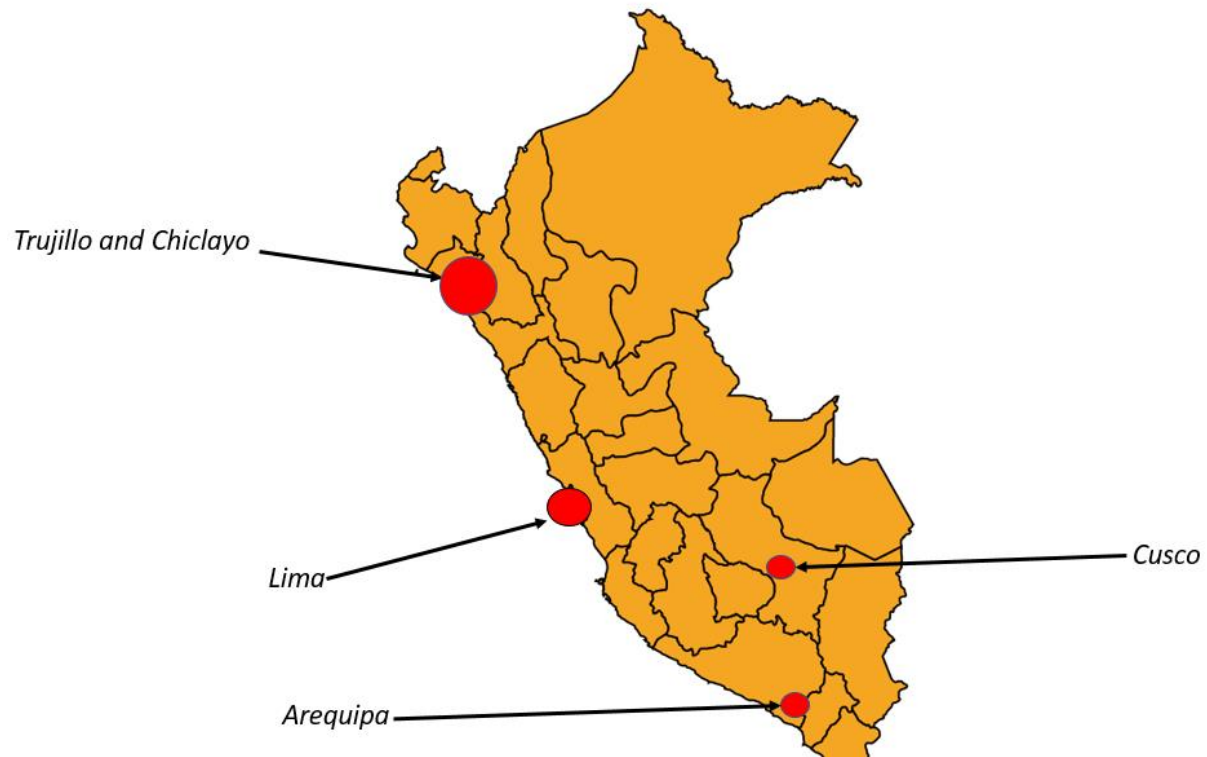
Source: Agra CEAS

2.2.2 Snapshots of important markets

The cities of Lima (capital), Cusco, Arequipa, Trujillo, and Chiclayo represent some of the most favourable urban centres for European agri-food products in Peru for several reasons. Firstly, the city of Lima is home to 30% of the country's population and is by far the biggest city in the country. The city is also home to most of Peru's business and financial activities, which attract European visitors. The city of Cusco is amongst the most visited in Peru due to its proximity to some of the country's most visited attractions,

including Machu Picchu. The cities of Arequipa, Trujillo, and Chiclayo are amongst the country's most populated and represent the economic centres of their respective regions.

Figure 2-4: Location of focus markets



Source: Agra CEAS

Lima



Key facts:

Total GDP (current prices): EUR 167 billion

Real GDP growth (2019): 2.2% (-12% in 2020, largely attributed to COVID-19)

Population: 10 million (Metro)

Lima is the capital and by far the most populous city of Peru with the city alone accounting for roughly 30% of the population of Peru. Lima is also the third most populous city in Latin America and is an important economic and cultural centre in Peru and the wider Latin American region. The city is located roughly in the centre of the Peruvian coast and lies on top of the mostly flat Peruvian coastal plain. Lima accounts for roughly two-thirds of Peru's industrial production and most of its tertiary sector. Lima is the headquarters for many large Latin American financial institutions such as Banco de Credito del Peru, Scotiabank Peru, and Interbank Peru. The city also hosted numerous political and economic summits such as The Asian-Pacific Economic co-operation summit of 2008 and the Latin American, the Caribbean, and the European Union summit of 2008.

European Peruvians are the second largest ethnic group residing in Lima and are largely the descendants of immigrants from Spain, Italy, and Germany. These ethnic groups are more likely to seek out foods from their ancestral homelands which helps to explain the presence of Spanish and Italian restaurants throughout the city of Lima. There is also a small number of Irish bars in the city that will sell alcoholic beverages from both Ireland and wider Europe. Before the outbreak of COVID-19, tourist arrivals to Lima were growing increasingly with about 6.5 % of all arrivals to the city coming from Europe.

Typical foods consumed in Lima include Quinoa breakfast (quinoa mixed with porridge), ceviche, and lomo saltado, a Chinese – Peruvian inspired dish that is largely associated with Lima. Lima is at the forefront of many new food consumption trends within Peru with the city being highly exposed to international trends due to its status as the economic gateway into Peru. Some of the larger food festivals found in Lima include the Mistura food festival which is an annual celebration of Peruvian cuisine and attracts producers from across Peru to showcase their produce.

Sources: Lima Information, Peru Explorer, available at https://www.peru-explorer.com/lima/lima_information.htm, Lima, Discover Peru, Available at <http://www.discover-peru.org/lima/>

Cusco**Key facts:**

Total GDP (region): EUR 19 billion

Real GDP growth (2019): -3.2%, Largely attributed to lower mining activity

Population: 428 000

Cusco is one of the most visited cities within Peru due largely to its proximity to one of the biggest tourist attractions both in Peru and the wider Latin American region, Machu Picchu. The city itself was designated as a UNESCO world heritage site in 1989 and the constitution of Peru formally recognises the city as the historical capital of Peru. The city retains much pre-Colombian and colonial building architecture which further incentivises tourists to visit the city.

Prior to the outbreak of COVID-19, tourism from Europe to Cusco was common. Cusco although not amongst the highest populated cities in Peru stands out as a key market for EU Agri goods due to the influx of tourism from Europe to the city to visit the many cultural sites located within its vicinity. Prior to COVID-19, Cusco received annually around 1.7 million tourists with the largest amount from Europe coming from Spain, France and Germany.

The city has evolved to cater to some of these tourist arrivals with Cusco being home to several Spanish and Italian restaurants. The city is also home to a small amount of Irish and English-themed bars which stock alcoholic beverages from these two countries and other European nations.

The city's inhabitants are well accustomed to the influx of tourism which forms a key sector of the local economy. As such, many hotels and outlets cater to the tourist trade in the city. The city is located within the Andes mountain range and the altitude of the city needs to be respected as altitude sickness is common for travellers arriving from abroad. Spanish is the main language spoken in Peru and thus in Cusco as well, however, English will commonly be spoken by individuals working in the city's tourism sector.

Sources: Cusco overview, Ecuador explorer, available at https://www.ecuadorexplorer.com/south_america/peru/cusco.html, Introduction in Cusco, Lonely Planet, available at <https://www.lonelyplanet.com/a/nar/3a57c102-b7d9-4ba9-88c5-f0c237bd8252/363399>

Arequipa



Key facts:

Total GDP (region): EUR 26 billion

Real GDP growth (2019): 3%

Population: 1 million

Arequipa is a city in the central coastal region of Peru. It is the second most populated city in Peru and also one of the most visited cities in the country. Arequipa is surrounded by three large volcanoes and has a large amount of Spanish and indigenous structures still within the city which lead to UNESCO declaring it a human heritage site. The city is an important economic transit hub for goods and services moving from Peru to neighbouring countries such as Chile and Bolivia and as such attracts many Peruvian businesses to set up their headquarters in the city. Mining is also key to the economy of the city with the industrial complex known as Parque industrial de Arequipa having amongst the largest concentration of industrial activity within Peru.

The city has a high concentration of indigenous citizens with Aymarans and Quechuas inhabiting the city in great numbers. Subsequently, it can be common to hear the respective languages of both these ethnic groups within the city of Arequipa, although Spanish remains the main language of the city and region. Due to the higher than average presence of indigenous citizens in Arequipa, the local cuisine is heavily influenced by these ethnic groups with foods such as *chuno* (freeze-dried potato) and *mashua* (edible tuber) being a common sight in the city.

There is also an influence of European foods within Arequipa with notable examples including *Rocoto Relleno* (Stuffed hot pepper), *Ocopa* (a local soup of Spanish influence) and *Chupe De Camarones* (Chowder). As the city is the third most visited within Peru, the influence of tourism has given rise to some outlets specialising in the distribution of European styled food and beverage products with examples being the presence of Italian and Spanish restaurants and a small number of Irish bars.

Sources: Ecuador Explorer, Arequipa Overview, available at

https://www.ecuadorexplorer.com/south_america/peru/arequipa.html Arequipa, Lonely Planet, available at

<https://www.lonelyplanet.com/peru/arequipa-and-canyon-country/arequipa>

The cities of Trujillo and Chiclayo



Key facts:

Total GDP (regions, combined): EUR 32 billion

Real GDP growth (2019): ~3%

Population: ~1.5million combined (Trujillo – 920 000, Chiclayo 550 000)

The cities of Trujillo and Chiclayo are located roughly 174 km away from each other and are the third and fourth-largest cities in Peru respectively. The cities are key economic centres and are the most important cities located in the north of Peru. These are both growing cities, likely to continue to attract visitors from abroad which extends to Europeans as companies and the tourist sector continue to grow in the city.

The city of Trujillo is known as a key cultural city within Peru and hosts a number of key cultural events such as the National Marinera Festival, the Trujillo spring festival and the Trujillo book festival. Trujillo also attracts a number of artists and musicians from across both Peru and other Latin American countries and has developed a reputation for being a home for individuals involved in cultural arts.

In 2010 Trujillo was chosen as the first Latin American city to develop a pilot to become a sustainable city. This resulted in several key construction projects and local initiatives aimed at developing Trujillo into a sustainable city. The development of Trujillo is now being used as an example for other Latin American cities seeking to become environmentally sustainable.

Trujillo is the most important economic centre in northern Peru and is home to several key commercial and agricultural activities. Increases in the use of irrigated agriculture resulted in the city expanding rapidly as individuals across Peru arrived to work in the growing sugarcane sector. Several shopping malls have opened in the city in recent years to cater to its growing population with Real Plaza, Open Plaza, Los Jardines and Mall Aventura plaza being amongst the largest.

Notable food and beverages consumed in Trujillo include *Chicha de Jora* (traditional drink), *Cecina* (thin slices of meat salted and dried in the sun) and *Ajiaco* (a stew with meat and potatoes). As the population

of Trujillo continues to grow it will become an ever-important economic core for the north of Peru. Tourism also continues to grow in the city which will result in the expansion of European style outlets.

The city of Chiclayo is the most important in the Lambayeque region of Peru. The city is located near the equator and is generally sunny throughout the year although due to a series of strong winds known as cyclones, the city's climate is largely subtropical.

The city is located near the northern Wari ruins which are an important cultural site within Peru and drive tourists to visit the city, although not to the extent of Cusco or Arequipa. The city was founded by Spanish missionaries and has expanded to become one of the largest in Northern Peru. The city is home to several universities and institutions of research which attracts students and researchers from across Peru and Latin America to the city.

The strategic location of Chiclayo makes it an important communications and commerce hub with the presence of supermarkets growing in the city to cater to its growing population. Notable foods from Chiclayo include *Arroz con Pato* (rice with duck), *Seco de Cabrito* (a stew made with goats meat) and *Chirimpico* (stew made with bird or goat liver).

Sources: Trujillo cuisine, GO2Peru, Available at https://www.go2peru.com/peru_guide/trujillo/trujillo_cuisine.htm, Trujillo travel guide, Insight guides, available at <https://www.insightguides.com/destinations/south-america/peru/north-coast/trujillo> Chiclayo cuisines, GO2Peru, available at https://www.go2peru.com/peru_guide/chiclayo/chiclayo_cuisine.htm, Chiclayo travel guide, GO2Peru, available at https://www.go2peru.com/chiclayo_travel_guide.htm

2.3 Domestic agricultural production and regions

The domestic production of agriculture in Peru is heavily influenced by both the various climates throughout the country and the presence of the ocean current (the Humbolt) which affects the climate in many regions. Currently, Peru is one of the world's five largest producers of avocado, blueberries, artichoke and asparagus. The country is also a large producer of coffee, potatoes, pineapples, grapes, sugarcane, rice, banana, maize and cassava (yucca). As shown by the aforementioned list of products, the agricultural sector of Peru is highly diversified due to the various climates of Peru. Due to the existence of various geographical features such as the arid coast, the presence of the Andes Mountains which divide the country in two and the difficulty of accessing the jungle region in the east of the country, Peru has a limited surface dedicated to agriculture. Peru can be divided into three separate agricultural regions. The coast is home to most of Peru's agriculture with production being focused in the valleys of rivers that flow into the Pacific. The Andes region predominantly produces potatoes with small amounts of onions and wheat also being grown. Coffee and cocoa are the main agricultural products produced in the country's eastern Amazon region.

The recently elected government has announced the implementation of what is being referred to as the "second agrarian reform of Peru". The announcement highlighted new measures from the government to help boost domestic production, with a particular emphasis being placed on helping small farms in the

country via providing subsidies and credit loans. Overall, early indications signal the reforms aim to modernise and industrialise many aspects of the Peruvian agricultural sector.

The second agrarian reform is based on nine key principles, as follows:

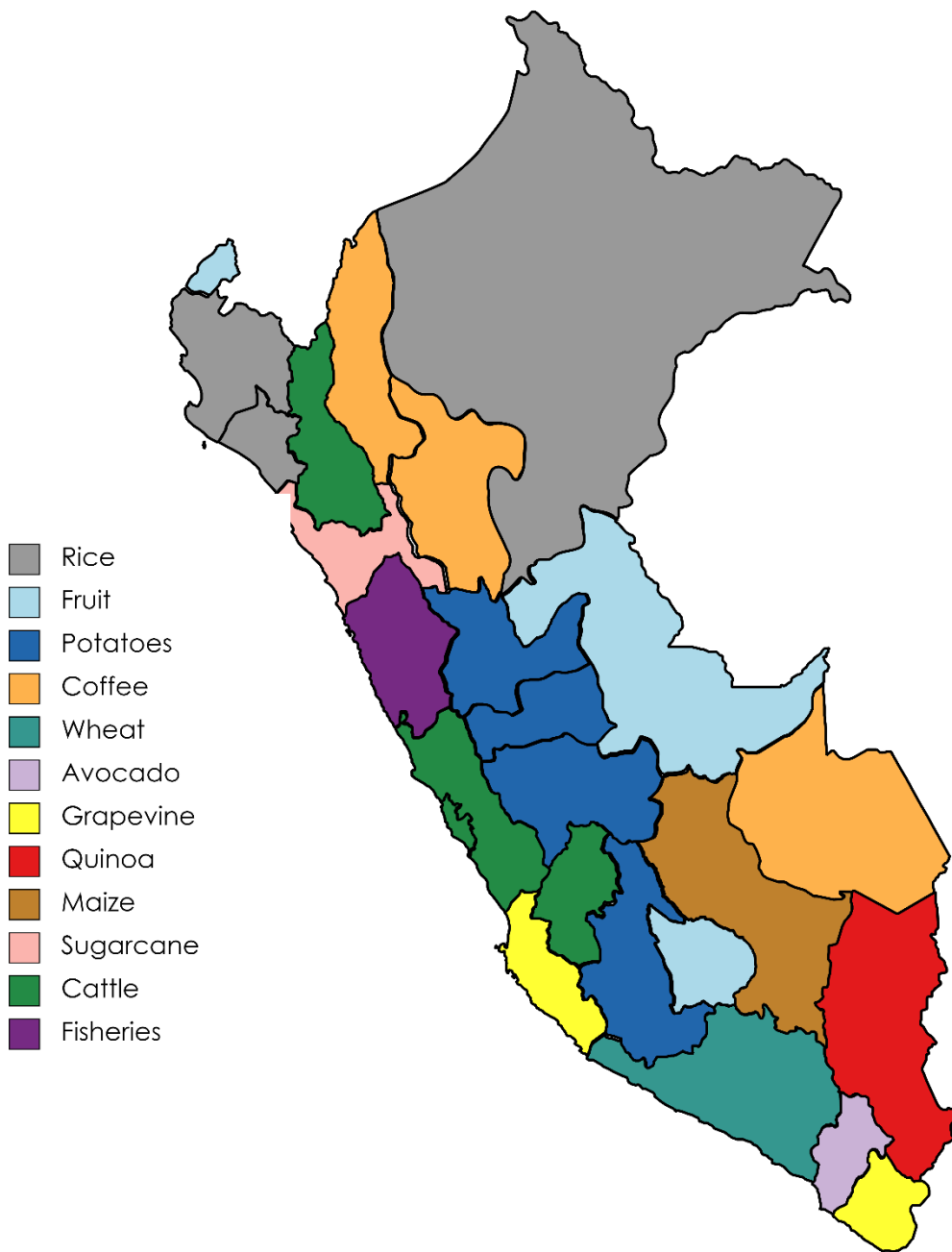
1. Achieving food security through sustainable and nutritious production from family farming.
2. Promotion of cooperatives for production and successful entry into the market.
3. The execution of hydraulic infrastructure projects, such as harvesting of water with micro reservoirs and modernisation of irrigation.
4. The implementation of the Civil Service of the Agrarian Sector (Secigra) that will aim to mobilise graduates of agrarian careers to provide technical assistance and training to peasant and native communities, cooperatives and producer associations.
5. The rural industrialisation of agriculture.
6. The promotion and operation of producer markets and state purchases from small farmers through various social programs
7. The development of the national livestock sector through effective support to livestock repopulation, pasture and genetic improvement, with the aim to achieve a greater production of meat, milk and other derivatives.
8. The promotion of intergovernmental, intersectoral and interregional coordination.
9. The provision and access to credit from an agricultural development bank serving mainly family farming.¹

While it is too early to analyse the impacts of the announced measures on the agricultural sector of Peru, this reform is a clear signal that the newly elected government has placed the domestic production of agricultural goods as a high priority.²

¹ Segunda Reforma Agraria , Gobierno de Peru , available at <https://www.gob.pe/institucion/midagri/campa%C3%B1as/6052-segunda-reforma-agraria>

² Midagri expresa su compromiso con el sector agario y la segunda reforma agraria , PERU 21 , available at <https://peru21.pe/peru/midagri-expresa-su-compromiso-con-el-sector-agrario-y-la-segunda-reforma-agraria-midagri-peru-sector-agrario-noticia/>

Figure 2-5: Agricultural products commonly associated with the regions of Peru



Source: Agra CEAS based on various sources; map created using Mapchart.com

3 Introduction to the food and beverage market and consumers

3.1 Overview of the food and beverage market and demand for imported products

3.1.1 F&B market summary

Peruvian importation of food is focused along its coasts due largely to two factors. Firstly, more than half of all Peruvians live within the vicinity of the coastal region of the country and the coast is home to the capital city of Lima which is the economic gateway into the country. The second factor is the large logistic challenge of sending food outside of the coastal region of Peru and into the mountainous and jungle regions of the country outside of some major urban centres such as Cusco. Peru is a large producer of a wide variety of agricultural foods, however, the unpredictable climate can at times lead to shortfalls in production which make the country import certain agricultural products such as maize, wheat, corn and soybeans. Maize and wheat imports are also typically processed into other goods such as pasta and bread.

As noted in section 2.3, agriculture in Peru is highly diversified due to the presence of multiple climates and geographic features scattered across the country. The coastal region is central to most of Peru's agricultural production capacity and cities within this region will have access to a large amount of domestic rice, potatoes, fruits and vegetables. Peru, however, has structural shortfalls in certain products such as beef as the country does not presently have a well-developed beef sector. The production of other meat such as pig meat and goat is largely focused around the region of Lima. Poultry accounts for half of Peru's livestock production with poultry farms being commonly located alongside the country's section of the Pan American highway, which runs from north to south. There is some Peruvian native livestock production of llamas, alpacas and guinea pigs.

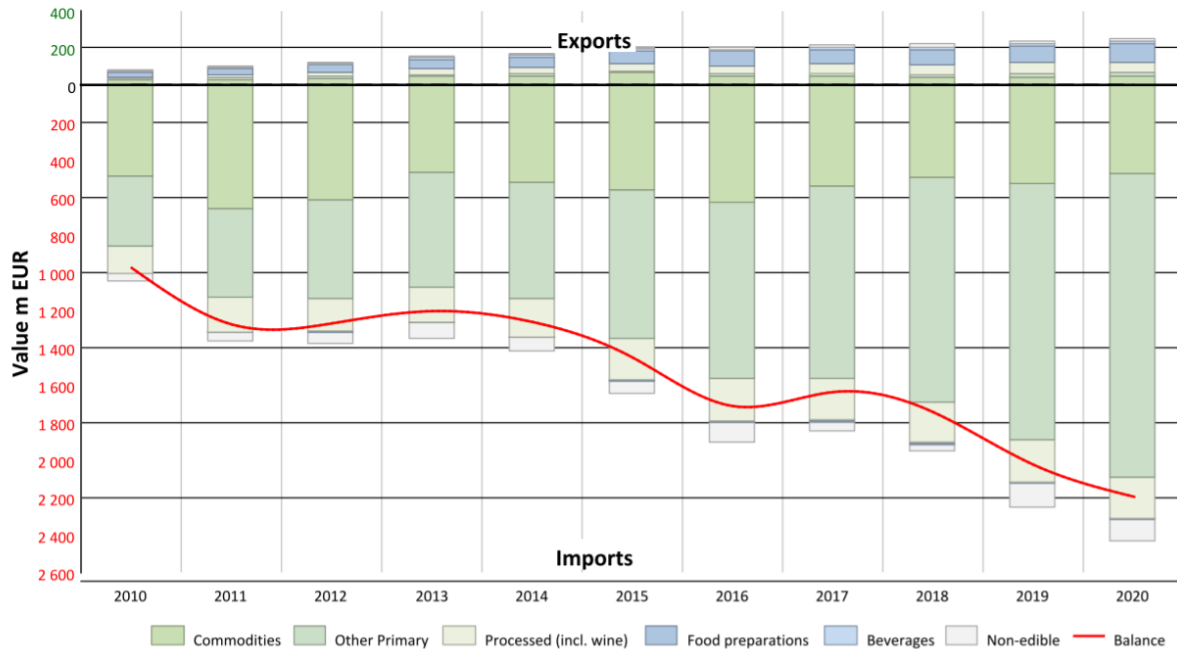
Despite Peru's proximity to large wine-producing countries such as Chile the domestic industry never developed substantially, with many farmers in Peru opting instead to focus on cotton production instead of vines for wine production. Other alcoholic beverages such as beer and spirits are highly monopolised with Backus having a 96% share of the beer market and spirits being focused on the production of Pisco.

3.1.2 International trade in F&B

As noted in the previous section, Peru produces a wide variety of agricultural goods. However, it continues to have shortfalls in certain products such as corn, wheat and soybeans which in turn need to be imported. Peru is also not a large producer of beef and dairy products which also results in the country needing to import these products. The exportation of agricultural goods to Peru from the EU is adversely impacted to an extent by certain factors including a lack of regionalisation recognition concerning sanitary and phytosanitary (SPS) measures and a discriminatory internal taxation regime for imported spirits. These and other trade barriers are explored more in section 4.3.3.

Overall, the EU imports far more from Peru in terms of agri-food products than it exports (see Figure 3-1). However, EU exports to Peru showed good resilience during the COVID-19 pandemic, with a 5.2% increase between 2019 and 2020.

Figure 3-1: Structure of EU-27 (i.e., exc. the UK) agri-food trade with Peru, 2010 to 2020



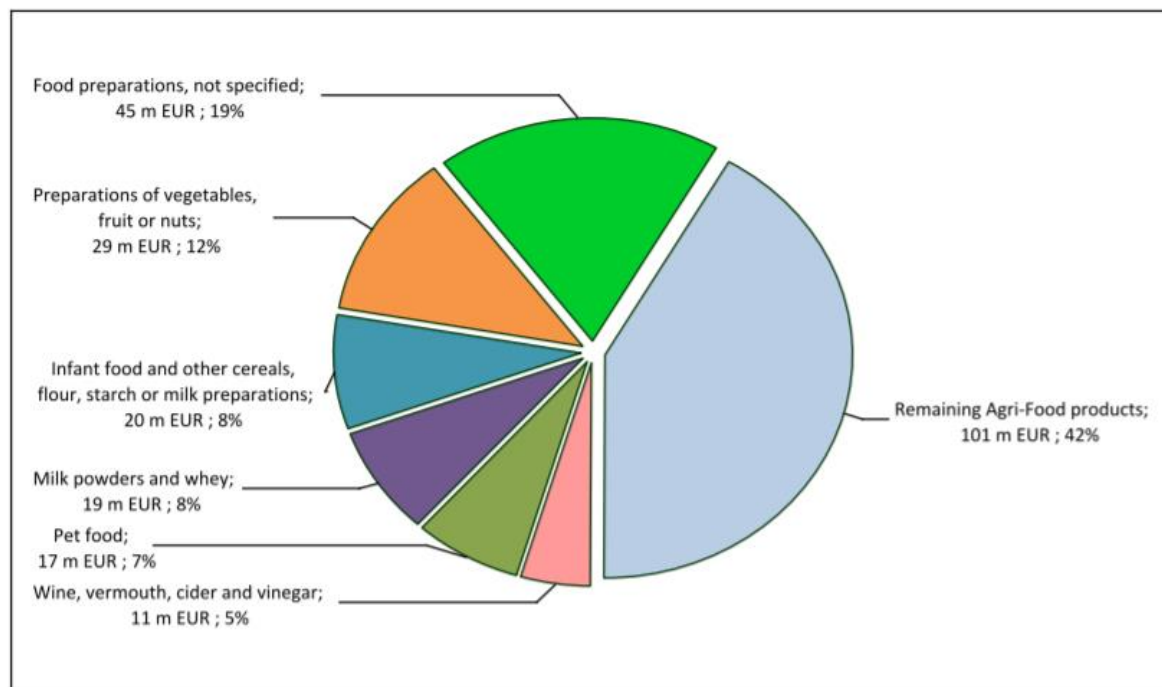
Source: European Commission: agri-food trade statistical factsheet, European Union – Peru. Based on Eurostat-COMEXT data.

The major exports from the EU to Peru in 2020 were, in terms of value:

- Food preparations – valued at EUR 45 million and accounting for 19% of total agri-food exports.
- Preparations of vegetables, fruits and nuts – valued at EUR 29 million and accounting for 12% of total agri-food exports.
- Infant food and other cereals – valued at EUR 20 million and accounting for 8% of total Agri-food exports.

Milk powders and whey exports were valued at EUR 19 million and accounted also for 8% of total agri-food exports. Pet food exports were valued at EUR 17 million and accounted for 7% of all exports. Wine, vermouth, cider and vinegar exports is a minor category at EUR 11 million which represents 5% of all exports.

Figure 3-2: Top EU-27 agri-food exports to Peru in 2020



Source: European Commission: agri-food trade statistical factsheet, European Union – Peru. Based on Eurostat-COMEXT data

3.1.3 The market for imported F&B

As noted in section 2.2, the market for imported food and beverage products in Peru is concentrated along the coast of the country where half the population lives, and certain urban centres located throughout the interior of the country such as Cusco. The ability to bring imported goods into the eastern Amazon region of the country is limited due to the isolation of the region and the logistical difficulties linked to the shipment of imported goods to the region, plus limited demand. As noted in the previous section, Peru has domestic shortfalls in the production of certain types of meat and dairy products which the country limits by importing these goods from abroad. Furthermore, the unpredictability of the climate of Peru in some of the country's agricultural heartlands mainly located between river valleys on the coast of the country can result at times in shortfalls in production which leads to the necessity to periodically import some foods.

3.2 Growth Drivers and Trends

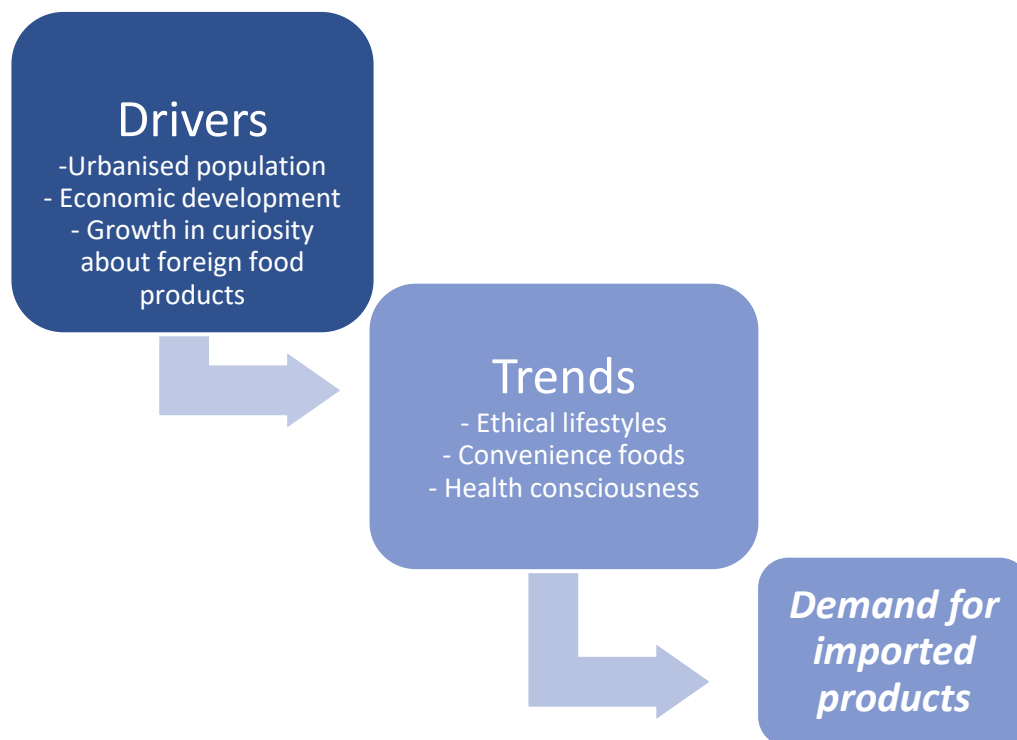
The key factors affecting the food and beverage market in Peru are:

- Urbanised population.** 78% of the population of Peru lives in urban centres in the country and this trend is continuing as the percentage of people who move from rural to urban centres in 2020 grew by 1.2% despite the outbreak of COVID-19. A large percentage of the population also lives along the coast of the country with the population becoming smaller towards the east of the country which will be largely the main gateway region for imported agri-food products. Much of

the 22% of the population that lives in rural areas are found within the Andes mountain range region and the eastern Amazonas region which are less likely to demand imported goods due to the logistical constraints of sending imported goods to these regions, as well as the lack of general interest in imported foods.

- **Economic development.** Prior to 2020 and the outbreak of COVID-19, Peru had sustained economic growth with the country's GDP growing year on year between 1990 and 2019 by an average of 4.5%. As a result, Peru is positioned as an upper-middle-income economy with a GDP per capita of EUR 5 897 - higher than neighbouring Ecuador and Bolivia but lower than Chile. This however does create room for demand for imported goods to increase as a growing percentage of the population has the financial capacity to afford imported goods. The rise of modern retail outlets in Peru such as Cencosud also enhances the ability of imported goods to be showcased to Peruvian consumers. Nonetheless, despite years of economic growth, there is still a large amount of the population living with very limited means; an estimated 20% of the population is still living below the poverty line.
- **Growth in curiosity about foreign food products.** Peruvians are increasingly curious about food and beverage products coming from abroad as explained by the growth of imported foods in recent years, particularly meat and dairy products. Increased access to the internet combined with a higher capacity in recent years to afford imported foods has helped to drive demand for imported food and beverages in Peru.

Figure 3-3: Growth drivers and trends – the Peruvian food and beverage market



Source: Agra CEAS based on European Commission agri-food factsheet; Euromonitor International, and various.

In terms of current trends, the following stand out:

- **Ethical lifestyles.** Since Peru is home to a large percentage of the Amazon rainforest combined with the country being at the forefront of climate change due to the presence of ocean currents such as the Humbolt and El Nino, Peruvian consumers tend to choose more sustainable diets. There is an increasing concern from Peruvian consumers to reduce their use of plastic packaging and to recycle which is increasingly becoming a common practice in the country. Due to this trend, goods that follow environmentally ethical production practices such as organic or bio-friendly products increasingly resonate with Peruvians.
- **Convenience foods.** While Peruvians are still quite traditional in their eating and cooking habits, the demand for convenience foods is rising due in part to a population that is continuously living within dense urban areas; plus, increased access to appliances that complement convenience foods (such as refrigerators). Younger consumers are at the forefront of this demand for convenience foods with many of them ordering their foods on smartphones which was not a common practice in Peru up until recent years. The older generation will generally treat the consumption and preparation of food with more reverence and will be less likely to jump on this convenience trend.
- **Health consciousness.** Peruvians, like many other nationalities in the region, are increasingly becoming more conscious about the food and beverages they are consuming. There has been a notable increase in demand for foods that are perceived as healthier variants of standard products such as processed fruit and vegetables without additional additives and sugar-free beverages. The rise in health consciousness is likely to continue as the population becomes ever more educated about the health benefits of consuming certain products, aided by the increase of internet usage in the country. Vegetarianism has also been rising in Peru which is also a side effect of the population demanding more ethical foods as previously mentioned above.

3.3 Consumer profiles and preferences

3.3.1.1 Consumer profiles

Consumer trends in Peru are heavily influenced by trends taking place in Lima which generally reverberate throughout the country. As already mentioned, this is due to Lima accounting for 30% of the population and being located in the centre of the most populous regions of Peru which leverages the city to act as a centre of cultural change in Peru. Despite improvements in recent years, Peruvian society continues to suffer from class division with as much as 27% of the population, i.e. nearly 9 million people, living below the poverty line. A large number of consumers living below the poverty line will be found in the country's eastern regions which has a much lower level of economic activity when compared to the coastal region of Peru. The coastal region, however, has also become home to a considerable number of consumers who live under the poverty line, due in part to a large migration of people from Peru's east to the coast in recent years which has led to overcrowding in some cities along the coast, including Lima. However, despite these challenges Peruvian GDP per capita is growing and the economic development of the country is likely to continue to grow quickly as the outbreak of COVID-19 begins to settle and the economy re-opens.

Due to a large segment of the population living under the poverty line, price sensitivity is a common trait amongst Peruvian consumers. Many consumers will expect products that cost above average to contain additional benefits concerning health and durability. It should be noted that Peru's population is also multicultural with many ethnicities having certain food consumption preferences. The largest ethnicities in Peru are the Mestizo (mixed) which account for 60% of the population followed by 25% Amerindian, 5% white, and 3.6% black. There is also a sizable Asian population in the country mainly located in urban areas. High-level consumption differences between these ethnic groups are further explained below.

Mestizo

Peru's Mestizo population is categorised as individuals with mixed native Peruvian and European ancestry (Largely Spanish). This group - the largest in Peru - is spread across the country. Many cultural and food consumption habits associated with Peru will be influenced by this ethnic group with foods such as *Ceviche* and *Lomo Saltado* being examples. Mestizo generally can come from any income class or location within Peru due in part to the population accounting for 60% of the total population. The largest religion within this ethnic group is Catholicism which slightly impacts the consumption habits of this group with regards to alcohol and some meats on special occasions such as Easter.

Indigenous Peruvians

The indigenous population of Peru accounts for just over 25% of the population and is largely made up of the two largest ethnic groups of Quechuas and Aymara. These groups are largely found throughout the country's harder to reach interiors such as the Andes mountain ranges and the eastern Amazon rainforest region. Important urban centres with a high percentage of Indigenous Peruvians include Iquitos, Nauta, Puerto Maldonado and Pucallpa. This population is more likely to consume products grown in the vicinity of their location with the Aymara population consuming a notable amount of potatoes, beans and fish while the Quechua ethnic group also consumes these products. The Quechua are noted for their consumption of Quinoa which is a staple of the Quechuan diet.

White Peruvians

The white population of Peru accounts for 5.9% of the population and are largely descendants of various European settlers who came from countries such as Spain, Italy and Germany. The northern cities of Trujillo, Chiclayo and Piura have the highest concentration of white Peruvians with Lima also being home to a smaller percentage. White Peruvians will likely (as is also the case in other countries in the Americas) feel an association with the country of their ancestry and will seek foods from these countries. A disproportionately high amount of Italian restaurants in Trujillo and Chiclayo are examples of this.

Black/Afro-Peruvians

Afro-Peruvians accounts for 3.6% of the population and are largely concentrated within the southern coastal cities of Peru such as Canete, Chincha, Ica, Nazca and Ari. Afro-Peruvians have influenced many dances and musical traditions of Peruvian society and notable foods largely associated with the Afro-

Peruvian diet ethnicity include *Sopa Seca* (Dried Soup) and *Carapulca* (A stew made up of potatoes, pork, wine and Peruvian peppers known as Aji).

Looking beyond the income, geographical and ethnic considerations set out above, categories of the consumer which stand out more broadly are:

Ethical adventurous consumers. This consumer group pays a high level of attention to sustainability as well as to social responsibility. In addition to this, the consumer group is both very open to trying new products (particularly those which fit with their values) and tend to engage with brands. They will tend to be focused on quality products at an attractive price and are more likely to spend time researching a product than buying it on the spur of the moment, in line with their more cautious and longer-term outlook. They tend to be young to middle-aged, often with children, and with mixed levels of income from low-mid to mid-high income.

On-trend impulsive consumers. This consumer group is more likely to purchase products spontaneously. They value trends, unique/tailored products and engage with brands. The perception of having found a bargain – a quality product at a low price is a strong motivator for this consumer group. While the consumer group is strongly motivated by trends and brands, they do nonetheless pay a high level of attention to ethical issues. They are more likely to be interested in products that offer convenience. They tend to be slightly younger than average, be urban-based and have a mid-level income.

Traditional consumers. Consumers from this group are less likely to be motivated by trends or images. They are less open to trying new products and more likely to focus on value for money products. Consumers of this group are likely to remain loyal to products/brands that they have concluded offer very good price/quality rapport and/or brands that they consider making their shopping experience straightforward. Price is often a key criterion for their purchases. Consumers of this group are, on average likely to be older and while many are urban-based, there is also a notable rural contingent.

3.3.2 Cultural Sensitivities and Other Considerations

Peru is a highly diverse country with many different communities and cultures. Peru is influenced by many cultural sensitivities also found in neighbouring Latin American countries. In general, Peruvians are proud of their country's independence and unique geography which is home to some of the most visited tourist attractions in the world. Peruvians are often still quite conservative in many aspects of life and will appreciate the respect of this.

3.3.3 Ethnicity and religion

As previously mentioned, Peru is a multicultural society with multiple ethnicities being spread out throughout the country. While the majority will understand and converse in Spanish, within the interior of the country the presence of indigenous languages, culture and lifestyle practises becomes more apparent as these regions were less impacted by the colonisation era of Peru's history which should be

respected. Peruvians are predominantly Christian with only a small percentage of 5% of the population identifying as atheists. This leads to an increase in demand for food and beverages to be gifted around Christian holidays such as Easter and Christmas.

3.3.4 Days of celebration

The most important days in Peru are outlined below:

- New Year's Day – 1 January
- Maundy Tuesday – March/April
- Good Friday – March/April
- Labour Day – 1 May
- St Peter and St Pauls Day – 29 June
- Independence Day – 28 July
- St Rose of Lima Day – 30 August
- Battle of Angamos Day – 8 October
- All Saints Day – 1 November
- Immaculate Conception Day – 8 December
- Christmas Day – 25 December

The major holidays of Peru are influenced by its majority Christian population with some of the larger celebrations in Peru being Christmas. The independence of the country followed by key events such as the Battle of Anagamos is also celebrated in Peru.

3.3.5 Sports

Soccer is the most popular sport in Peru and the sport is played throughout the country. Support of the Peruvian national team is common throughout the country with a notable example being the celebration of Peru's qualification for the 2018 World Cup which was so ecstatic it caused earthquake alarms to trigger throughout the country. Volleyball is also popular in Peru alongside basketball, hiking and surfing. The domestic sport of Paleta Fronton is a wall racket sport that is played through Peru and some other Latin American countries. Sports in the country generally brings consumers together which encourages the consumption of foods that can be shared. The consumption of beer products also generally goes up too around important sporting events as Peruvians gather to celebrate sporting achievements in a social manner.

3.3.6 Important cultural symbols

Peruvians are proud of their countries independence and natural beauty which is home to some of the world's most-visited sites such as Macchu Pichu. National symbols of Peru which are commonly used to represent what is unique about the nation include:

Incan Iconography: Much of Peru was at one point a part of the wider Incan empire and symbols associated with the Incan empire is still viewed as important national cultural symbols in Peru. Many products in Peru will feature this iconography on their packaging.



Natural fauna and flora: Peru is home to a wide variety of fauna and flora species which is a great source of national pride for Peruvians. Notable natural fauna and flora species associated with Peru include Cantulope (National flower) and the Llama (domestic animal commonly associated with the mountain regions of Peru) and Vicuna the unofficial national animal of the country shown on the countries coat of arms (See right).



Cultural heritage sites: Peru is home to various cultural heritage sites reflecting the countries position as the heartland of the Incan empire and the isolation of Peru's Andes mountain range which allowed for the large-scale construction of the project before the arrival of the Spanish such as Macchu Picchu (See right) and the city of Cuzco. Peru has a total of 12 UNESCO heritage sites which is higher than neighbouring Colombia and Ecuador.



4 Market access and entry

This section provides details on the necessary requirements for entry into the Peruvian market, outlining existing market access restrictions and explaining procedures. A summary of market access and entry is presented in section 4.1, in the form of a SWOT analysis.

4.1 Summary SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ The population is highly urbanised and major centres are focused along the coast of the country, providing identifiable target markets. ▪ FTA between Peru / Colombia / Ecuador and the EU provides protection to over 100 Geographical Indications (GIs) and offers zero tariffs or tariff-rate quotas (TRQs) on the majority of agri-food products. ▪ E-commerce has quickly emerged as a new channel for many products over the last three years and will likely continue to increase in popularity. ▪ EU products are generally considered of higher quality. 	<ul style="list-style-type: none"> ▪ Peru’s market is generally small with a population of 33 million and more importantly has limited average purchasing power. ▪ Current agri-food exports from the EU to Peru are very low, and Peru has a large agri-food trade surplus with the EU. ▪ Lack of regionalisation recognition for MS affected by certain animal diseases holds back large-scale exportation of meat, despite growing demand in Peru. ▪ Distribution relies on smaller, traditional retailers to a high extent, providing a fragmented distribution landscape for exporters to tackle.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Structural shortfalls in Peru in various categories such as meat and dairy require these products to be imported. ▪ Rising Peruvian income and expanding knowledge of EU products creates an emerging and growing market for EU exporters; particularly in categories that benefit strongly from such trends such as pet food. ▪ Furthermore, the population is young with future ageing expected, potentially providing longer-term opportunities to capture consumers. ▪ The return of tourism from Europe and the general re-opening of the Peruvian economy will have a positive impact on demand for EU products in Peru. 	<ul style="list-style-type: none"> ▪ Peru has free trade agreements with other larger markets such as the US, Canada and Mexico plus various South American countries with production similar to that of the EU. ▪ Production of dairy and wine (two key EU exports to the country) has expanded in recent years. EU products do however benefit from generally being considered of higher quality. ▪ Spirits are impacted by unequal taxation which provides the domestic spirit pisco with a strong price advantage over other spirits. ▪ While legislation is generally quite clear and accessible, certain aspects such as the recent label warning requirements and lack of clear publication of some standards may prove challenging.

<ul style="list-style-type: none"> ▪ Peruvian consumers are quite strongly focused on ethics, sustainability and health consciousness, providing opportunities for products that can meet these criteria. 	
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4.2 Food and beverage legislation and regulations

4.2.1 Import requirements/restrictions, customs procedures and documentation

The general documentation requirements for shipments to Peru are set out in Table 4-1. A summary of specific requirements by food and beverage type covered in this handbook is set out in Table 4-2, with further explanations regarding some of the general registrations/notifications required for food products provided thereafter. As a general rule, documents on the exporter side can be in English, but those on the importer side must be in Spanish.

Table 4-1: General requirements for goods exported to Peru (including F&B)

Name	Description	To be prepared by	Language
Air Waybill	A document containing the details of the transportation of products by air and proving the transport contract between the consignor and the carrier's company. One air waybill may be used for the multiple transshipments of products.	Carrier (or his agent)	EN
Bill of Lading	A document containing the details of the international transportation of products by sea.	Carrier (or his agent)	EN
Loading Manifest	A document notifying the authorities of the arrival of a vessel/an aircraft and summarising the goods loaded therein.	Freight forwarder (or his agent)	ES
Single Taxpayers' Register (RUC)	A document confirming that the importer has been entered into the Single Taxpayers' Register (RUC).	Importer	ES
Insurance Certificate	Document proves that a contract for the insurance of the goods has been signed. Required for customs clearance if shipment is insured.	Exporter	EN
Business Registration of a Legal Person	Required by importer to confirm that the business entities have been entered into the Register of Legal Persons.	Importer	ES
Commercial Invoice; Pro Forma Invoice	A document containing the details of the transaction. Original and one copy to be submitted. There are requirements on minimum content for customs clearance though these are fairly standard invoice requirements. Pro forma invoice may be required by importer or authorities in some cases.	Exporter	EN or ES
Customs Import Declaration	Official form for customs clearance. Required if FOB value exceeds USD 2 000.	Importer	ES

Name	Description	To be prepared by	Language
Declaration of Customs Value	A document containing information for the assessment of the dutiable value of a shipment. Required if FOB value exceeds USD 2 000.	Importer	ES
Determination of Import Duties	A document determining the amount of customs duties and taxes payable.	Importer	ES
Packing List	A document containing the details of the shipment and serving as a basis for the treatment of goods by customs.	Exporter	EN or ES
Proof of Origin / Certificate of Non-Preferential Origin	<p>Proof of origin is a document confirming the preferential origin of the goods to be imported. Only required if claiming preferential treatment under a trade agreement.</p> <p>Certificate of non-preferential origin is a document confirming the non-preferential origin of the goods to be imported. While not always necessary, it may be requested by customs or the importer if there are doubts about the origin.</p>	Exporter	EN

Source: European Commission Access2Market

Name and description	Fresh meat	F&V	Dairy	Alcohol (spirits,	Olive oil	Confectionery	Ice cream	Biscuits / cereal bars	Processed F&V	Pasta	Baked goods	Baby food
Veterinary Health Certificate for Animal Products. Issued by authorities of the country of export, translation into English or Spanish highly recommended.	X		X									
Authorisation to Import Endangered Species and Products. Permits the import of certain wildlife products, notably those subject to CITES.	?											
Export Notification for Goods Coming Under the Rotterdam Convention. Document notifying the designated national authority of the importing country of the import of goods which fall under Rotterdam convention.	?	?										
Phytosanitary Certificate. Issued by authorities of the country of export, translation into Spanish may be requested.		X							?			
Permit to Import Plant and Plant Products. A document permitting the actual importation of plants and plant products. Applied for from Peruvian Ministry of Agriculture. Valid for a single shipment.		X							?			
Registration of Importers of Plants and Plant Products Subject to Quarantine. A document confirming that importers of plants and plant products subject to quarantine are registered with the Peruvian National Service for Agricultural Health.		X	?						?			
Pest Risk Analysis. For new plants and plant products – a document certifying that a pest risk analysis (PRA) has been carried out.		?							?			

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Name and description	Fresh meat	F&V	Dairy	Alcohol (spirits,	Olive oil	Confectionery	Ice cream	Biscuits / cereal bars	Processed F&V	Pasta	Baked goods	Baby food
Prohibited Imports. Certain goods may be subject to a general import prohibition. This can be checked with the customs administration (Superintendencia Nacional de Aduanas y Administración Tributaria - SUNAT), Avenida Garcilazo de la Vega 1472, PE-Lima 1, phone numbers: +51 1 315330, 4690058.	?			? <i>some</i> <i>2208</i>								

Source: Agra CEAS based on Access2Market

X = required for category; ? = only required for category in specific cases, consult Access2Market for more details

Petfood is excluded as requirements are substantially different given their non-food status. Details are provided in the product snapshots.

As can be seen from the table above (Sanitary Registration of Foodstuffs and Beverages), most imported food and beverage products need to be registered with the General Environmental Health Directorate (DIGESA). This registration should be applied for, in Spanish, by the importer. It can be submitted online via the electronic system VUCE (www.vuce.gob.pe).

Alongside the completed application form, various pieces of information are typically required for the registration including physical/chemical microbiological tests; ingredients lists; labelling information; and certificate of free sale in the country of origin. A processing fee is payable (PEN 390 at the time of writing). Normally processing takes seven days and the registration is subsequently valid for five years.

As a result of this process, a product sanitary registration number will be issued for the product or group of products. This is typically nine alphanumeric characters long and includes the type of product, country of origin and year of issue.

4.2.2 Food safety and other food certification requirements

The key bodies responsible for food safety legislation in Peru are:

- **Dirección General de Salud Ambiental (DIGESA)** – the directorate-general for environmental health, which is part of the Peruvian Ministry of Health is responsible for most legislation pertaining to processed/packaged food and beverages.
- **Servicio Nacional de Sanidad y Calidad Agroalimentaria (SENASA)** – the national service for agri-food quality and hygiene is part of the Peruvian Ministry of Agriculture. It is responsible for sanitary and phytosanitary legislation. SENASA comprises different offices including ones dedicated to animal health and plant health.

Other bodies are involved in food safety legislation to a limited extent. Most notably, other parts of the Ministry of Health and Ministry of Agriculture have roles in some areas – for example, organic production for the Ministry of Agriculture. There is a separate body (SANIPES) responsible for the sanitary condition of seafood products (a category outside the scope of this handbook).

Finally, the **Comisión Multisectorial Permanente de Inocuidad Alimentaria (COMPIAL)** – or the multisectoral food safety commission – brings together the ministries of health and agriculture, and oversees the coordination of relevant laws at the different levels of government.

Key food safety laws are set out in Table 4-3 below.

Table 4-3: key food safety laws in Peru

Law	Main areas covered
General Health Law No 26842 (20 th July 1997) Link: https://www.gob.pe/institucion/minsa/normas-legales/256661-26842	Legal framework for health more broadly; food and drinks covered in chapter V.
Food safety law, Decree 1062 (28 th June 2008) https://www.senasa.gob.pe/senasa/descargasarchivos/2015/07/DL-1062-Ley-de-Inocuidad-de-los-alimentos.pdf	The legal framework for food safety, setting out the obligations and rights of parties, control, functions.
Supreme Decree 007-98-SA https://www.gob.pe/institucion/minsa/normas-legales/256394-007-98-sa	Introduces measures to implement provisions of the General Health Law relating to food and drinks through regulating the control of these products. Food quality and safety standards for manufacturers based on HACCP are outlined. Most notably, title VIII introduces the register of food and beverage products sold in Peru.
Legislative Decree No 1290 (28 th December 2016) https://busquedas.elperuano.pe/normaslegales/decreto-legislativo-que-fortalece-la-inocuidad-de-los-alimen-decreto-legislativo-n-1290-1468465-5/	Introduces measures to help guarantee food safety, including the need for importers of products to obtain a sanitary authorisation.
Law on the Promotion of a Healthy Diet No 30021 (17 th May 2013) http://www.leyes.congreso.gob.pe/Documentos/Leyes/30021.pdf	Aims to reduce health-related problems. Introduces the requirement for warning labels. Subsequent legislation was introduced to implement this.

Key obligations to comply with stemming from the laws above are:

- Imported agricultural products must be accompanied by a certificate issued by the authorities of the country of export (captured in Table 4-2 above).
- Food and beverage products sold in the country must be registered first (captured in Table 4-2 above).
- Importers of food products need a sanitary authorisation (captured in Table 4-2 above).
- Certain products must bear warning labels (see labelling section below).

Food additives

Title VII, Supreme Decree 007-98-SA introduces provisions on food additives. In brief, additives which are listed in the CODEX general standard for food additives are permitted; those not listed are not. It is possible to consult the database of CODEX food additives at the following link: <http://www.fao.org/fao-who-codexalimentarius/codex-texts/dbs/gsf/en/>

Pesticides and other contaminants

Maximum Residue Levels (MRLs) for pesticides are established by the Ministerial Resolution No 1006-2016, with MRLs by crop listed in the annexe. The resolution can be found at the following link: https://cdn.www.gob.pe/uploads/document/file/192686/191407_RM-N1006-2016-MINSA.pdf20180904-20266-f9oqn5.pdf .

Technical standards

Technical standards (Normas Técnicas Peruanas - NTPs) exist for some products. These may include definitions of products and in some cases labelling requirements. A list of key technical standards in force in 2021 can be found in the document at the link below. The document contains standards for all products areas; those relating to food are listed on pages 4 to 6.

<https://cdn.www.gob.pe/uploads/document/file/1687251/PLANTILLA%20DE%20NORMAS%20OBLIGATORIAS%202021%20-%20inc%20salud.pdf.pdf>

The *Instituto Nacional de Calidad* (INACAL) also has a searchable database of NTPs, this can be found here:

<https://www.inacal.gob.pe/cid/categoria/catalogo-bibliografico>

However, this database unfortunately does not, as a general rule, subsequently link to the text of the standard itself, meaning that subsequent searches may be required in order to find the text of the standard itself (if it is indeed online). It is recommended to consult with partners/importers to confirm if there are any standards for the exported product in question to be aware of, given that several standards only apply to domestic production.

4.2.3 Labelling Requirements

Labelling requirements for packaged food are set out by the Technical Standard (Norma Técnica Peruana) NTP 209.038.2009 and legislative decree 1304. A link to the standard can be found here: http://www.sanipes.gob.pe/documentos/5_NTP209.038-2009AlimentosEnvasados-Etiquetado.pdf and a link to the decree here: <https://busquedas.elperuano.pe/normaslegales/decreto-legislativo-que-aprueba-la-ley-de-etiquetado-y-verif-decreto-legislativo-n-1304-1468963-4/>

In summary, packaged food must bear labels, in Spanish, containing the following information:

- Name of the product.
- Sanitary registration number (the number provided at the time of product registration – see previous section)
- Manufacturer’s name and address.
- Importer’s name, address, phone, and taxpayer identification (RUC). This may be provided on a separate label.
- Ingredient list.
- Food additive list.
- Instructions for use.
- Expiration Date as stipulated by Codex or the applicable Peruvian sanitary standard (note: alcoholic drinks with over 10% alcohol by volume are exempt from this requirement).
- Production lot code.
- Any special storage requirements.
- Net weight or volume of the content.
- Country of origin.

Labelling requirements for alcoholic drinks are set out three pieces of legislation: the supreme decree 20-90-ICTIIND; the law no 28681; and the supreme decree no 012-2009-SA that approves the law.

The first supreme decree, alongside the standard NTP 210:027 and Industrial Manufactured Products Labelling Law No. 28405, covers the information that all **alcoholic drinks** must bear. While neither law nor the standard is available online, alcoholic drinks should bear: alcohol content in percent in addition to the information mentioned above such as content, importer name (as well as its single taxpayer registry number), etc.

The law and second decree cover more broadly the commercialisation, consumption and advertising of alcoholic drinks. According to these pieces of legislation, alcoholic drink labels must bear a warning label: "TOMAR BEBIDAS ALCOHOLICAS EN EXCESO ES DAÑINO" (excessive consumption of alcohol is damaging to the health). At least 10% of the label and of the packaging must be designated to this phrase. If it is not incorporated on the label it must be stuck on using a separate sticky label. It should be noted that there has been further discussion on extending the wording and size of this label to include the phrase "CONducir EN ESTADO DE EBriedad ES DELITO" (driving while in a drunken state is a crime) or "SI HAS INGERIDO BEBIDAS ALCOHOLICAS POR ENCIMA DEL LIMITE LEGAL, NO MANEJES PORQUE ES DELITO" (if you have ingested alcoholic drinks above the legal limit, do not drive because it is a crime); and for the two phrases (i.e. the health warning and one driving warning) to occupy 20% of the label and packaging. Indications are that this requirement (which had been drafted as a proposal to amend law 28681) has not yet been approved and implemented, but it is recommended that exporters of alcoholic drinks keep an eye on the situation.

Labelling guide

A guide to labelling is printed by the *Instituto Nacional de Defensa de la Competencia y de la Protección de la Propiedad Intelectual* (INDECOPI). As well as general labelling requirements it contains links to product-specific standards that are relevant for the labelling of certain products. This guide can be found, in Spanish, at:

https://www.indecopi.gob.pe/documents/51783/2254804/guia_informativa_etiquetado2018.pdf/e295639e-8ff4-5292-12e7-15c986a47b91

In addition to this, certain products must bear warning labels. This requirement for warning labels stems from the Law on the Promotion of a Healthy Diet. The implementation of this requirement is set out in Supreme Decree 012-2018-SA ("the manual"), approved June 2018 with subsequent amendments by Supreme Decree 015-2019-SA and Supreme Decree 021-2020-SA. Different periods were provided for the implementation of the labelling requirements depending on the content. Table 4-4 sets out the technical parameters requiring labelling and the period from the approval of the manual within which labelling must be implemented.

Table 4-4: technical parameters for warning labels

Nutrient / Food	Level (to be implemented 6 months from the approval of warning manual)	Level (to be implemented 39 months from the approval of warning manual)
Sodium in solid food	>= 800mg / 100g	>= 400mg / 100g
Sodium in drinks	>= 100mg / 100ml	>= 100mg / 100ml
Total sugar in solid foods	>= 22.5g / 100g	>= 10g / 100g
Total sugar in drinks	>= 6g / 100ml	>= 5g / 100ml
Saturated fat in solid foods	>= 6g / 100g	>= 4g / 100g
Saturated fat in drinks	>= 3g / 100ml	>= 3g / 100ml
Trans fats	According to the technical standard in force	

Food surpassing the thresholds above must contain warning labels in link with the image below, with images in the colours red, black and white:



In effect this means that products surpassing the thresholds for fat, sugar or sodium contain the indication “HIGH IN” <nutrient> and “AVOID EXCESSIVE CONSUMPTION”; while processed foods with trans fats according to the technical standard in force must include the indication “CONTAINS TRANSFATS” and “AVOID CONSUMPTION”. If more than one warning is on the label, it must be displayed in the order shown above.

The size of the label depends on the package size, with the sizes as set out in Supreme Decree 012-2018-SA shown in Table 4-5 below. While initially a separate sticker was accepted, there has been an increasing push by Peruvian authorities for the health warning label to be incorporated into the main (permanent) label on a product. This is seen as going against provisions of the EU-Colombia/Peru/ Ecuador FTA on the ability to use non-permanent labels for certain pieces of information, and discussions between the EU and Peru on this topic remain ongoing.

Table 4-5: warning label size

Package front side size	Size of warning label
Up to 50cm ²	3cm wide, 3cm high; inside the package
50 to 100cm ²	2 x 2cm
100 to 200cm ²	2.5 x 2.5cm
Over 200cm ²	3 x 3cm

Packaging requirements are set out in Supreme Decree 007-98-SA (Title VIII). In short, packaging must not contain substances that can affect the safety of the food; and packaging must maintain the food's quality and composition. As a result, there is a list of substances that should not be present in packaging at levels above the maximum permissible levels set by the Ministry of Health. This list, which is extensive, contains various metals (most notably heavy metals) and residual monomers. Packages made from recycled paper, cardboard or plastic other than PET accredited by certain laboratories are not permitted.

Organic accreditation

SENASA is responsible for registering and approving entities for organic production. Supreme Decree 044-2006-AG sets out the technical regulations for production and stipulates that foreign products must comply with the provisions of this regulation in order to be considered organic. This includes certification by an authorised entity of the National Registry of Organic Production Accreditation Entities (NROPA). Importers may request organic accreditation on the basis of existing accreditation in the country of origin of a product. In order to do so the manufacturer in the country of origin will need to provide the importer with all documentation relating to the organic status in the country of origin. SENASA will then examine this and decide whether or not to validate the organic status. There is no equivalency agreement for organic products between the EU and Peru at present.

4.2.4 Protection of intellectual property rights, including geographical Indications (GIs)

IPR protection framework

The *Instituto Nacional de Defensa de la Competencia y de la Protección de la Propiedad Intelectual* (INDECOPI) is responsible for intellectual property law including trademark registration. A decision was taken at the level of the Andean Community on a common regime for intellectual/industrial property. This decision, number 486, can be found at the following link: <https://www.wipo.int/edocs/lexdocs/laws/es/can/can012es.pdf>

Trademark protection lasts for ten years and is renewable. The application is to be completed online (<https://servicio.indecopi.gob.pe/registroSolicitudes/index.seam?jsession=DSD>) and a fee of PEN 534.99 (approx. EUR 110) is payable if the trademark is being registered in one class (registration in further classes incurs an additional fee). Note that an account must be set up in order to complete the registration process.

Geographical Indications

Legislation relating to Geographical Indications (GIs) / Designations of Origin (DOs) in Peru has evolved in recent years, partly driven by an increase in the number of domestic DOs – currently around 10. In

September 2018, Legislative Decree No 1397 was published. This decree provided further complementary provisions to Decision 486 of the Commission of the Andean Community on Industrial Property Law. Most importantly, it introduced Geographical Indications (GI) and Traditional Specialities Guaranteed (TSG) as elements that constitute industrial property (the Andean Community provisions did not foresee these). The decree can be found here in Spanish: <https://busquedas.elperuano.pe/normaslegales/decreto-legislativo-que-modifica-el-decreto-legislativo-1075-decreto-legislativo-n-1397-1688907-2/>

Nonetheless, despite the 2018 change in law to recognise GIs, the mechanisms of protection remain unchanged. More specifically, DOs / GIs have to be protected through subsets of trademark registrations, namely:

- Certification marks (see <https://www.gob.pe/337-registrar-una-marca-registrar-marca-de-certificacion> for more information)
- Collective marks (see <https://www.gob.pe/336-registrar-una-marca-registrar-marca-colectiva> for more information)

The processes for these are similar to those for trademark registration (see above).

In addition to protection through the systems above, a number of GIs are protected under the EU-Colombia/Peru/Ecuador Trade agreement. More specifically, there are 33 agricultural and foodstuff products as well as 82

alcoholic beverages recognised as GIs under the FTA. The full list of products registered as GIs in Peru under the agreement is listed in section 9. Examples include:

- **Alcoholic beverages:** Irish whisky, Asti wine, Ouzo, Polska Wódka, Vinho Verde, Bordeaux wine, Rioja wine, Münchener Bier.
- **Dairy:** Idiazábal, Roquefort, Feta, Parmigiano Reggiano.
- **Olive oil:** Priego de Córdoba, Huile d'olive de Haute-Provence.

It should be noted that around ten of the GIs on these lists have not yet been protected as either the terms were seen by Peru as being generic, or the name was already registered as a trademark. The GIs affected by these issues mainly come from Spain and Italy. Discussions on these pending issues are ongoing.

IPR challenges in Peru

Considerable progress has been made in Peru in the protection of IPR over recent years; most notably in the area of GIs where several usurpations of EU GIs were stopped. Nonetheless, it should be noted that alcoholic beverages (more specifically spirits) may still face some challenge. Most commonly, these challenges relate to smuggling from neighbouring countries with lower tax rates (e.g. Bolivia); though some counterfeiting has also been reported.

4.2.5 Relevant authorities for IPR and GI protection and further contacts

General IP, including trademarks, GIs and DOs

Instituto Nacional de Defensa de la Competencia y de la Protección de la Propiedad Intelectual
(INDECOPI)

Av. Carlos Izaguirre 988
Los Olivos, Provincia de Lima, Lima -
Peru

☎ (+51) 2247800 (ext 3507)

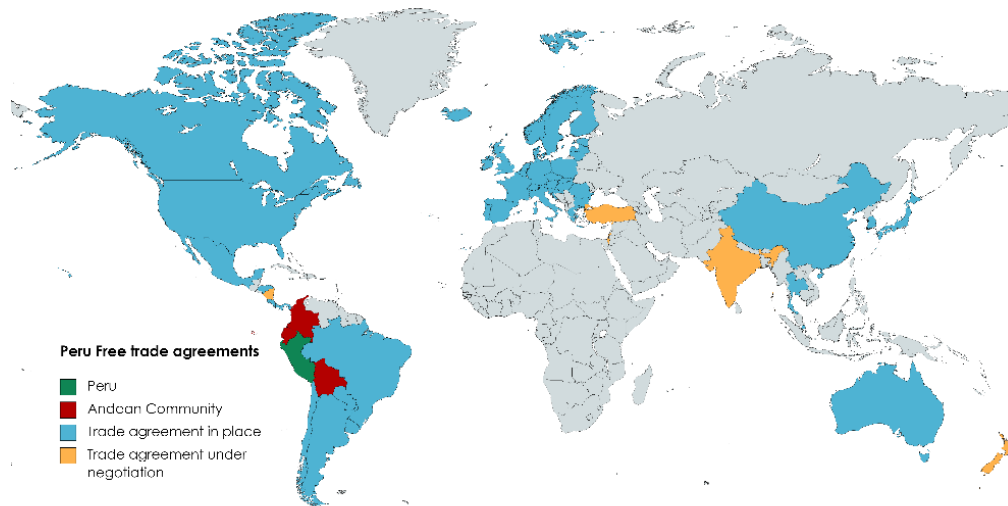
✉ consultas@indecopi.gob.pe / iln-reclamos@indecopi.gob.pe

💻 <https://www.gob.pe/indecopi>

4.3 International trade

Peru is well integrated with the global economy due to a number of free trade agreements in place. The principal trading bloc that Peru is a member of is the Andean community; it is a free trade area that also includes neighbouring Bolivia, Colombia and Ecuador. In 2020, total trade between the Andean Community and the EU came to a value of EUR 21 billion. Peru's population distribution further encourages international trade as the majority of its population lives along the coast which facilitates the demand for goods imported from abroad as many ports of entry in Peru are located near the largest urban centres of the country.

Figure 4-1: Peru's trade agreements with third countries/regions



Source: Agra CEAS

4.3.1 Key trade agreements, present, and future

Peru has a number of FTAs and bilateral agreements with third countries; these are outlined in Table 4-6.

Table 4-6: Chronological list of Peru trade/economic agreements with third countries/regions

Partners	Type of agreement	Entry into force
United States	Free Trade Agreement	2009
Chile	Free Trade Agreement	2009
Canada	Free Trade Agreement	2009
China	Free Trade Agreement	2010
EFTA	Free Trade Agreement	2011
Korea	Free Trade Agreement	2011
Mexico	Free Trade Agreement	2012
Panama	Free Trade Agreement	2012
European Union	Comprehensive Trade Agreement	2012
Costa Rica	Free Trade Agreement	2013
Honduras	Free Trade Agreement	2017
Comprehensive and progressive agreement for trans-pacific partnership (Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, Peru, New Zealand, Singapore and Vietnam)	Free Trade Area	Signed in 2018, Yet to be ratified by Peru, will enter into force 60 days after ratification.
United Kingdom	Comprehensive Trade Agreement	2020
Australia	Free Trade Agreement	2020

Source: Agra CEAS based on http://www.sice.oas.org/ctyindex/per/peragreements_e.asp

As Peru's economy continues to grow coupled with demand for Peruvian raw minerals increasing it is likely the country will continue to seek out new agreements with current negotiations including:

- Peru – Israel FTA
- Peru- New Zealand FTA
- Peru – Nicaragua FTA
- Peru- Turkey FTA
- Peru- India FTA

4.3.2 EU Peru FTA history and current status

The European Union signed a Comprehensive Trade Agreement in 2012 with Peru and Colombia and in 2017 (Ecuador also adhered to the agreement). The trade agreement includes commitments to open the markets of the parties for goods, services and investment. The agreement also contains a chapter on IPR, as well as a mediation system for trade disputes. In 2019, The EU accounted for 14% of Peruvian trade making it the country's third-biggest international trading partner.

4.3.3 WTO disputes and other trade barriers

Despite the existence of a comprehensive trade agreement with the EU, there remain several key trade barriers for agri-food products. These include:

- **Health warning system labelling.** Products marketed in Peru need to print warnings on packaged foodstuffs in the country. Peru had allowed the use of removable health warning stickers up until 31 March 2022. This labelling requirement was covered in detail in section 4.2.3.
- **Lack of regionalisation recognition and countrywide bans by Peru.** Peru implements bans on pig meat imports from countries that have had outbreaks of African swine fever (ASF). Currently, the following member states are banned from exporting pig meat to Peru: *Belgium, Bulgaria, Czech Republic (Despite the Czech Republic reporting full freedom from ASF), Slovakia, Estonia, Greece, Germany, Hungary, Italy, Latvia, Lithuania and Romania*. The EU and Peru are continuing discussions in relation to resolving this matter.
- **Internal taxation of spirits.** Spirits other than Pisco are subject to an unequal internal taxation regime in Peru. The Peruvian ministry of economy adjusted the methodology used to calculate selective consumption tax (ISC) in early 2020. The specific tax on liquors with 20% or more alcohol, other than pisco, has been readjusted at EUR 0.76 per litre. The tax on Pisco stands at 0.48 per litre, giving the product a competitive advantage.³
- **Peru implementation of FTA provisions.** Peru has unclear, slow and cumbersome procedures in the implementation of FTA provisions. Improvements have been made in relation to dairy, particularly regarding harmonized certificates. However, meat remains heavily impacted (e.g. the FTA contains provisions for regionalisation and pre-listing but these are not being adhered to). There are also provisions regarding the use of stickers on food products imported from the EU; these are not being adhered to in the context of the health warning label. The reports of the SPS committee for the FTA contains more details on the challenges faced. These can be found here: https://circabc.europa.eu/ui/group/09242a36-a438-40fd-a7af-fe32e36cbd0e/library/8fe9ff21-e3c9-4d73-af03-693f2930df24?p=1&n=10&sort=modified_DESC
- **Ban on imports of live bovines, bovine products and derivatives.** Peru implements a ban on Bovine Spongiform Encephalopathy (BSE) of several products such as live bovine animals, bovine products, and by-products. Concentrated meat containing meat/blood/bone meal, bovine meat and mammalian offal meal or food additives that contain ruminant proteins for feed animal use from the countries concerned and with different status of negligible risks, are also banned. The following member states are impacted by this ban: *Austria, Belgium, Czech Republic, Denmark, France,*

³ Gobierno elevó ISC a cervezas, cigarrillos, pisco y otras bebidas alcohólicas, Canal N, available at <https://canaln.pe/actualidad/gobierno-eleva-isc-cervezas-cigarrillos-pisco-y-otras-bebidas-alcoholicas-n430480>

Germany, Ireland, Sweden, Poland, Portugal, Netherlands, Luxembourg, Italy, Finland, Spain, Greece, Slovakia and Slovenia.

Further information, as well as an up to date list of trade barriers, can be found here:

[Access2Markets Barriers results page \(europa. EU\)](#)

4.3.4 Summary of key trade barriers

Trade barriers involving the exportation of certain meats present themselves as the biggest Agri focused trade barriers. The lack of regionalisation recognition and the cumbersome amount of time it generally takes for the Peruvian authorities to update the EU on their stance with regards to banning or approving imports of meats from the EU is a significant challenge. Discriminatory taxation practises with regards to spirits also is a key barrier.

4.4 Operating in the Peruvian food and beverage market

4.4.1 Logistical services and transportation infrastructure

The logistic infrastructure of Peru is focused mainly on the country's population core, which is located along the coast of the country with a notable divide existing between the populous western portion of the country and the sparsely populated east of the country. The divide is further enhanced by the presence of the Andes mountain range which splits Peru in two, both in terms of population and also infrastructure.

Shipping

Callao is the most important port within Peru due to its vicinity to Lima and thus being part of the largest urban centre in Peru, and also due to the port's central location along the Peruvian coast. The port handles roughly 70% of all loading and discharging of cargo in Peru (2.68 million TEUs of cargo in total in 2019 for Peru as a whole).⁴ Shipping is vital to the economy of Peru with roughly 90% of Peruvian exports passing through maritime freight.⁵

⁴ Volume of container cargo handled in the ports of Peru 2012-2019, Available at: <https://www.statista.com/statistics/735058/container-port-cargo-volume-peru/>

⁵ Peru's top five major ports, Icontainers, Available at <https://www.icontainers.com/us/2020/01/31/top-5-ports-peru/>

Figure 4-1 Main ports in Peru



Source: Agra CEAS

Air freight

The Jorge Chavez Airport in Lima is the country's busiest airport, both in regard to passenger traffic and also cargo traffic. This is because the airport is located within the economic and population core of Peru. The Rodriguez Ballon Airport of Arequipa is the country's second busiest airport and facilitates traffic in the southeast of the country. Coronel FAP Francisco Secada Vignetta Airport in Iquitos is a key piece of infrastructure in the east of Peru and acts as a bridge between this isolated region and the main eastern economic area of Peru, both in terms of population movement and cargo movement. In February 2020, prior to the outbreak of COVID-19, Peruvian airports handled around 18 000 metric tonnes of cargo per year.⁶

⁶ International air cargo and mail traffic in Peru from January 2019 – February 2020. Available at: <https://www.statista.com/statistics/1105994/international-air-cargo-traffic-monthly-peru/>

Figure 4-2: Major International cargo airports in Peru

Source: Agra CEAS based on various

Rail freight

Rail freight in Peru is limited due to the lack of a unified nationwide railway system. Railways in Peru have historically been difficult to establish because of the problematic terrain of Peru. This explains largely why the railway network of the country is divided today. The central railway was known as the Ferrocarril Central del Peru. It is the second-highest railway in the world and connects Lima with the cities of La Oroya and Huancayo. The second railway known as the Ferrocarriles del Sur del Peru connects the cities of Cusco, Arequipa, Puno and Matarani and is a major line used by tourists travelling to Machu Picchu. Both of these lines remain divided and the flow of cargo goods on these lines principally concerns raw materials such as copper and iron. The use of rail to transport agri-food products is rather uncommon.

Figure 4-3: Peru's railway network



Road Freight

Road freight is increasing in Peru as the country has made large strides in paving all its national roads and the expansion of its road network towards the east of the country. The pan American highway runs directly through the centre of Peru and crosses through the city of Lima. The Pan American highway helps to facilitate the movement of goods and services between Peru and its neighbours. The movement of goods via road traffic is key for some isolated cities within Peru such as Iquitos. The road network continues to expand eastwards, which is key for the economic integration and cohesion of the Peruvian economy.

4.4.2 Distribution

4.4.2.1 Retail channel overview

Although supermarkets and hypermarkets have expanded their presence within Peru in recent years, the largest and most important retail channel remains traditional grocery retailers, which continue to account for the majority of sales of key agri-food products such as spirits, beer and dairy. The capital city of Lima is the centre of e-commerce activity in Peru and much of the growth in usage of e-commerce is taking place in the city.

Looking at major channels in more detail:

Supermarkets and Hypermarkets

The largest players in the Peruvian supermarket and hypermarket sector are Tottus, Supermercados Peruanos and CENCOSUD. All of these compete for a broad range of consumer groups in Peru through a combination of low-price strategies and special offers. Tottus, a Chilean chain, and Supermercados Peruanos both started their operations in Lima before expanding into other urban centres in the country. CENCOSUD is also a Chilean chain and is one of the largest chains in Latin America. In 2019, there were 403 Supermercados Peruanos stores, 74 CENCOSUD stores and 73 Tottus stores in Peru.⁷

Traditional grocery retailers or “tiendas”

Tiendas, which incorporate the traditional retail distribution network, remain the most common distribution channel in Peru despite the rise of supermarkets and more recently e-commerce in the country. In many regions outside of Lima and other urban centres, tiendas are the most common and in some cases the only distribution channel available to consumers. Consumers generally prefer to purchase fresh produce in traditional grocery outlets, with products such as fruit and vegetables being commonly sold through these stores. While the market share of the traditional grocery stores remains solid for the majority of agri-food products, modern grocery retailers are expanding their presence in Peru and slowly gaining an ever-bigger share of the market at the expense of traditional grocery retailers.

E-Commerce:

E-commerce is a relatively new distribution channel in Peru and has been accelerated by the outbreak of COVID-19 with Peru having some of the strictest lockdown measures in Latin America. Much of the e-commerce activity in Peru is centralised within the city of Lima due to the city being home to 30% of the Peruvian population which makes e-commerce more viable than in other sparsely populated regions of the country. Some of the larger e-commerce platforms for food and beverages in Peru include Wong (CENCOSUD), Planticos and Ripley. It has been forecasted that the overall e-commerce market (i.e. for all products, not just food and drink) could reach a value of EUR 11 billion by the end of 2022 in Peru, with food and beverage accounting for a growing share of this.⁸

Hotels, restaurants, and cafés:

Particularly within the younger generation of Peruvians, eating out is becoming more common. Within the capital city of Lima, hotels, restaurants and cafes are increasingly common sights on the streets of the city as the services sector continues to expand. The largest domestic restaurant chains within Peru include Bambos and Pasquale Hnos, although most restaurants in the country will operate as independent sole traders. The presence of US fast-food chains in Peru is growing with some of the larger ones including McDonald's and KFC (Kentucky Fried Chicken). Outside of large urban centres, traditional home cooking remains largely preferred over eating out.

⁷ Major Supermarket chains in Peru in 2019, by number of stores. Available at:

<https://www.statista.com/statistics/873206/peru-cities-major-supermarket-chains-number-of-stores/>

⁸ Peru country commercial guide, Ecommerce, US International trade administration. Available at:

<https://www.trade.gov/knowledge-product/peru-ecommerce>

4.4.2.2 Intermediaries

As was seen in section 4.4.2.1 and will be seen in the product snapshots, the **distribution landscape** is quite fragmented with the importance of traditional retailers meaning that no single operator has a particularly large share of the overall grocery market. Against this background it is much more common to work with an importer than directly with a retailer such as a supermarket chain which will anyhow source imported food products from importers, distributors and wholesalers. While direct co-operation e.g. with a supermarket chain is possible, it tends to be a longer term venture which requires a significant investment as well as a certain level of market knowledge.

Furthermore, the same larger intermediaries tend to be active in the **food service** market as those which are in the retail market, meaning that a correctly-chosen intermediary can provide access to both markets. Nonetheless, the specificities of the market must be borne in mind; most notably that food service is likely to expect much larger pack sizes than retail. The only exception to this “source from intermediary” rule is that of international franchises (e.g. large fast food chains) which may source ingredients directly from abroad. Overall, the food service market is quite attractive due to the combination of high end hotels (in which imported products make up a notable part of products on offer) and high end restaurants, which are estimated to absorb around 1/5th of all imported agri-food products.

Finally with regard to channels, it should also be noted that some intermediaries / distributors have developed their **own e-commerce stores** recently as a result of the increase on e-commerce during the pandemic. In doing so they are effectively cutting out retailers and selling straight to consumers.

Against the background of a fragmented distribution landscape, a notable challenge when first entering the market is that of **raising consumer awareness**. Typically it may be necessary to foresee a marketing budget to support the local partner with these activities.

Minimum order quantities, though not fixed across all partners, are fairly commonly those set out below on a bi-weekly or monthly basis (frequency depending on the partner):

MOQ by sector	Local importer
Meat	1 20ft container for all meat products
Fresh fruits and vegetables	3-4 pallets ⁹
Dairy	Depending on the type of cheese, 1-2 pallets
Wine	Depending on exporter-importer relations, on average, 50 cases of 12 - 750ml bottles
Spirits	Depending on exporter-importer relations, on average, 30-40 cases of 12 bottles
Beer	400-500 cartons (24 cans each) of 330/350ml
Chocolates and confectionary	1 20 ft container
Olive Oil	1 20 ft container 1 pallet (when it's first time, to test)

⁹ The standard size of pallets used in Peru is 1.20 x 1.00 meters.

General tips for working with intermediaries and entering the market include:

- Knowing the market and the Peruvian consumer is important. Therefore, it is advisable to conduct studies to test aspects that allow the identification of optimal points in terms of price, packaging, flavour, and consumption habits.
- It is necessary to have local representation to promote and disseminate the brand in distribution channels, which is key to success in the local market.
- Promotion of products on social media pages such as Instagram, Facebook, and YouTube - the most used in Peru – can be effective. These channels are not only used to publish content but also to answer queries and resolve consumer complaints.
- Offers and discounts can have a significant impact on consumers. They will be more likely to try new and unknown brands in the market if the brands have discounts or offers that stand out.
- High-end consumers, who usually prefer imported products, place a high value on innovation when choosing goods. They like new packaging, flavours, and sizes, which are different from the common products available in the market; and so offering such innovation may help attract these consumers.
- It is important to remember that there are bureaucratic barriers to the import of product for the first time. Therefore, it is necessary to consider that the management of permits and registration of trademarks can take from 3 to 6 months.
- It is important to bear in mind the labelling requirement for packaged processed products to indicate on their packaging if they have high levels of sugar, sodium, saturated or trans fats (see section 4.2.3). It is expected that from March 2022, it will become mandatory for this to be printed on the same packaging of the products.
- Consider e-commerce as a sales channel that can attract customers. Most notably there is currently a greater willingness in Lima and major cities to purchase by this means. While this can be done alone through the use of delivery applications such as *Rappi* and *Pedidos Ya*, it is also advisable to gain a broader consumer base to work with retailers such as *Falabella*, *Ripley*, *Real Plaza* and *Linio* – all of which have widely known digital marketplaces.
- The various points above on market entry and product positioning are particularly important for European products given the strong competition from products from other countries on the American continent; many of which are already well-known in Peru.

Business Contact Database:

A database of importers, wholesalers, retailers and distributors can be found in [section 8.5](#)

N.B. due diligence will have to be performed for any contacts on this database as no warranty is given as to the standing of these individuals, organisations or firms and no corresponding responsibility or liability is accepted by the authors.

Other useful links for importers and partners

There are a limited number of importers of food and beverage products in Peru, and the main relevant ones have been identified in the contact database. Nonetheless, further resources which may prove useful with partner identification or information on partners listed in the database include:

- Association of Importers (AIP): <https://asociaciondeimportadores.com/>
- Association of Importers of Refrigerated Food Products (ASIPAR): <https://asipar.org.pe/nuestros-socios/>
- The Peruvian Ministry of Production (Produce) list of alcoholic beverage marketeers: <https://www.produce.gob.pe/index.php/shortcode/servicios-mype-e-industria/bebidas-alcoholicas>
- The Lima Chamber of Commerce (CCL), which includes a guild for importers of wine, spirits and other beverages: <https://www.camaralima.org.pe/wp-admin/admin-ajax.php?action=vexsoluciones-detalle-gremio&guid=41e2cf09-3c9b-e311-9dcf-80c16e7c0ff0>

4.4.3 Business environment

Peru ranked in the 2020 ‘Ease of Doing Business Index’ as the world’s 46th easiest country to conduct business in, which is ahead of many other Latin American countries, including Brazil but still behind Colombia. Lima is the main economic hub of the country and is perceived as the easiest city in Peru to do business in, due in part to its large population, central location and the city hosting the headquarters of some of Peru’s and Latin America’s largest financial institutions. Chiclayo was ranked as the most difficult city to do business in due to lengthy times to obtain licenses and regulation enforcement. Outside of Peru’s main urban centres it can be difficult to carry out extensive business activity in the agri-food sector too, due to much of Peru being sparsely populated and rural Peruvians being generally accustomed to local consumption patterns and less impacted by the wider influence of foreign foods entering the Peruvian market; imported foods are largely found only in major urban centres.¹⁰

4.4.4 Key operational considerations and challenges: summary

Operating in the Peruvian food and beverage market comes with several key operational challenges in the space of regulation and the reality of business life in Peru. Peru’s economic core is along the coast of the country and this is reflected not only in the population distribution but also in the fractured development of the country. As a result, operating within the central and eastern regions of the country can be difficult due to a generally low population with limited economic means and an underdeveloped road network. The rail network of the country remains split in two, which limits the ability to send cargo throughout the country. Peruvian businesses are generally open to international co-operation as an international investment is often viewed as a key driver of economic development within the country. A certain amount of trust and the development of interpersonal relationships between exporters and distributors will be expected before a large-scale business activity is carried out in Peru.

¹⁰ Doing business in Peru 2020 Overview, Subnational doing business, available at: https://www.doingbusiness.org/content/dam/doingBusiness/media/Subnational-Reports/DB2020_Peru_Overview

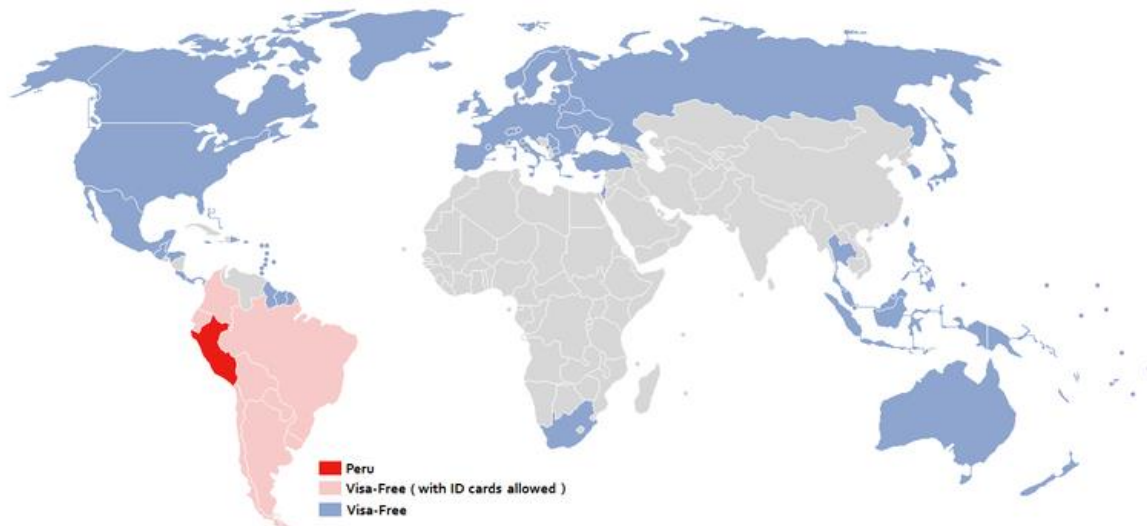
4.4.5 Other relevant information

4.4.5.1 Methods of payment in Peru

The national currency of Peru is the Peruvian Sol (PEN), which is used for most day-to-day transactions in the country. All major credit cards such as VISA, Mastercard and American Express will be accepted by most major retailers in Peru, however, smaller traditional retailers will still generally prefer cash. The US dollar is also widely accepted throughout Peru and is also the currency of its neighbour Ecuador, which encourages the usage of the US dollar along the border of Peru and Ecuador. The cost of a product or service when paying in USD is generally higher but not significantly. Peruvians will expect that all US dollar bills are in good condition and tenders checking bills during a transaction are common. While tipping in Peru is not generally included in the bill in restaurants, it is respected and, in some cases, expected amongst tourists in the country. Tipping generally is done in cash, however, an increasing amount of restaurants also accept tips via credit cards.¹¹

4.4.5.2 Travel from the EU to Peru

Due to tourism being an important and growing sector for the economy of Peru, the country generally has a relaxed visa policy for visitors from the EU. All EU citizens can enter the country visa-free for up to 183 days for tourism purposes. The largest number of visitors from the EU come from Spain (147 000 visitors in 2019) followed by France (96 000 visitors in 2019).



¹¹ Adios Adventure Travel, How to handle money when travelling in Peru, Available at: <https://www.adiosadventuretravel.com/blog/2015/11/how-to-handle-money-while-traveling-in-peru/>

5 Market Snapshots for Selected Products

This section provides specific information for various food and beverage products. This information covers three main categories:

- 1 **Consumption:** data on the evolution of consumption; consumer profiles and any notable consumer trends.
- 2 **Offer:** domestic production; imports and exports; the competitive landscape; relevant specific customs procedures/import considerations.
- 3 **Distribution:** main distribution channels used; domestic and imported offer.

Furthermore, each category contains a SWOT analysis and a key takeaways message.

<u>Fresh meat</u>	<u>Fresh Fruit & Vegetables</u>	<u>Dairy</u>
<u>Wine</u>	<u>Spirits</u>	<u>Olive oil</u>
<u>Chocolate & Confectionery</u>	<u>Beer</u>	<u>Pet Food</u>
<u>Ice cream</u>	<u>Prepared baby food</u>	<u>Processed fruit and vegetables</u>
<u>Pasta</u>	<u>Baked goods</u>	<u>Biscuits & cereal bars</u>

5.1 Fresh meat

5.1.1 SWOT analysis

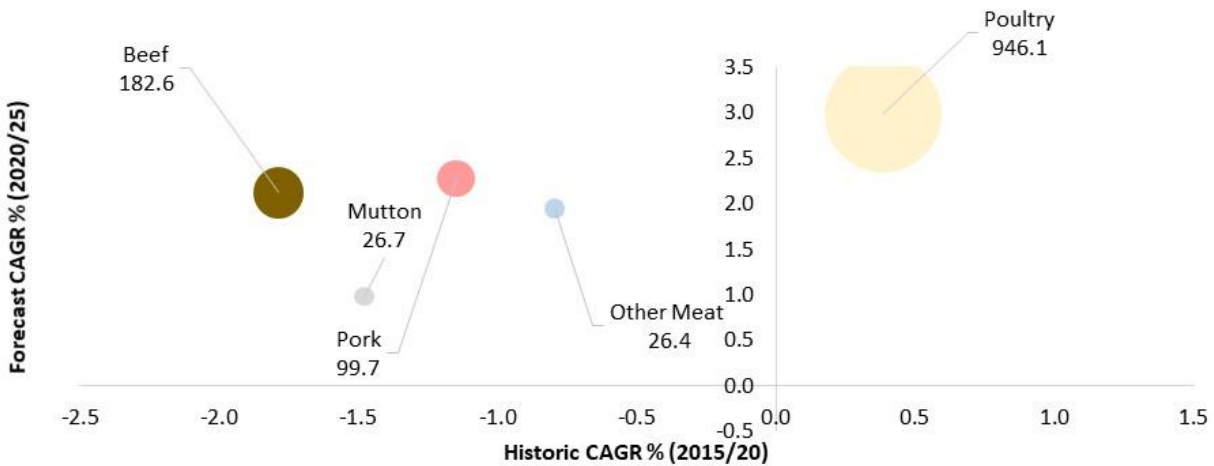
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Demand for meats not largely produced in Peru such as pig meat is growing. ▪ Peruvian incomes continue to rise as the country continues to develop, which is creating a new scope for consumers to purchase imported meats. 	<ul style="list-style-type: none"> ▪ A number of bans on EU member states exporting fresh meat in relation to outbreaks of African swine fever (ASF) and Bovine Spongiform Encephalopathy (BSE) exist. ▪ The EU is not a large producer of certain popular meats in Peru, such as llama and alpaca meats.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ The Peruvian government is actively promoting the consumption of fresh meat to raise the per capita consumption rate. ▪ Peru's internal infrastructure system is improving, which allows distributors to send imported meats to more urban centres within the interior of the country creating a new market. 	<ul style="list-style-type: none"> ▪ The proximity of other large fresh meat producers, such as Brazil and the US to Peru. ▪ Domestic production, despite being relatively small, is growing and largely meets domestic demand (>90% self-sufficiency).

5.1.2 Consumption

5.1.2.1 Evolution of consumption

As shown below in Figure-5-1, poultry is the most popular fresh meat product by volume in Peru with 949 000 tonnes consumed in 2020. The product has been growing slowly in recent years in the Peruvian market with a CAGR between 2015 and 2020 of 0.3%. However, this growth is forecast to accelerate to a CAGR of 3% between 2021 and 2025 which also makes poultry the fastest-growing fresh meat product in Peru. Beef is the second largest fresh meat product in Peru and has a total volume of 182 000 tonnes, which is significantly smaller than poultry. Beef declined by a CAGR of -1.8% between 2015 and 2020. However, the product is expected to grow by a CAGR of 2.1% between 2021 and 2025. Pork has a total volume tonne of almost half that of beef with a total of 99 000. The product declined between 2015 and 2020 by a CAGR of -1.8%, it is, however, expected to grow by a CAGR of 2.3% between 2021 and 2025 which makes pork the second-fastest-growing fresh meat product between 2021 and 2025. Mutton and other meats have a far smaller total volume of tonnes in the Peruvian market with mutton having 26 000 tonnes and the other meat category also having 26 000 tonnes. Both products are expected to grow by a CAGR of 1% between 2021 and 2025 which results in both products remaining quite small in the Peruvian market.

Figure-5-1: Evolution and forecast of fresh meat market (000 tonnes) in Peru, 2015-2025; total volume



Source: Euromonitor International: Fresh Food, 2021.

5.1.2.2 Consumer profile and purchase criteria

Consumers

Peru has a wide variety of different foods that reflect both the ethnic group relative to the location of the country and the country's climate which results in different agricultural practises as well as consumption habits. This is reflected through fresh meat by the different availabilities of fresh meat products throughout the country. Urban centres such as Lima and other centres along the coast are more likely to have access to poultry because poultry production is a key agricultural activity in the region. Mountainous regions and cities such as Cusco will likely have other meats available such as alpaca and llama which is influenced by common cultural practises in the Andean mountain range. Currently, consumers of beef and pork are likely to come from the middle and higher-income classes

Across all fresh meat product categories, there is an expected growth in consumption which is aided by the modernisation of production practices in the country, combined with a growing economy that will allow consumers to purchase more expensive fresh meats such as beef and pork.¹² Poultry will remain the most popular fresh meat product of consumers for a number of reasons, such as the suitability of the product in urban centres which the Peruvian population is increasingly living in, and the cheaper costs of poultry which appeals to cost-conscious consumers. These factors help to explain why Peru has the largest per capita consumer of chicken meat in Latin America at around 47 kg Guinea pig consumption is commonly associated with Peruvian fresh meat consumption as the product can be farmed relatively cheaply and provides a key source of fresh meat for many lower-income Peruvians

¹² OECD Library, meat consumption, available at: https://www.oecd-ilibrary.org/agriculture-and-food/meat-consumption/indicator/english_fa290fd0-en

Drivers and method of consumption

Traditional meals act as a key driver of consumption with many of Peru's staple dishes incorporating fresh meat of some variety with notable examples being *Cuy Frito* (one of Peru's oldest dishes which incorporates guinea pig meat), *Seco de cabrito* (a dish which includes goat meat, particularly popular along the coastal regions of the country) and *Escabeche de Pollo* (a dish which includes browned chicken pieces covered in pickling sauce).¹³ Peruvians can consume fresh meats throughout any meal of the day as consumption is not generally reserved for dinner. As is common in Latin America, BBQs are a popular practice in Peru and will include fresh meats such as pork and beef. BBQs are both a social practice in the country and also a feature of celebration for certain events such as watching the national football team. Peru is home to a wide number of unique culinary dishes which has helped to develop a local community of enthusiasts who seek out culinary events such as food fairs and festivals. The rise in food festivals showcasing fresh meat in Peru has acted as a driver of fresh meat consumption – higher end meat in particular - with culinary enthusiasts being notable consumers. Other key drivers of fresh meat consumption also include rising incomes in the country which is making fresh meat products such as pork and beef more affordable for consumers. As already noted, these products are both expected to grow in consumption in Peru between 2021 and 2025, however, poultry will remain by far the most popular fresh meat product in the country.

Purchase criteria

A key reason behind the popularity of poultry in Peru comes from the cheaper cost of the product compared to other fresh meat products. This suggests that Peruvian consumers continue to view the costs of fresh meat as a key criterion in the purchasing decision. Peru is a middle-income economy, and many consumers lack the ability to spend a significant amount of money on more expensive meats such as beef and pork. In many Andean cities, it will be expected that traditional meats such as llama and alpaca will be available as consumers in this region will have a cultural affinity to these products. Taste is a key criterion for Peruvian consumers; particularly consumers of beef and pork who will generally expect high quality cuts of these meats due to their higher costs compared to poultry; itself a result of lower domestic production of pork and beef leading to a large part of these products being imported.

5.1.2.3 Recent market trends

Peruvian meat consumption with the exception of poultry remains lower than in other nations in the region, which impacts producers' incentives to expand their production capacity of meats such as pork and beef. Peru does not have an considerable modern beef production system and so cannot fully satisfy the growing demand for high-quality beef. Moreover, since domestically produced beef tends to be lower quality, middle-upper- and upper-income groups prefer to buy imported beef products. This has been acknowledged by the Peruvian government and a number of initiatives have been implemented in recent years with the aim to boost meat consumption. Peruvian Chicharon Day is celebrated every third Saturday

¹³ Most popular Peruvian meat dishes, taste atlas, available at: <https://www.tasteatlas.com/most-popular-meat-dishes-in-peru>

of June and its aim is to increase awareness and consumption of pork products in the country.¹⁴ Pig week has also emerged in recent years as a key initiative aimed to boost consumption of pork with the week taking place from 15-25 April. Peruvian governmental officials have commented about the need to further promote the consumption of fresh meats in the country and a number of financial incentives have been handed out to producers in recent years to boost production. As stated previously, all fresh meat products are expected to grow in consumption between 2021 and 2025 aided by the active promotion of the government and rising incomes, which make fresh meat products more affordable to Peruvian consumers in relative terms.

Fresh meat on retailers' shelves in Peru

Retail prices for imported meat vary depending on meat and cut; but in very broad terms, for beef and pork:

- **Mid-range:** PEN 30 - 50 (EUR 6.60 – 11) / kg
- **Premium:** PEN 50 – 100 (EUR 11 – 22) / kg
- **Super premium:** above PEN 100 (EUR 22) / kg

¹⁴ The Peruvian beef market, insights and prospects for Australia, Meat and livestock Australia, available at: https://www.mla.com.au/globalassets/mla-corporate/news-and-events/documents/19mla-peruvian-beef-report_v4.pdf



Above: fresh meat display in a smaller supermarket

Products from the US have a dominant position among imported meats available through supermarkets; followed by products from Argentina, Colombia and thereafter other South American countries including Brazil. A tactic often used by non-US exporters is to price their meat below that of the US equivalent, but generally still 15-20% above the price of a similar local product.

Flexible plastic is the most common packaging format though boxes are also increasingly used. Pack sizes for e.g. premium beef are frequently larger (600 grams to over 1kg). Given the importance of origin for distinguishing imported products, it is common for the origin to be emphasized on the packaging as well as any other kind of certification. Packaging used may also be more elaborate (see below).



Above: high quality beef display in a supermarket



Above: meat products with fancier packaging, country of origin indicated.

Meat may be found bundled with other products including most notably wine or beer. This is particularly common around important dates such as holidays and Mother's / Father's day (see below).



Above: meat on display with wine; and discounts offered on the meat.

It is common to find discounts on products priced over 100 PEN; and indeed such discounts are considered effective. 10% is the most common rate, through 20% may also be found.

Pictures: © Agra CEAS / Euromonitor International, 2021.

5.1.3 Offer

5.1.3.1 Domestic production

Poultry production is estimated at around 1.7 million tonnes (this includes both poultry meat destined for the fresh market and that used in all processing). Production has increased fairly steadily in recent years.¹⁵ In 2019, Peruvian pork production (again, destined for all markets) reached roughly 184 000 tons. This figure fell, however, in 2020 largely due to COVID-19. It can be expected that this figure will rebound once the economy opens up fully.¹⁶ Total production of beef in Peru in 2020 came to 169 000 tonnes, the largest fresh meat-producing regions were Lima, La Libertad and Arequipa. The domestic company San Fernando

¹⁵ https://cdn.www.gob.pe/uploads/document/file/696596/panorama-carne_de_pollo.pdf

¹⁶ Market study on Peruvian pork industry, Pig 333. Available at: https://www.pig333.com/latest_swine_news/market-study-on-the-peruvian-pork-industry_17242/

is the largest poultry producer in Peru and was the third-largest producer of poultry meat in Latin America in 2019. Redondos SA is the second-largest poultry producer in the country.¹⁷

Beef is produced throughout the country although there is no dominant region. The main producing regions are Cajamarca (13% of national production), Huánuco (12%) and Lima (11%) with some of the larger producers being Zedina SAC, La Ternerita SRL, Agro Corporación Naveda EIRL and Camal Don Goyo. The main production areas of pork in the country are located on the periphery of Lima, in the districts of Huaura, Huacho and Huaral. In addition, the cities of Arequipa and La Libertad are two of the largest centres of pork production, after Lima. The most important local producers in the Peruvian market are Redondos and Corporación Rico. The former invested EUR 18 million in a farm south of Lima in 2018, which allowed it to increase its production by 30% in 2019.

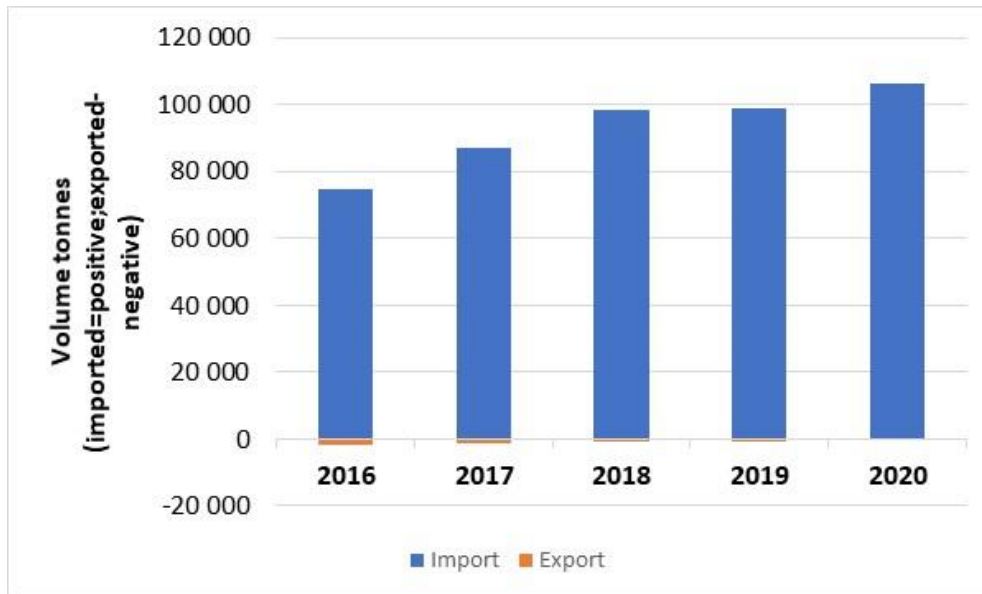
Peru also has farms that produce alpaca, llama and guinea pig meat with a large percentage of these farms being focused on the Andean region of the country. The country's production capacity of fresh meats continues to modernise as the country is increasingly viewing the production of fresh meat as a key food security objective.

5.1.3.2 Imports and exports

As shown below in Figure 5-2, Peru is a net importer of fresh meat products, though the volume imported is under 10% of total domestic production. The country's production base is largely focused on the domestic market, leading to few exports. Total imports have been growing in recent years with a total volume of imports reaching 105 000 tonnes which is a growth of roughly 25% between 2016 and 2020.

¹⁷ Los 12 mayores productores de pavo en latino America, industria Avicola. Available at: <https://www.industriaavicola.net/empresas-lideres/los-13-mayores-productores-de-pavo-en-latinoamerica/>

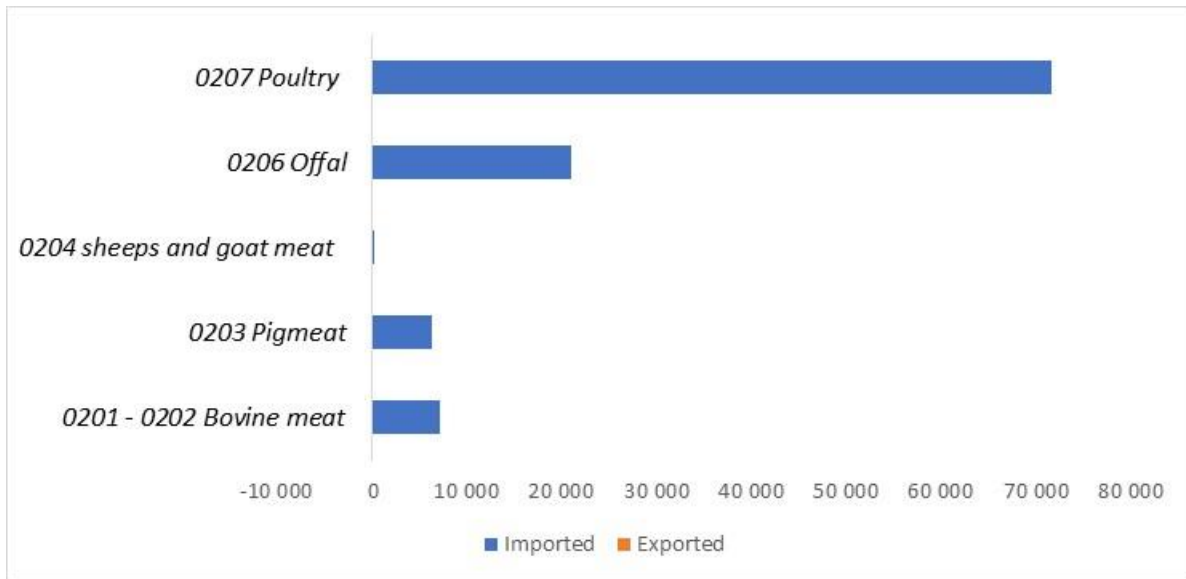
Figure 5-2: Trade balance (imports and exports) of fresh meat in Peru, 2016-20; volume tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 0201, 0202, 0203, 0204, 0206, 0207.

Figure 5-3 further shows that poultry is the predominant fresh meat product imported by Peru which reflects that this meat is most consumed in the market. A total of 71 000 tonnes of poultry were imported by Peru in 2020. Offal is the second most imported fresh meat product, with a total of 21 000 tonnes being imported in 2020. Bovine meats and pig meats both have smaller figures with 7 100 tonnes of bovine meats and 6 300 tonnes of pig meats being imported by Peru in 2020.

Figure 5-3: Trade balance (imports and exports) of fresh meat in Peru, by type, 2020; volume tonnes

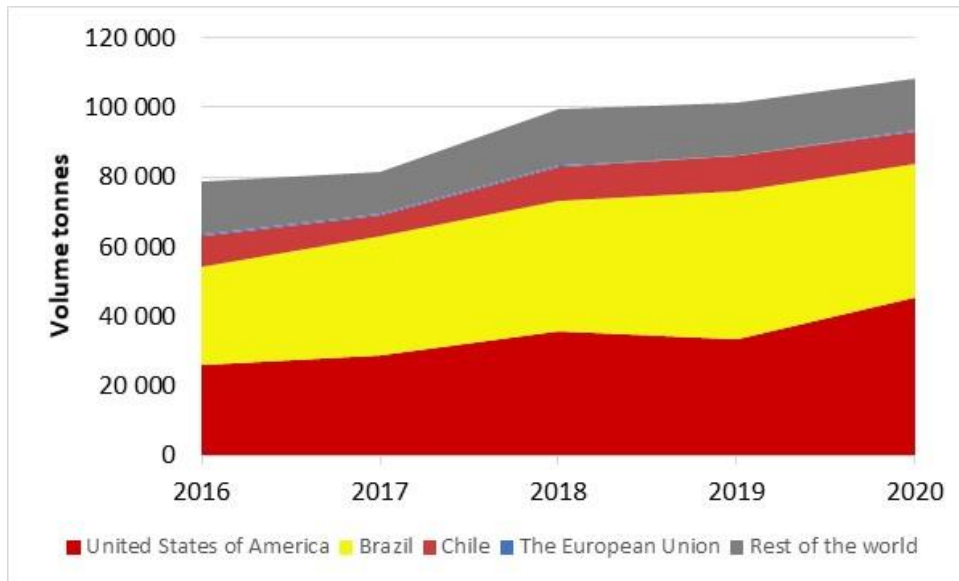


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 0201, 0202, 0203, 0204, 0206, 0207.

Figure 5-4 shows that the United States is the largest exporter of fresh meat to Peru with the US having exported 45 550 tonnes of fresh meat to the country in 2020. This is followed by neighbouring Brazil which exported 38 000 tonnes of fresh meat in 2020. Chile is the third-largest exporter. However, total exports are smaller compared to the US and Brazil at 9 100 tonnes. Austria is the only EU country shown to export fresh meat to Peru with the country exporting a negligible amount of goat meat; the final use of which is not specified in trade data.

Figure 5-4: Peru imports of fresh meats by country, 2016-20; value 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 0201, 0202, 0203, 0204, 0206, 0207.

5.1.3.3 EU GI products

As noted in section 4.2.4, a number of GIs are protected under the EU-Colombia/Peru/Ecuador Trade agreement. However, no fresh meat products are among the 33 food GIs protected under this agreement at present.

5.1.3.4 Main competitors

The main competition in the Peruvian fresh meat market comes from its domestic production, which, although small in relation to neighbouring countries, is able to largely meet the demand of the domestic market. The United States, Brazil and Chile are the biggest competitors from abroad with Argentina and Bolivia also exporting a significant amount of fresh meat to the country. In view of the above, imports from the EU remain small.

5.1.4 Specific market entry requirements

Market access and entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export is set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements notably include a permit to import live animals and products of animal origin; a veterinary health certificate for animal products; and a document confirming inspection of pesticides, phytosanitary and animal health products.

Countries normally need to be approved for the export of fresh meat products to Peru, as do establishments from the country. As SENASA does not openly provide information on approved countries/establishments, it is recommended that the agricultural attaché of your Member State in Lima be consulted regarding approval status. It should be noted that work is ongoing between the EU and Peru to simplify this system.

The tariffs for fresh meat products vary by product. It is recommended to consult the links below for full details, but in brief:

- Beef (0201 and 0202) has a tariff-rate quota (TRQ) of 1931 tonnes at 0%; thereafter tariffs are 11%.
- Pork (0203) and sheep/goat meat (0204) mainly face tariffs of 3% compared to MFN tariffs of 6%, though there is also a 7 200 tonne TRQ for some pork products.
- Offal (0206) faces a 0% tariff in line with MFN tariffs.
- Poultry (0207) has a TRQ of 6 750 tonnes; thereafter tariffs are 6%.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – poultry category (0207) from Spain to Peru

<https://trade.ec.europa.eu/access-to-markets/en/search?product=0207&origin=ES&destination=PE>

Standards, SPS measures

As noted in section 4.3.3, there are SPS related challenges with:

- Regionalisation policy and restrictions (most notably with African swine fever).
- Bans on imports of live bovines, bovine products and derivatives due to bovine spongiform encephalopathy (BSE).

SENASA may periodically update legislation specifically relevant for the import of meat, including introducing measures for specific meats from specific countries. It is recommended that the website containing this legislation (in Spanish) be periodically checked:

<https://www.senasa.gob.pe/senasa/importacion/>

5.1.5 Distribution

In Peru, the share of household spending on fresh food (including meat) through modern distribution channels, which includes supermarkets, discount stores and convenience stores, increased from 19% in 2019 to 21% in 2020. However, the share of traditional independent groceries stores declined from 32% in 2019 to 27% in 2020. This was due to the closure of stores during the COVID-19 quarantines, so more people opted to buy through e-commerce supermarkets and hypermarkets, a form of purchase that traditional grocery stores were unable to adapt to.

Online sales of imported beef cuts in Peru are growing due to the country's rapidly rising internet penetration rates, which have increased from 68% of the total population in 2015 to 89% in 2020. Oregon Foods (the leading importer of beef in the country with a 40% market share) estimates that at least 12% of its total sales are currently made through e-commerce.

Apart from retail channels, fresh meat is also popular within the foodservice channel accounting for 5,434 tonnes in 2020 or 11.4% of total fresh meat consumption in the country at a CAGR of 1.8% over 2015-20.

5.1.6 Challenges for EU products

Considerable challenges exist for EU producers seeking to enter the Peruvian fresh meat market. Market access is facilitated due to the FTA agreement, however, several barriers in relation to fresh meat remain in place. Peru implements bans on pig meat imports from certain member states that have had outbreaks of African swine fever. At present, the following member states are banned from exporting pig meat to Peru: *Belgium, Bulgaria, Czech Republic (Despite the Czech Republic reporting full freedom from ASF), Slovakia, Estonia, Greece, Germany, Hungary, Italy, Latvia, Lithuania and Romania*. Peru's lack of regionalisation recognition further complicates the approval process. Peru also implements bans on several products, such as live bovine animals, bovine products, and by-products. Concentrated meat, containing meat/blood/bone meal, bovine meat and mammalian offal meal due to outbreaks of Bovine Spongiform Encephalopathy (BSE) are banned as well. However, even if access were to be in place, Peru largely meets demand through domestic production and the country's proximity to larger fresh meat producers such as Brazil, the US and Argentina further make it difficult to financially justify the need to import fresh meat products from the EU.

Market Takeaway: Fresh meat

Consumption: Consumption of fresh meat in Peru is lower per capita than in neighbouring nations, with poultry being by far the most consumed fresh meat in the country.

Competition: Domestic production largely caters to domestic consumption despite the production base in Peru being relatively small. Imports largely come from other nations in the Americas such as Brazil, the US, Chile and Argentina which are the four largest exporters of fresh meat to Peru.

Distribution: Modern grocery retail outlets accounted for 21% of sales of fresh food including meat in 2020; while traditional grocery retail outlets accounted for 27%. E-commerce sales have increased as have sales from the food service channel.

Challenges: A number of bans on EU member states exporting fresh meat in relation to outbreaks of African swine fever (ASF) and Bovine Spongiform Encephalopathy (BSE) are the biggest challenge. The lack of regionalisation recognition further enhances this challenge. Almost self-sufficient and the proximity of other large fresh meat producers in Peru's vicinity, such as Brazil, makes it also economically difficult to justify importing from the EU.

Opportunities: Consumers are developing a taste for pork, swine meats and sheep meats, which at present are not produced on a large scale within Peru. This is why Peru is increasingly importing these products in particular. Poultry will remain the largest consumed fresh meat product, providing a continued opportunity if market access can be obtained.

5.2 Fresh fruit and vegetables

5.2.1 SWOT analysis

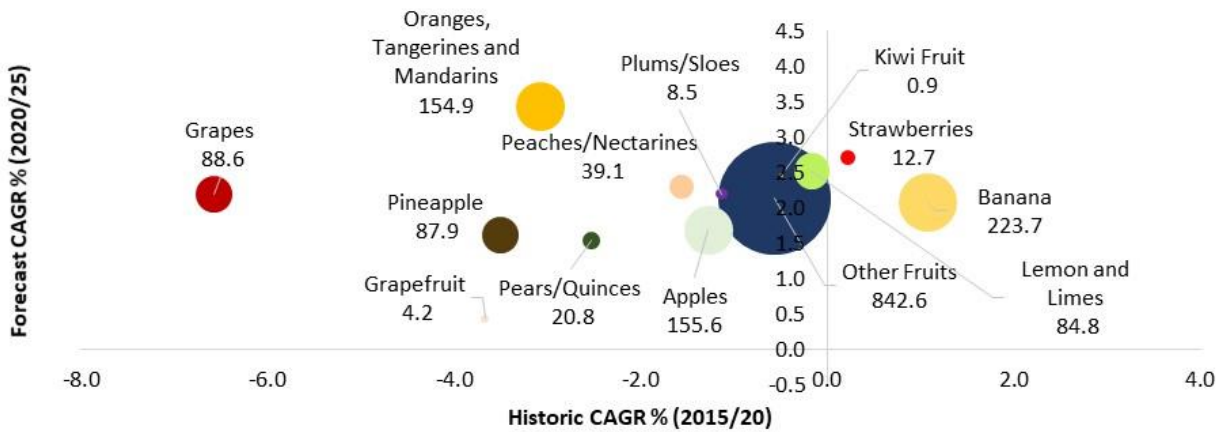
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ There is an increasing desire for Peruvian consumers to consume fresher healthier foods which were accentuated by COVID-19. ▪ Portugal and Belgium are amongst the top ten largest exporters of fruit to Peru, while Belgium is amongst the top ten vegetable exporters to the country. 	<ul style="list-style-type: none"> ▪ Peru is a large producer of a large variety of fresh fruit and vegetable products, with the production of some products such as avocados doubling in the past decade. ▪ Peruvians are proud of their local produce and many popular varieties of some fresh fruit and vegetables, such as potatoes and corn, are largely only found in Peru and its neighbouring countries.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Peruvians are increasingly open to new fruits in the market, with cranberries and cherries becoming increasingly visible on the country's retail shelves. ▪ Consumption across all fruit and vegetable products is expected to grow between 2021 and 2025. 	<ul style="list-style-type: none"> ▪ In addition to very strong domestic production, there is the presence of other large fruit and vegetable producers closer to Peru, such as the US, Chile and Argentina. ▪ The costs of local fruit and vegetables continue to fall as production has expanded, which further incentivises Peruvians to purchase local fresh fruit and vegetable products.

5.2.2 Consumption

5.2.2.1 Evolution of consumption

As Figure 5-5 below shows, the largest fruit group consumed in the Peruvian market is the broader category of “other fruit”, which had a total volume in 2020 of 842 600 tonnes. This is three times the size of the second most popular fruit group, which is that of bananas. Other fruits will remain the most popular fruit category in Peru by a significant distance in 2025 and are expected to grow by a CAGR of 2.1%. Bananas, as mentioned, is the second most popular fruit product group in Peru with a total volume of 223 000 tonnes and will remain the second most popular fruit until 2025 with a forecast CAGR of 2.1%. Apples and oranges both have a total volume of roughly 155 000 tonnes at present. That said, oranges will emerge as the more popular fruit of the two by 2025 with a predicted CAGR of 3.4% between 2021 and 2025 compared to a predicted CAGR of 1.7% for apples in the same period. Grapes, pineapples, lemons and limes all have a total volume of around 85 000 tonnes with lemons and limes expected to be the fastest-growing category of the three with a predicted CAGR of 2.5% between 2021 and 2025.

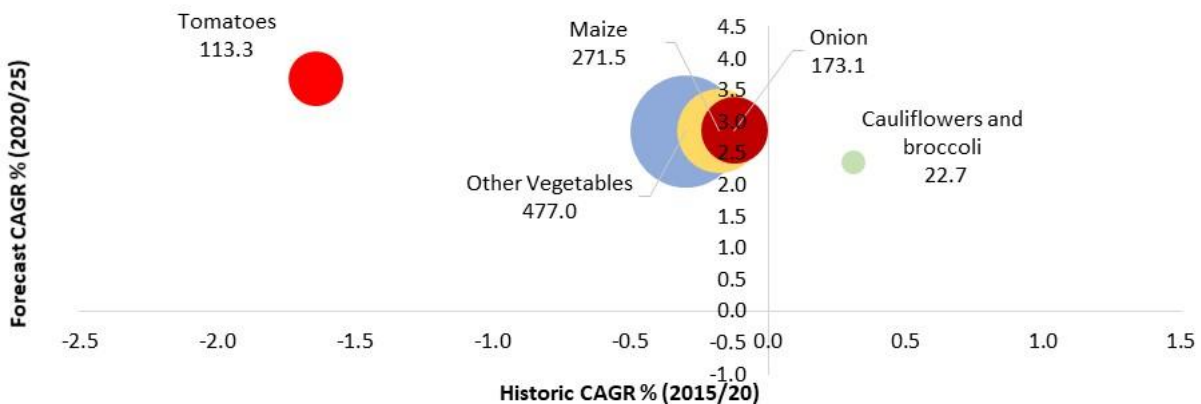
Figure 5-5: Evolution and forecast of fruits market (000 tonnes) in Peru, 2015-2025; total volume



Source: Euromonitor International: Fresh Food, 2021.

Figure 5-6 shows that the most popular vegetable category in Peru is the broad “other vegetable” category, which has a total volume of 477 000 tonnes. This makes it almost twice the size of the second most popular vegetable category which is maize. Both the other vegetable category and maize category are expected to grow by a CAGR of 2.8% between 2021 and 2025. Thus, these two groups will remain the most popular vegetables in Peru. Onions are the third most popular vegetable category in Peru, with a total volume of 173 000 tonnes. Onions will grow at a CAGR of 2.9% between 2021 and 2025. Tomatoes will be the fastest-growing vegetable category between 2021 and 2025 with a CAGR of 3.7%. Cauliflowers and broccoli are the smallest categories in this market with a total volume of 22 700 tonnes and will remain the smallest by 2025 with a predicted CAGR of 2.4%.

Figure 5-6: Evolution and forecast of the vegetable market (000 tonnes) in Peru, 2015-2025; total volume



Source: Euromonitor International Ltd: Fresh Food 2021.

5.2.2.2 Consumer profile and purchase criteria

Consumers

Fruit consumption in Peru has grown in recent years compounded due to the rising demand for healthy foods in line with a wider trend of health consciousness, which has been an emerging trend in the country. Consumption of fruit in 2020 reached 55 kg per capita, with bananas being the largest consumed sole fruit in the country.¹⁸ Consumption of fruit is fairly universal in Peru given it is generally not expensive due to Peru being a large producer of fruits; and thus, fruits are available throughout most of the country and accessible to all income classes. More specialised fruits such as Camu however are focused in the country's Amazon region.

Vegetable consumption in Peru is common, however, the per capita consumption is lower than in neighbouring countries. Typical vegetables consumed in Peru include potatoes, with the country being home to a wide variety of them due to the various climates of the country and ideal conditions to grow potatoes. As a result, potatoes are part of the culture and have been a staple of the Peruvian diet for decades. Corn is also a popular vegetable, with the most popular variety being choclo. As with fruits, vegetables are not generally expensive in Peru and readily accessible to the majority of the population as Peru is a large producer of vegetables.¹⁹

Consumers of imported fresh fruit and vegetables are most likely to be in the larger urban areas of Peru such as Lima and Arequipa, this is there is a larger presence of modern grocery retail outlets in these areas which are the main distributors of imported fresh fruit and vegetables. These consumers are also likely to be of a middle – higher income class and can afford the additional costs that come with the price of imported fresh fruit and vegetable compared to cheaper and widely abundant domestic fresh fruit and vegetables.

Drivers and method of consumption

A key driver of fruit and vegetable consumption in Peru is their use within several traditional dishes in the country with notable examples being *ceviche* (which includes onions, potatoes and corn), *lomo saltado* (which includes tomatoes) and *papas a la huancaína* (potato-based dish). The population was exposed to some of the most restrictive COVID-19 prevention measures in Latin America, which drove the demand for health-based foods in the country and helps to explain why across all fruit and vegetable categories there is a positive forecasted CAGR between 2021 and 2025. Peruvians consume fruit and vegetables throughout their day with fruits being appreciated for their convenience in heavily urban centres such as Lima where consumers live busy lives and may not have the time to prepare larger meals throughout the day. Further notable dishes consumed throughout the day, which contain fruit and vegetables include *humitas* (breakfast meal with grounded corn), *arroz chaufa* (lunch meal made up of fried rice with onions) and *causa* (a potato casserole dinner meal).²⁰

¹⁸ Consumo de frutas en Peru alcanza los 55 kilos por personal al año, agraria.Pe, Available at: <https://agraria.pe/noticias/consumo-de-frutas-en-peru-alcanza-los-55-kilos-por-persona-a-24248>

¹⁹ Peru country profile, Food Export USA, Available at: <https://www.foodexport.org/export-insights/market-and-country-profiles/peru-country-profile>

²⁰ Amigo foods, 13 Most popular Peruvian vegetables, Available at: <https://blog.amigofoods.com/index.php/peruvian-foods/peruvian-vegetables/>

Another key driver is a rise in demand for healthy foods as the Peruvian consumer base has been growing ever health-conscious in recent years; this has helped aid the consumption of fresh fruit and vegetables. The rise of food service outlets in Peru has helped to aid consumption of fresh fruit and vegetable products commonly used in the food service sector such as: onion, garlic and tomato, for soups and dressings; chilli bell pepper, which is a base product for sauces and creams; and lemon, which is primarily used in fish and seafood to enhance its flavour.

Purchase criteria

Fruits and vegetables are not generally expensive in Peru and prices for certain fruits such as avocado have been falling in recent years as Peru has expanded its production capacity for this fruit, as well as others. Street vendors and modern grocery stores throughout Peru will have a wide variety of fruits available, with Peruvians being proud of local produce and readily purchasing them to support local businesses. There is generally a high level of trust in Peru from consumers of locally produced fruit and vegetables. Growing demand for sustainable foods has extended into the fruit and vegetable category resulting in a growing demand for organic fruits and vegetables as well as further accentuating the popularity of fruit and vegetables grown in the local area. This trend has to an extent dissuaded some consumers from purchasing imported fruit and vegetables, particularly those groups that are largely produced already in Peru.

The purchase criteria for imported fresh fruit and vegetables slightly differs with appearance and labelling playing a larger role. Imported fruits such as apples and oranges are generally larger in size when compared to domestically produced variants and often consumers of these products will expect them to be extremely clean in appearance. Concerning labelling, imported fruits and vegetables tend to carry labels or indications showing their origin and hence distinguishing them from Peruvian products. As a result of these factors and the higher importance of modern retail channels for their distribution, they are commonly purchased by middle and high-income consumers who look for homogeneity within fresh fruits and vegetables.

Fresh fruit and vegetables on retailers' shelves in Peru

Retail prices for imported fresh fruit and vegetables vary by type. As a general indication, per kg retail prices in modern retail channels are normally:

- Apple and pears: between PEN 7 - 8.5 (EUR 1.50 to 1.90)
- Orange: between PEN 8.5 – 10 (EUR 1.90 to 2.20)
- Kiwi: between PEN 14 – 15 (EUR 3.10 to 3.30)

Most other imported fruit and vegetable products will not retail at price more than 20% above that of a similar local product.



Above: fruit and vegetable section in a large supermarket

Packaging varies (see below). Often products are sold loose. Plastic packaging of different types is often used for certain fruit and vegetables. In some cases of fruit, products are sold in packs of six.



Above: fruit and vegetable section with a range of different packaging in use.

As consumers will not normally examine the origin of the fruit and vegetables they buy, it can be difficult for imported products to distinguish themselves. Nonetheless, some producers will try to emphasize the origin of the product on the packaging. Retailers for their part may provide separate places for imported fruit and vegetables (i.e. separated from local ones) and indeed negotiation with retailers may be necessary to secure such spaces (see below).



Above: section of imported apples, with signs clearly indicating their imported status.

Pictures: © Agra CEAS / Euromonitor International, 2021.

5.2.2.3 Recent market trends

As already stated, the rising demand for fresh foods spurred by the outbreak of COVID-19 has resulted in a positive predicted CAGR for all fresh fruit and vegetable categories. This results in a positive market for growth in Peru as consumption continues to increase. The government of Peru is aware that the current consumption remains below levels seen in neighbouring countries, which is why they have continued to advocate for the consumption of fresh fruit and vegetables in the country. This is another factor behind

the positive predicted CAGR of all fruit and vegetable categories in the country. Fruit and vegetables which have been positively impacted by this trend particularly include apples, tomatoes, tangerines, papaya, lettuce, avocado, carrots, lemons, and bananas which are now a common sight in most Peruvian fruit and vegetable distributors.

Demand for unique fruits to the Peruvian market, such as blueberries and cherries is expected to continue to grow quite fast. The other vegetable category will remain the largest vegetable product consumed in Peru. However, some vegetables such as tomatoes are expected to grow faster. Rising incomes in the country allow consumers to explore new fruits and vegetables that are not widely available with cranberries, blueberries and limes being amongst the fruits that could benefit the most from this trend.

Demand for organic products continues to grow aided by a recent introduction from the Peruvian government of a National Seal of organic production which has helped consumers to distinguish between organic and non-organic products. Demand for these products is largely from the higher income consumer segment as the market remains in its infancy.

5.2.3 Offer

5.2.3.1 Domestic production

Peru has rapidly expanded its production of fresh fruit and vegetable products within the last decade and has emerged as one of the larger producers of these products within Latin America. Citrus fruit production doubled between 2010 and 2020 as the country produced 1.4 million metric tons of the product in 2020 with 36% of this being oranges, 36% being mandarins, 20% lemons and 6% grapefruit.²¹ Avocado production alone also grew exponentially with production tripling between 2010 and 2020. As a result, 550 000 tonnes of the product were produced in Peru in 2020 and most of this was then exported. Between 2010 and 2020 Peru also grew to become one of the top 5 producers of blueberries in the world and remains in the top five producers of artichokes and asparagus.²² Peru is also one of the larger producers of potatoes and pineapples in the world. As already explored in section 2.3, Peru's fruit and vegetable production are diverse as a result of the wider varieties of soils and climates found in the country. Peruvian variants of corn and potatoes have grown in popularity in Latin America, which has further incentivised producers to expand production.

5.2.3.2 Imports and exports

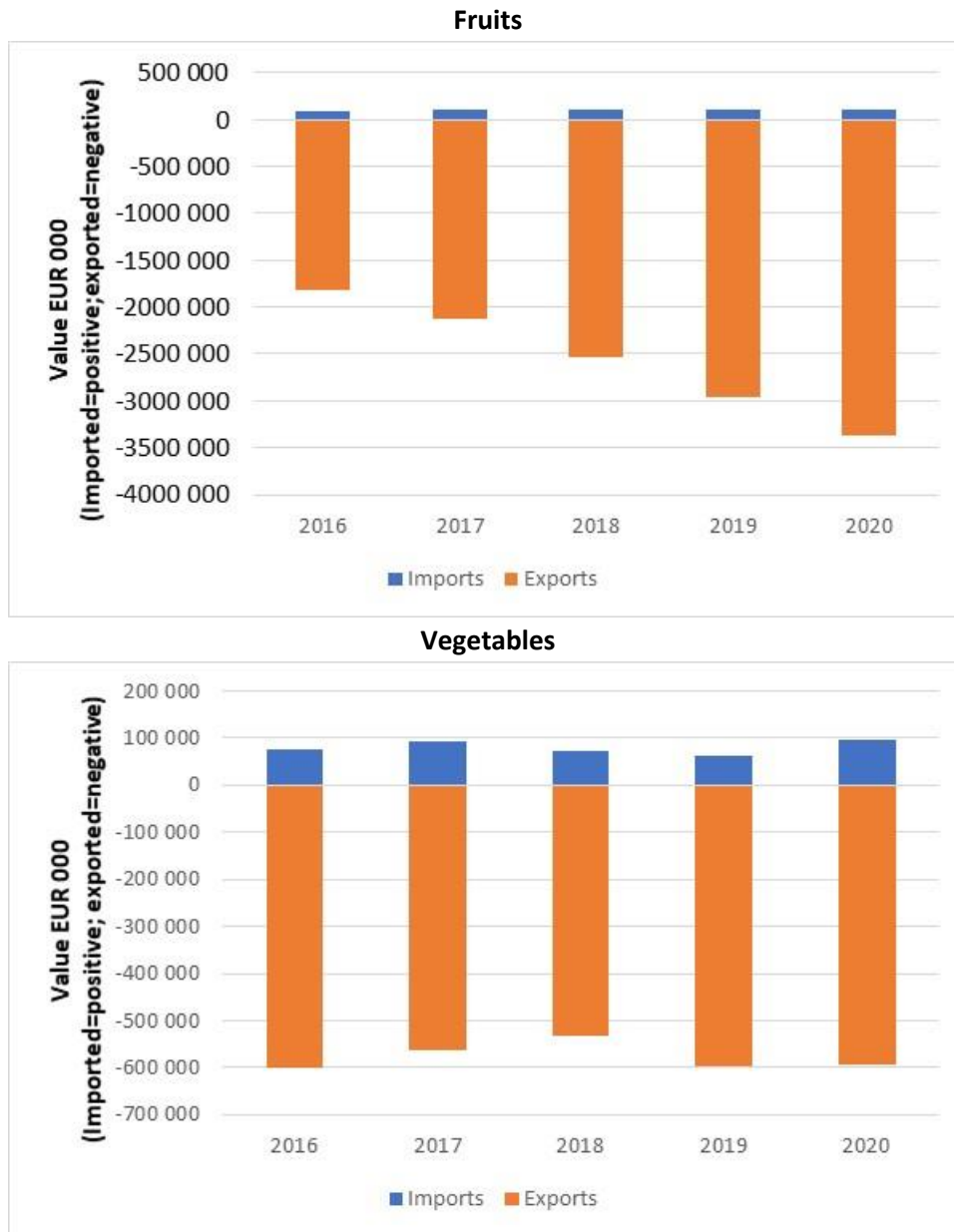
Figure 5-7 shows that Peru is a large net exporter of fruits. The country imported fruits with a value of EUR 100 million in 2020 while it exported EUR 3.3 billion worth of fruits. Total exports have been growing rapidly in recent years, which is a further reflection of the wider expansion of fruit production in the

²¹ Peruvian citrus production doubles between 2009, fresh fruit production, available at: <https://www.freshfruitportal.com/news/2021/04/28/peruvian-citrus-production-has-seen-enormous-growth-since-2009/>

²² Peruvian fresh fruit and vegetable exports growing rapidly, Horti Daily, Available at: <https://www.hortidaily.com/article/9303604/peruvian-fresh-fruit-and-vegetables-exports-growing-rapidly/>

country. Imports have remained stable and have fluctuated at around EUR 100 million worth of imports per year between 2016 and 2020. The same figure shows that Peru is also a large exporter of vegetables and enjoys a trade surplus in the product. In 2020, Peru exported a total of EUR 592 million worth of vegetables with onions, potatoes and dried leguminous vegetables being amongst the largest exported vegetables. Peru imported EUR 96 million worth of vegetables in 2020 which is an increase of around 31% over the 2019 figure of EUR 61 million.

Figure 5-7: Trade balance (imports and exports) of fruits and vegetables In Peru, 2016-20; value 000 EUR

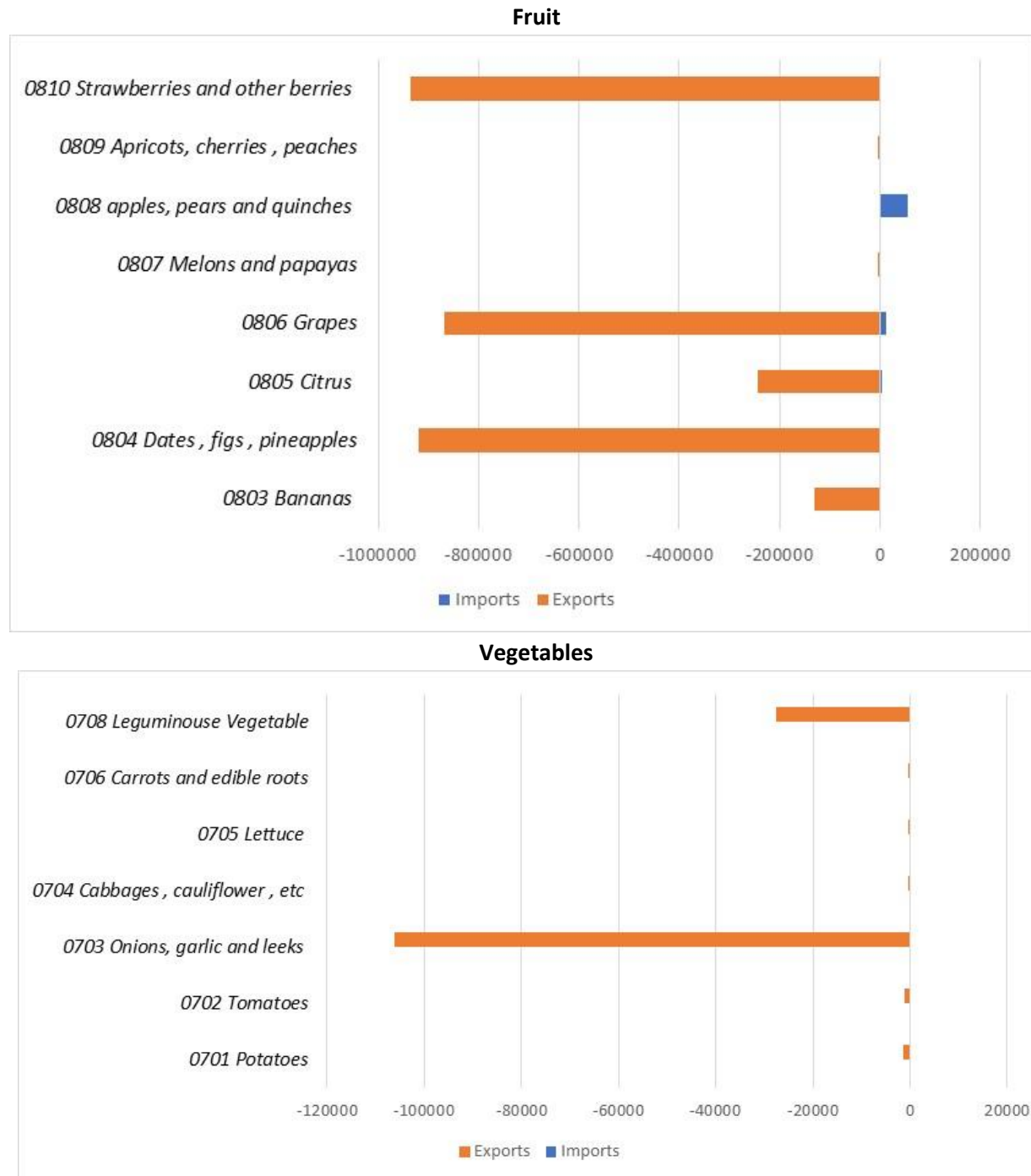


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN codes 07 and 08.

Figure 5-8 further explains the trade balance of fruit products at a product individual level. It shows that apples, pears and quinces stand out as the main fruit imported into Peru, with the country having a trade surplus in all other major categories. The majority of Peru's apple imports come from Chile and Argentina, which account for 75% of imports. Strawberries and other berries are the most exported fruits followed by dates, figs and pineapples.

In terms of vegetables, as shown in the graph Peru imports virtually none of the listed vegetable categories. Indeed, the majority of Peru's vegetable imports are leguminous vegetables which largely come from Canada and the US. The diversity of Peruvian vegetables results in some varieties of them being found only in Peru which discourages importation. Onions, garlic and leeks are the biggest vegetables exported from Peru by value with the country exporting EUR 106 million worth of the product in 2020.

Figure 5-8: Trade balance of fruit and vegetables by type in Peru, 2020 (value 000 EUR; selected types only)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

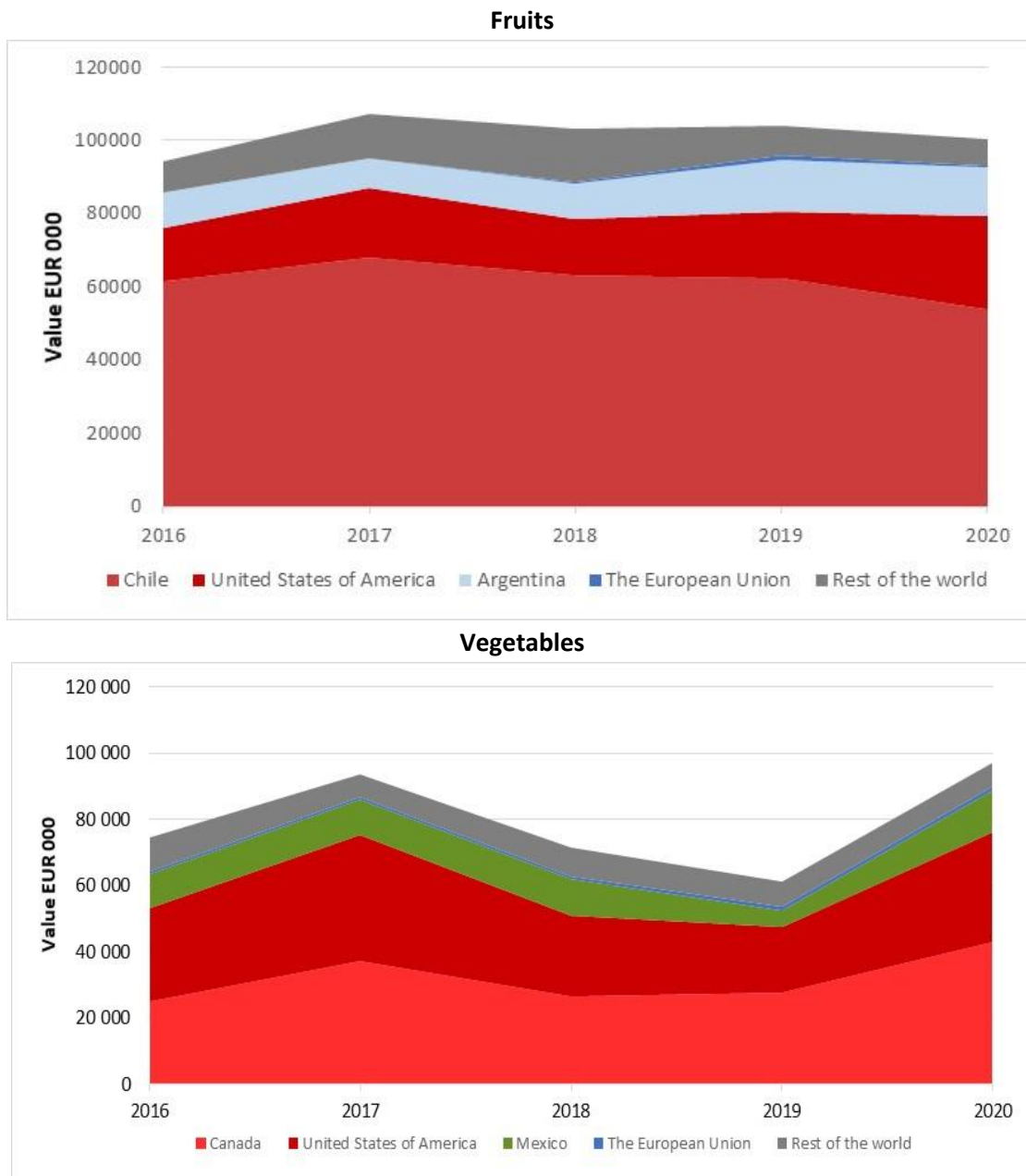
Note: names for CN codes are abbreviated in most cases.

Only indicated CN codes are presented in these figures. 6 codes for fruit and 7 codes for vegetables are missing, which is why individual figures do not add up to totals in previous graphs.

Figure 5-9 below shows that Chile is *by far* the largest exporter of fruit to Peru, which is then followed by the US and Argentina. Portugal is the largest exporter of fruit to Peru from the EU, with the country

primarily exporting apples to a value of EUR 262 000 to Peru in 2020. This puts Portugal amongst the top ten fruit exporters to Peru in a list that also includes Belgium which mainly exports frozen fresh fruits to a value of EUR 168 000. Canada is the largest exporter of vegetables followed by the US and then Mexico. Canada and the US principally export dried leguminous vegetables to Peru. Belgium is the only EU member state amongst the ten largest exporters of vegetables to Peru with the country exporting frozen vegetables primarily to a value of EUR 615 000.

Figure 5-9: Peruvian imports of fruits and vegetables by country, 2016-20; value 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN codes 07 and 08.

5.2.3.3 EU GI products

As noted in section 4.2.4, a number of GIs are protected under the EU-Colombia/Peru/Ecuador Trade agreement. The only fresh fruit/vegetable GI that is protected is the Greek olive GI Elia Kalamatas.

5.2.3.4 Main competitors

The main competitors come from the domestic market in Peru as the country is a large producer of fruit and vegetable products. Peruvian production has expanded rapidly with production doubling in some sectors, including citrus and avocados to name a few. Peruvian products are a source of pride for locals which further incentivises them to consume local produce. Outside of Peru, the biggest competitors concerning fruit are Chile, the US and Argentina, while for vegetables the biggest competitors are Canada, the US and Mexico.

5.2.4 Specific market entry requirements

Market access and entry; standards; SPS measures; labelling

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export is set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements notably include: a phytosanitary certificate; a permit to import plant and plant products; a registration of importers of plants and plant products subject to quarantine; and a document confirming inspection of pesticides, phytosanitary and animal health products.

Countries normally need to be approved for the export of fruit and vegetables to Peru. As SENASA does not openly provide information on approved countries, it is recommended that the agricultural attaché of your Member State in Lima be consulted regarding approval status.

In terms of tariffs:

- Many vegetable products do not face tariffs, though some do face tariffs of 6% (often after a tariff-rate quota is exceeded).
- Most fruit products do not face tariffs

It is recommended to check the CN code in the links below for precise details of tariffs by product.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – citrus fruit category (0805) from Spain to Peru

<https://trade.ec.europa.eu/access-to-markets/en/search?product=0805&origin=ES&destination=PE>

SENASA may periodically update legislation specifically relevant for the import of products under their mandate. While this normally covers products of animal origin, this could potentially stretch to products

of plant origin. It is therefore recommended that the website containing this legislation (in Spanish) be periodically checked: <https://www.senasa.gob.pe/senasa/importacion/>.

5.2.5 Distribution

Since a large part of the population consumes fruits and vegetables, they are easily found within traditional grocery stores and open markets. Within modern channels, these products are usually found in supermarkets, hypermarkets and discount stores. Traditional groceries stores are undoubtedly the most common place where Peruvians buy their fruits and vegetables. In 2020, about 71% of the total value sales of fresh groceries within Peruvian Retail were generated by this channel. That said, imported fruit and vegetables are more likely to be found in modern retail channels. While e-commerce is growing quickly as consumers become more accustomed to online retailing due to the outbreak of COVID-19 and larger hypermarkets and supermarket outlets incorporate e-commerce into their business model theoretically facilitating the distribution of fruit and vegetables through this channel, current indications are the use of e-commerce is limited.

5.2.6 Challenges for EU products

Several challenges exist for EU fresh fruit and vegetable producers seeking to enter the Peruvian market. Firstly, Peru already is a large producer of fresh fruit and vegetables, and this is a source of pride for many Peruvian consumers. Peruvians are also accustomed to the consumption of fresh fruit and vegetable varieties which are largely only found in Peru and neighbouring countries such as unique potato and corn varieties. The presence of other large fruit and vegetable producers within Peru's vicinity such as Chile, the US and Argentina creates an additional challenge as these countries can quickly alleviate any shortfalls in domestic production in Peru.

Market Takeaway: Fresh fruit and vegetables

Consumption: Peruvian consumption of fruit and vegetables remains lower than in neighbouring countries, however, growth is expected across all fruit and vegetable categories between 2021 and 2025.

Competition: Peruvian fresh fruit and vegetable production has emerged as a key sector of the agricultural economy of the country in the past decade with production doubling across several fruit and vegetable products. Outside of Peru, the main competition comes from the US, Chile and Canada.

Distribution: Traditional grocery retail outlets are the largest distributors of fresh produce including fruit and vegetables with a share of 71% of sales in 2020. Modern grocery retail outlets such as supermarkets and hypermarkets are expanding their share of sales and are important for imported fruit and vegetables.

Challenges: Massive domestic production and the further expansion of Peru's production capacity in the past decade has caused the cost of fruit and vegetables in the country to fall in recent years creating an additional price competitiveness challenge for EU fresh fruit and vegetable products in the country.

Opportunities: The rise in demand for more special fruits in the country such as cranberries, blueberries and cherries create an area of opportunity in Peru, though the country is a big producer of some of these. The consumption across all fruit and vegetable categories is expected to grow, which leaves room for the growth of imported fruit and vegetable products in the country.

5.3 Dairy

5.3.1 SWOT analysis

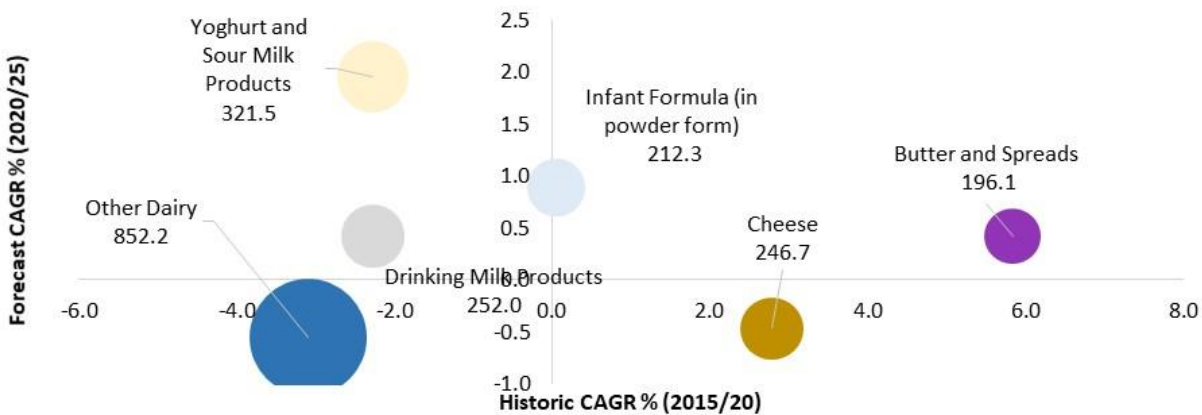
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Consumption of dairy products such as milk and yoghurt is likely to rebound quickly in Peru as the economy re-opens and demand convenience when on-the-go foods return. ▪ An outbreak of COVID-19 has led to an increase in demand for butter as it is often used for home baking. This will likely be retained by a segment of the consumer base as the economy re-opens. ▪ Ireland is the largest exporter of buttermilk, with Poland being the second largest exporter of milk and Spain being third. EU member states appear amongst the top ten exporters of a wide variety of dairy products to Peru. 	<ul style="list-style-type: none"> ▪ Due to the popularity of condensed milk, the other dairy segment is the biggest in the country. ▪ Domestic production has risen substantially in the past decade resulting in falling prices for Peruvian domestically produced dairy products. ▪ Price is a common consideration, and the higher costs of EU products in Peru may dissuade lower-income earners in the country from purchasing them.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Demand for premium dairy products is increasing, due to a rise in demand for healthier alternative foods in the country. This may benefit imported dairy products. ▪ Modern retailers and e-commerce are increasingly popular channels of distribution in Peru and they offer more accessible opportunities for EU dairy producers to market to Peruvians. ▪ With the EU recognised as a single SPS area for dairy products, the range of EU products on the market is increasing. 	<ul style="list-style-type: none"> ▪ The US, Argentina, Chile and New Zealand are the biggest competitors. ▪ There have been several attempts by dairy farmers to reinstate a ban on the use of imported powdered milk in the production of fluid milk. ▪ The need to adapt dairy products for the demands of the Peruvian consumer market, including the need for small packaging and unique flavours; and a low level of interest in cheese with strong flavours.

5.3.2 Consumption

5.3.2.1 Evolution of consumption

As shown in Figure 5-10 below, the “other dairy category” is the largest within the dairy sector of Peru. With a retail value of EUR 852 million. This category declined by a CAGR of 3% between 2015 and 2020 and will continue to shrink slightly in value going forwards even though volumes will grow slightly. Yoghurt and sour milk products are the second biggest category with a retail value of EUR 322 million and will be the fastest-growing category between 2021 and 2025, with a predicted CAGR of just over 2%. The segments for drinking milk and cheese are worth around EUR 250 million each, with infant formula, butter and spreads just behind this.

Figure 5-10: Evolution and forecast of the dairy market (retail value, EUR millions) in Peru, 2015-2025



Source: Euromonitor International: Packaged Food, 2021.

5.3.2.2 Consumer profile and purchase criteria

Consumers

Consumption of dairy products in Peru varies depending on the dairy product in question. For a general overview, the consumption of dairy products as a whole in Peruvian urban centres has been growing. The demand for industrialised processed dairy products has been aided by the growth of dairy production in Peru. This has saturated the domestic market causing prices to fall making dairy products affordable for even the lowest incomes classes in the country; indeed, this is reflected by growth in volume terms outstripping growth in value terms for many dairy products (and indeed in many cases, growth in value terms is in fact negative). Looking at specific dairy products, consumption follows the following patterns:

- **Other dairy products:** The largest dairy product by a significant amount by retail value is the other dairy products category. Within this category, condensed milk is the most consumed product. The product appeals to price-sensitive consumers due to its low price and adaptability to a number of other applications, such as its use to complement other products including coffee and chocolate powder.
- **Cheese:** Lower- and middle-income consumers generally do not consume cheese products as cheese is more expensive than alternative dairy products. The cheese category had been growing in consumption in Peru prior to the outbreak of COVID-19 as it became increasingly associated with breakfast meals. However, the onset of COVID-19 which resulted in consumers increasingly seeking fresh food products has seen cheese consumption decline. Consumers of imported cheese usually fall into the upper-income sectors and are aware of the different cheese brands and varieties available in the market. Consumers with a particular interest in cooking will also be likely to purchase imported cheeses such as mozzarella and feta to be further incorporated into a larger dish such as pizza.
- **Drinking milk:** Milk consumption in Peru was heavily impacted by the outbreak of COVID-19 as one of the key consumer groups that consume milk regularly, school children, were prevented

from attending school. School children in Peru are a key consumer group as the consumption of milk in small packages for their lunches is common. Other milk alternatives are expected to continue to experience spectacular retail volume growth in 2021, albeit from a small base. The main reason behind this increasing popularity is the growing number of vegans in the country, while the increase in lactose intolerance among Peruvians also supports the growth of milk alternatives. The products are also becoming popular among a wider audience, particularly among medium-high or high-income consumers, as the consumption is regarded as fashionable.

- **Yoghurt and sour milk products:** Drinking yoghurt in 200 ml and 400 ml packaging sizes is experiencing low demand in 2020 because these formats were mainly purchased to be snacks at schools, universities or offices – a reflection of the fact that many consumers of yoghurt are students and busy adults. There is an increasing demand for premium yoghurts amongst higher-income consumers, with flavours such as apple cinnamon becoming popular in Peru. The versatility of yoghurt appeals to many consumers and is a key driver of consumption in the country as consumers use the product to complement other activities such as decoration for cakes and consumption in between sporting activities.
- **Butter and spreads:** Consumption of butter and spreads has been growing in Peru and this product benefitted from the outbreak of COVID-19 due to the increased usage of butter and spreads for at-home food preparations including making desserts and bread. Consumers of all income classes can generally obtain butter and spreads as producers in Peru have adapted their packaging quantities to allow for the cheaper sales of butter and spreads. Spreads such as margarine are more popular as consumers are attracted to the lower price and increased adaptability of margarine over butter. Due to this, margarine has a retail value of EUR 101 million compared to butter which has a retail value of EUR 35 million, with cooking fats accounting for the remainder. The imported butter niche is very small, estimated at well under 1% of the total butter and margarine market. Consumers likely to purchase imported butter include those within the higher income segment with the capacity to afford the more expensive imported butter brands plus those with a particular interest in cooking and experimenting with different brands and butter varieties.

Drivers and method of consumption

As discussed, the rise in demand for convenience foods coupled with producers in Peru expanding their production of dairy products in recent years, which has resulted in lower prices of many dairy products and a newfound following amongst the lower classes of Peru. Subsequently, these are key recent, overarching drivers of consumption of dairy products in Peru. Drivers and methods of consumption in the dairy sector vary by product which is explained below.

- **Cheese:** Consumers of cheese in Peru are not generally fans of spicy or seasoned cheeses, with the major preference largely being plain cheese for everyday consumption. Cheese remains a limited category within the overall dairy sector of Peru, however, certain events in recent years such as the National Peruvian cheese fair act as a key driver of awareness for the product. Various cheese types are produced and consumed in Peru such as cow, goat and sheep milk cheeses. The drivers behind the consumption of imported cheese include: demand for certain high-quality

cheese from abroad within the food service sector; popularity of imported cheese as a gift around Christmas and other celebrations; and interest from consumers with a particular interest in cooking.

- **Milk:** Key drivers of milk consumption in Peru include school children consuming the product in small cartons, which has become a normal practice throughout Peru in recent years. The growth in demand for products with additional health benefits has resulted in a rising demand for other milk alternatives and lactose-free milk varieties. Milk consumption has become fashionable among the middle-income and higher-income consumer base in recent years, which is resulting in a growing demand for UHT flavoured milk products. Overall, milk consumption will be expected to rise as the economy re-opens after the COVID-19 pandemic with many of the key consumer bases such as school children, urban workers and higher-income consumers resuming their normal activities.
- **Butter and spreads:** COVID-19 resulted in a rise in home baking caused by stay-at-home orders being implemented in Peru. This had the side effect of increasing the consumption of butter and spreads as consumers use these products for baking other foods such as bread and pastries. Producers in Peru have been actively reducing the size of their packaging to appeal to lower-income consumers in recent years, with some consumers opting to purchase butter and spreads packaged in foil or paper if it has a lower unit price. Butter is increasingly perceived as a comparatively healthy fat within the Peruvian consumer base which will act as a key driver of growth for the product in upcoming years. In terms of drivers for imported butter specifically, it is largely bought by cooking enthusiasts.
- **Yoghurts and sour milk products:** Yoghurts and sour milk products are increasingly appreciated for their convenience in a trend that will likely expand as the economy reopens in Peru. Higher-income earners are increasingly demanding premium yoghurts with glass jar packaging being progressively preferred as they are viewed as fashionable. Health overall is an important driver of yoghurt demand; and indeed, demand for low-fat yoghurts is also on the rise as consumers increasingly seek out healthier variants of their food and beverages.
- **Other dairy:** Condensed milk is the most popular dairy product within the other dairy category by a considerable distance. The product appeals to price-sensitive consumers who will use condensed milk for the consumption of coffee or cooking. Condensed milk is typically purchased in metal cans or carton boxes and mixed with water. Cream is popular for cooking while coffee whiteners have a small following.

Purchase criteria

Prices of many dairy products have declined in recent years as Peru has increased its production capacity of dairy products and producers have decreased the packaging of their products to allow them to appeal to lower-income earners by offering a lower unit price. Price sensitive consumers are less likely to be swayed by the packaging but rather by the practicability with notable examples including the sale of butter in foil packaging and milk products in metal cans. Most premium yoghurts, milk and cheese will be exclusively purchased by middle-income and higher-income earners with the purchase of premium yoghurt and cheese being increasingly perceived as fashionable in Peru. Looking into dairy products individually, criteria can vary as explained below.

- **Milk:** Many consumers seek out smaller packages of milk due to the convenience it brings and also for their children who typically consume small packages of milk as a part of their lunch meal. This makes having small packaging of milk being a key criterion alongside the price. Consumers increasingly demand variants of milk products that are deemed to be healthier, such as lower fat and lactose-free milk.
- **Yoghurt and sour milk products:** Demand for convenience foods will rebound in Peru as the economy opens back up, which will result in products such as yoghurt most likely increasing in consumption. Many Peruvians seek out small packaging of yoghurts due to their smaller prices. On the other hand, middle-income earners and higher-income earners purchasing premium yoghurts will often expect that the yoghurts will be packaged in glass jars.
- **Cheese:** Plain cheese is the most preferred cheese in Peru with consumers yet to be tempted to buy spicy or flavoured cheese variants, or even more mature cheeses with stronger flavours. This results in plain cheese flavours being a key criterion in the Peruvian marketplace. In line with a wider rise in demand for healthier variants of foods, low-fat cheese is likely to see an increase in demand and the healthiness of the cheese product may emerge as a key purchase criterion in the future. With the above in mind, a combination of brand preference, the type of cheese and price are the main purchasing criteria for most cheese purchases. Imported cheese will create a heightened expectation with regards to their labelling, appearance and quality; and hence these additional factors will act as additional purchase criteria.
- **Butter:** Many consumers will use the packaging of butter products to further store foodstuffs after the butter has been consumed. This results in packaging being a key purchase criterion for a certain segment of the consumer base. Many more price-sensitive consumers will place less importance on the packaging of butter and spreads and will instead prefer the practicality of the packaging. An example is smaller units of butter being stored in foil which appeals to consumers who only need to use a small amount of butter.
- **Other dairy:** Price sensitivity has resulted in many consumers in Peru generally preferring traditional variants of other dairy products rather than innovative variants. Due to this, innovation within the other dairy sector is quite small, resulting in most other dairy products being traditional flavoured condensed milk or cream.

Dairy products on retailers' shelves in Peru

Common retail prices for selected categories of imported dairy products (100g) are:

- **Sliced cheese:** between PEN 7 – 9 (EUR 1.50 – 2)
- **Mid-priced cheese:** between PEN 12- 20 (EUR 2.60 – 4.40)
- **Premium cheese:** above PEN 20 (EUR 4.40)
- **Butter:** PEN 6 - 7.5 (EUR 1.30 – 1.65)

In all cases the price tends to be higher than that of a local equivalent product by around 15% (slightly more in the case of butter).



Above: cold counter including pre-packed cheeses in a larger supermarket

Packaging depends on whether or not the product is branded for retail to consumers. It should be noted that a significant amount of the product sold in supermarkets is brought by the supermarkets as moulds then subsequently cut and wrapped on-site. This is particularly common for retailers with cold counters. Common sizes for repackaging are 150 to 250 grams. Indeed pre-packed cheese is also most uses pack sizes in this range; though very occasionally, smaller (e.g. 80 grams) or larger (e.g. 1 kg) packs can be found. Sliced cheese on the other hand commonly comes in packs of 10 to 12 slices. Butter most commonly is sold in packs of 20 or 227 grams. Pre-packaged cheese will tend to come in plastic, while butter in foil.



Above: variety of cheeses in a smaller supermarket showcase the common packaging and formats

Cheeses are commonly arranged by type at retailers – most notably those with cold counters. Common classifications are: Peruvian artisanal, Peruvian soft, imported soft, imported mature, others (goat cheese, flavoured and blue cheese).



Above: part of the imported hard cheese section of a supermarket

Some supermarkets will run promotions for cheese, including discounts and in-store tasting by representatives. Cheese can also commonly be found alongside other products and indeed some manufacturers actively sell their cheese product with complementary products (such as cold meats, wine) from other producers. In these cases the products may even be found as joint packs with a lower price than if the consumer were to buy them individually. Price discounts on individual items may be found from time to time.

Below: cheese cold counter with wine displayed alongside



It is important to note that the warning “octagons” have to be used on dairy products which are high in certain nutrients (see below).

Below: health warning labels on different cheeses



Pictures: © Agra CEAS / Euromonitor International, 2021.

5.3.2.3 Recent market trends

As noted above, recently the production of dairy products in Peru has expanded, which has resulted in a fall in prices across most dairy products in the country. This furthermore has allowed even the lowest income consumers in the country to obtain dairy products. Production of premium dairy products and healthier alternatives will continue to expand as demand for these products increase due to a rising health-conscious population with ever-higher incomes. The consumption of milk products and yoghurts was negatively impacted during the outbreak of COVID-19 but will likely rebound as the economy opens back up. Consumption of butter has become more normalised in the country and the stay-at-home orders put in place during COVID-19. This trend resulted in the consumption of butter increasing due to the increase in home cooking with butter being a key ingredient in the production of bread and pastries. The market for butter is likely to remain competitive as the market is currently made up of a wide number of smaller producers focusing on their respective local markets.

5.3.3 Offer

5.3.3.1 Domestic production

Peruvian dairy production has expanded rapidly in the past decade aided by a rise in demand for a wider variety of dairy products in the country. Milk production in 2019 prior to COVID-19 reached 2.2 million metric tonnes which was an increase of 3% from 2019. The concentration of milk production in Peru takes place in the regions of Cajamarca, Arequipa and Lima. Modern dairy farms are focused along the coast of Peru, which offers some of the more favourable terrains for larger dairy farms. In 2020 it was estimated

that there are around 900 000 milking cows in Peru. The majority of Peru's dairy is produced however by small herds, with about 51% of dairy farms having less than 9 milking cows.²³ Production of yoghurt is heavily influenced by the largest producer of yoghurt in Peru, Gloria, which has a market share of 63% and is a key trendsetter in the yoghurt sector. Currently, in the production of butter, Alicorp SAA is the key producer of the product with a market share of over 40% in Peru. Laive SA which has been a key innovator in the production of smaller packaging's of butter currently has a market share of 17%. As of late 2020, there were an estimated 6 000 industrial and artisanal cheese plants nationwide, located in Peru's dairy basins (Cajamarca, Puno, Arequipa, Amazonas, Ayacucho, Junín, Cusco and Ancash regions). The most common varieties produced domestically include: fresh cheese, Paria and Andean; plus imitations of European cheese such as Gouda, Camembert, Danbo, Gruyere, Edam, Brie, and Parmesan. Gloria SA group and Laive SA are the two biggest players in the cheese market with both companies having just over a third of the market each. The rest of the cheese market is made up of smaller producers with the third-biggest producer, Sociedad Suizo Peruana having a market share of around 3%.

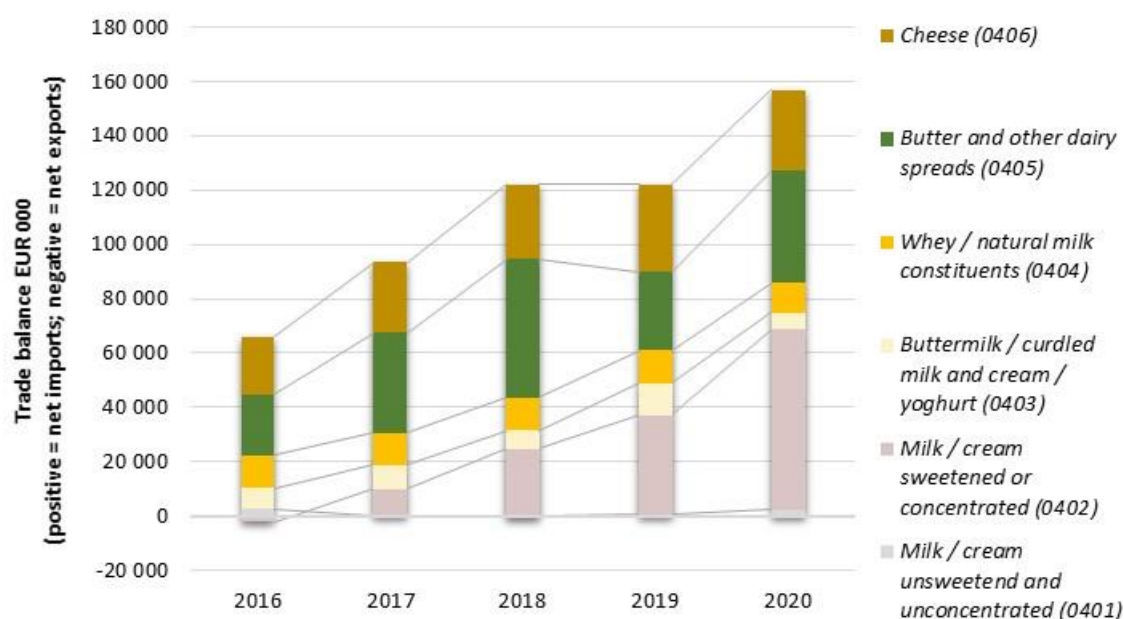
5.3.3.2 Imports and exports

As can be seen in Figure 5-11, Peru is a net importer of all major dairy categories, with the value of net imports having increased fairly consistently over the last five years to reach a current combined value of just under EUR 160 million. Sweetened/concentrated milk/cream and butter stand out as categories with particularly high levels of net imports, followed by cheese. The positive evolution over the last five years is due largely to a massive increase in the level of net imports of sweetened/concentrated milk/cream; a trend itself due both to an increase in imports and a fall in exports. While data on imports and exports separately is not shown in the chart, the category of sweetened/concentrated milk/cream is the only one for which Peru has a notable level of exports of any kind (EUR 65 million exports vs EUR 131 million imports in 2020); the other five categories combined only accounted for exports of EUR 3 million in 2020.

²³ USDA Gains report, Dairy update- Peru, available at:

https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Dairy%20Update_Lima_Peru_06-19-2020.

Figure 5-11: Trade balance (imports and exports) of dairy in Peru, 2016-20; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
CN codes in brackets.

Figure 5-14 shows the various importers of dairy products to Peru. In terms of origins of imports, these vary by category to some extent, though the US and New Zealand are important origins across multiple categories.

- **Unsweetened/unconcentrated milk/cream:** Imports of this category are small but growing. The largest exporter is Brazil with Poland and Spain making up the rest of the top three exporters. France is also among the top ten exporters of this product group to Peru.
- **Milk/cream sweetened/concentrated:** This is the largest dairy product group imported by Peru with a total value of EUR 131 million in 2020. The US accounts for just over half of exports with Argentina and New Zealand being in the top three. Germany is the largest EU exporter with a total value of EUR 6.4 million in 2020. The Netherlands, Ireland and Poland are amongst the top ten largest exporters as well.
- **Buttermilk/curdled milk and cream/yoghurt:** Total imports of this product group are small with a total value of EUR 6.2 million in 2020. Ireland accounted for roughly two-thirds of these exports with New Zealand being the only other large exporter. Finland is amongst the top three exporters with a value of EUR 57 000. Belgium, France and Germany have exported small amounts of this product within the past five years.
- **Whey/natural milk constituents:** Peru is a small importer of this product group with a total import value in 2020 of EUR 11 million. Chile accounts for roughly 40% of this trade with the US and France being amongst the top three. Germany, Spain, Portugal and Poland are amongst the top ten. However, total exports from these member states are small.
- **Butter/dairy spreads:** This product group is amongst the more important product groups imported by Peru, with a total value of EUR 41 million in 2020. Roughly 75% of butter and dairy

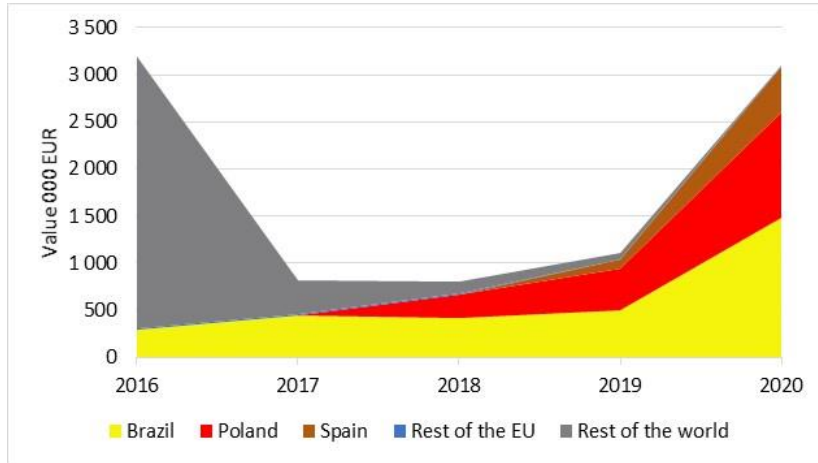
spreads come from New Zealand with Chile and Argentina being amongst the top three. France is the only EU member state amongst the top ten with a total trade value of EUR 210 000 in 2020.

- **Cheese:** Cheese imports were valued at EUR 31.7 million in 2020 with the US being the largest exporter with a value of EUR 9.9 million. Argentina and Uruguay are amongst the top three exporters. Germany is the largest exporter from the EU with a total trade value of EUR 2.8 million. The Netherlands, Italy, Spain and France are amongst the top ten exporters of cheese to Peru.

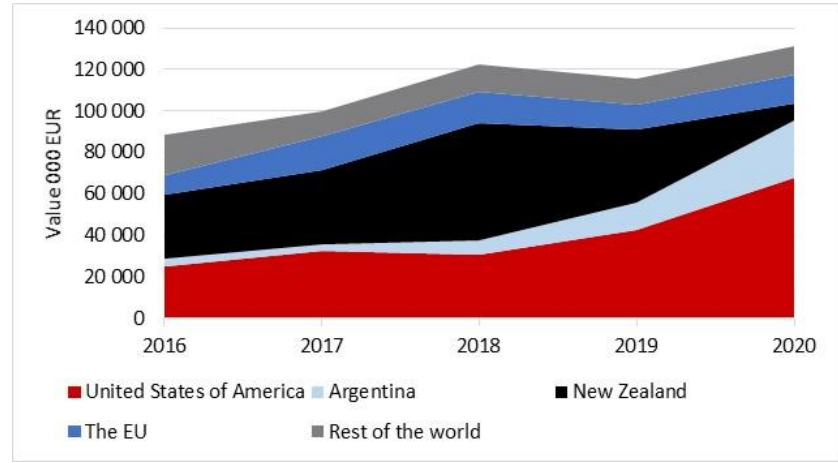
Peru – Market Entry Handbook

Figure 5-13: Peru imports of different dairy categories by country, 2016-20; EUR 000

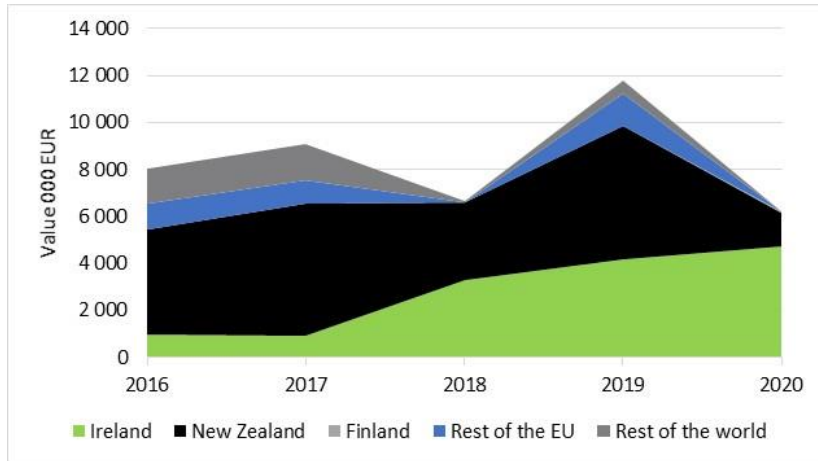
0401 Milk/cream unsweetened/concentrated



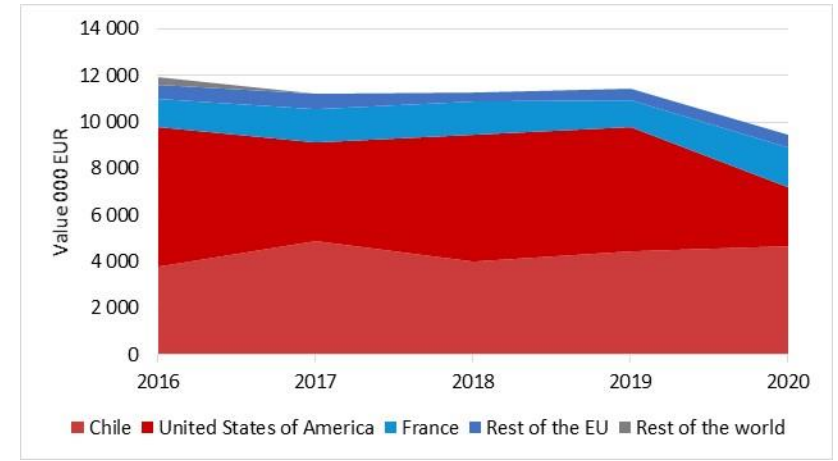
0402 Milk/cream sweetened/concentrated



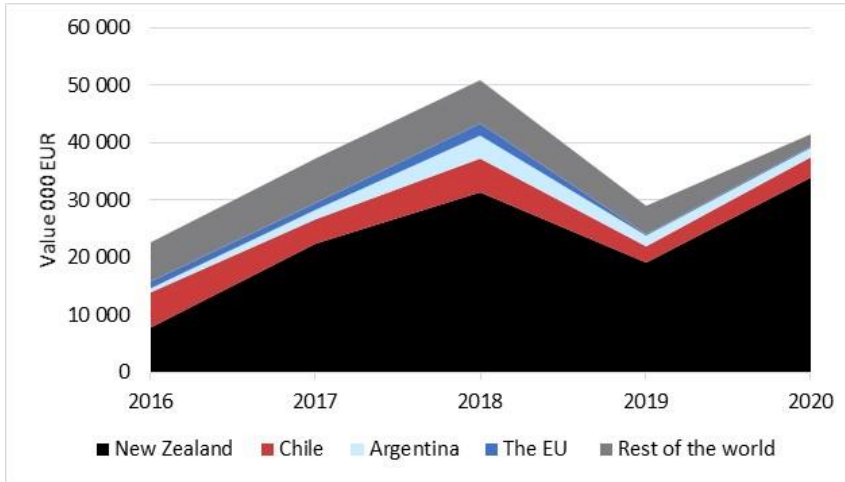
0403 Buttermilk / curdled milk and cream/yoghurt



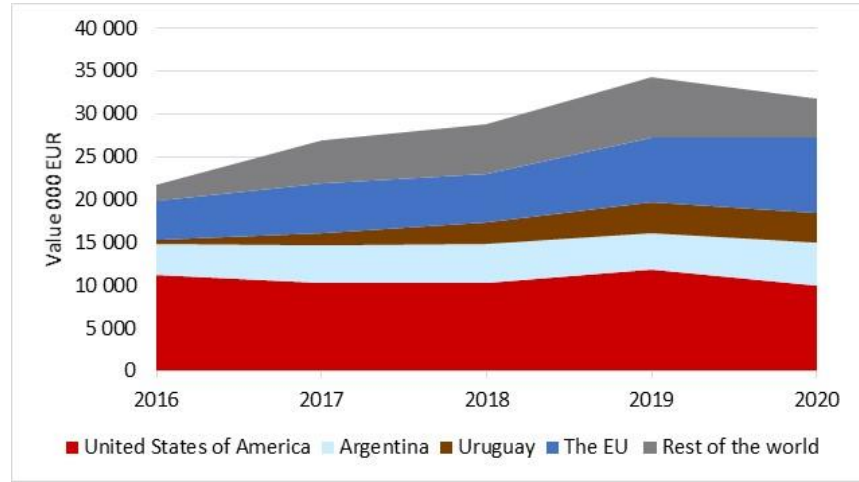
0404 Whey/natural milk constituents



0405 Butter/dairy spreads



0406 Cheese



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

CN codes in brackets

5.3.3.3 EU GI products

As noted in section 4.2.4, a number of GIs are protected under the EU-Colombia/Peru/Ecuador Trade agreement. This includes numerous cheese GIs, a full list of which can be found in section 9.1.

5.3.3.4 Main competitors

The main competitors for EU dairy products in Peru come from the domestic market, which continues to expand production in line with growing demand for a wider variety of dairy products from the Peruvian consumer base. Peruvian producers have the capacity to actively innovate to cater to the demand from Peruvian consumers with price attractiveness, smaller packaging and the increased production of premium dairy products being notable examples. Outside of Peru, the US, New Zealand and Argentina are amongst the largest competitors with these countries having a significant presence in the trade of a variety of dairy products to Peru. Despite the strong competition from these countries, various EU member states are amongst the top ten exporters of a variety of dairy products as well.

5.3.4 Specific market entry requirements

Market access and entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export is set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements for dairy notably include: a permit to import live animals and products of animal origin; a veterinary health certificate for animal products; and a document confirming inspection of pesticides, phytosanitary and animal health products.

The EU is now considered a single area in terms of SPS requirements for dairy products; hence individual Member States and establishments no longer need to be approved in order to export dairy to Peru.

In terms of tariffs, dairy products under CN codes 0401-0406 do not face tariffs.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general cheese category (0406) from France to Peru

<https://trade.ec.europa.eu/access-to-markets/en/search?product=0406&origin=FR&destination=PE>

Standards, SPS measures

Supreme Decree 007-2017- MINAGRI sets standards for milk and products of milk origin. Imported products are included in the scope of the decree (as stated in article 4). The text of the decree, in Spanish, can be consulted at the following link: <https://busquedas.elperuano.pe/normaslegales/decreto-supremo-que-aprueba-el-reglamento-de-la-leche-y-prod-decreto-supremo-n-007-2017-minagri-1538908-1/>.

Labelling

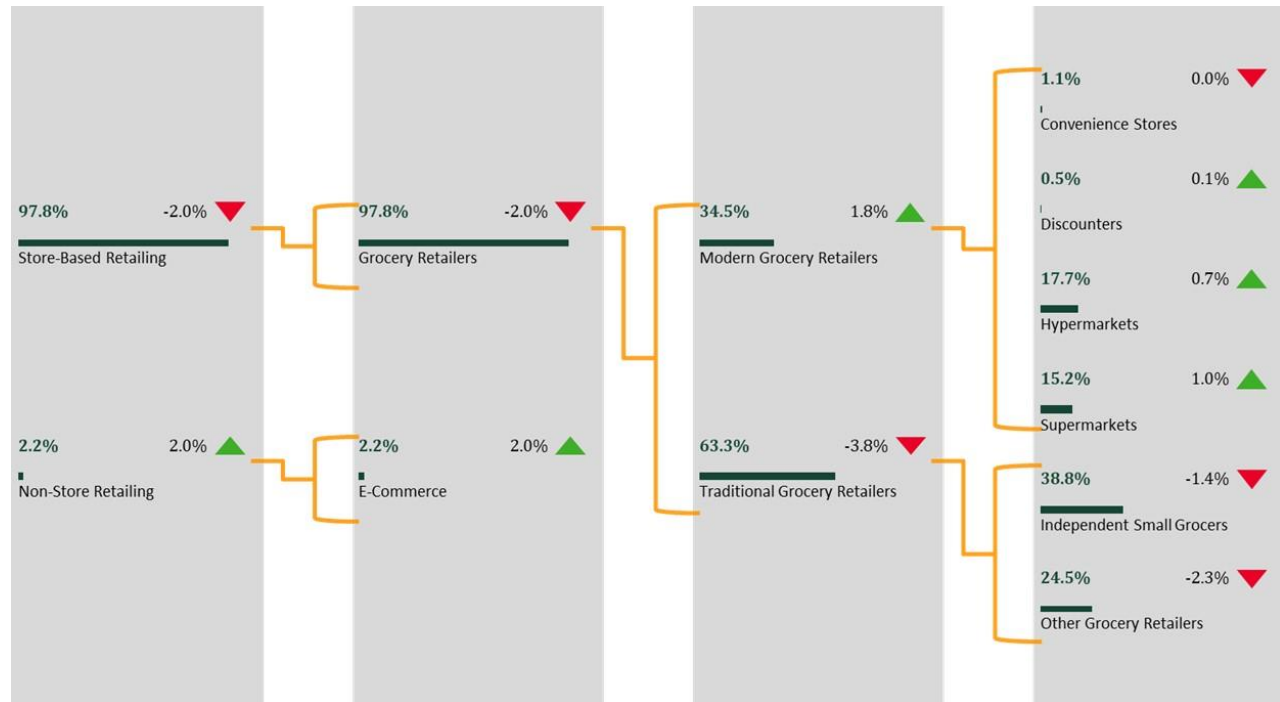
Dairy products must conform to the labelling requirements for packaged foods set out in section 4.2.3. The provisions of the health warning label should be carefully taken into account.

5.3.5 Distribution

As shown below in Figure 5-12, traditional grocery retailers remain the major channel for the sale of dairy products in Peru, however, it can be anticipated that the current share of 63.3% will continue to decline in the future as the modern grocery retail chain continues to expand in the country. Independent small grocers accounted for 38% of sales which is the largest channel. However, this figure is declining. Hypermarkets have been growing their share of distribution and this will likely continue to expand in the future. E-commerce has emerged as a new channel in recent years and has grown by 2 percentage points since 2017 and now accounts for 2.2%, aided by the outbreak of COVID-19 and subsequent lockdown orders in the country. Looking across dairy products individually:

- **Cheese:** Largely distributed by traditional grocery retailers which account for 75% of sales. Food and tobacco drink specialists are the largest distributors within this grouping with a 52% share of distribution. In regards to imported cheese in particular, modern grocery retail outlets are the predominant distributors of imported cheese. That said, speciality stores such as the Cheese Corner, Il Pastificio, Delifrance and Adrimpex are also notable channels for imported cheese.
- **Drinking milk products:** Modern grocery retailers are the largest distributor with a share of 54% of sales, a figure that is continuing to increase, hypermarkets and supermarkets are the main channels of distribution. Traditional grocery retailers account for 42% with independent small grocery retailers being the largest distributor in this channel.
- **Other dairy:** Other dairy products are largely distributed by traditional grocery outlets which have a share of 79% of the distribution. Independent small grocers the biggest sole channel with a share of 44%. Modern grocery retailers account for 19% of sales with this being mainly attributed to hypermarkets.
- **Butter and spreads:** 69% of sales come from traditional grocery retailers, although this share has been declining in recent years due to the growth of modern grocery retailers. Independent small grocers are the largest sole channel with a market share of 48%. Modern grocery retailers are more likely to stock imported butter in particular.

Figure 5-12: Distribution channel overview of dairy in Peru (2020); all dairy products; retail value



Source: Euromonitor International: Packaged Food, 2021.

5.3.6 Challenges for EU products

Challenges for EU products include competition from the domestic market, which has expanded rapidly in the past decade resulting at times in market saturation which caused low prices. EU producers also need to adapt their production to cater to specific demands from the Peruvian consumer base which vary from the price consciousness of many consumers to the desire to have premium yoghurts in glass jar packaging and the ability to purchase small amounts of dairy products to suit both the desire for practical affordable products as well as premium products. Challenges from outside of Peru include competition from the US and New Zealand which are the biggest competitors in the dairy sector. It should also be noted that, depending on composition, dairy products may be impacted by the health warning label system.

Despite these challenges, EU member states have been successful in this sector in Peru with notable examples being Irish buttermilk (the largest exported buttermilk to the country) and milk from Poland and Spain (2nd and 3rd largest exporters respectively). EU member states are typically amongst the top ten exporters across dairy products, which suggests that the market in Peru offers the opportunity to be successful, although, total imports of dairy products from Peru as a whole are still quite small.

Market Takeaway: Dairy

Consumption: Dairy consumption has continued to grow in Peru. While there is pricing pressure at one end of the market, there is also a growing demand for some premium products in line with the desire for healthier food and beverage intake, rising incomes and the perception of premium dairy products as fashionable in the country.

Competition: Domestic production has grown substantially in recent years in response to a rise in demand for dairy products in the country. This presents the biggest competition for EU products. Competition from outside the EU mainly comes from the US, New Zealand, Chile and Argentina.

Distribution: Traditional grocery retailers account for 63% of sales, however, this figure is declining rapidly, and it can be expected that modern grocery retailers will continue to expand their share of distribution sales in the future. Imported dairy products are most likely to be distributed by modern grocery retail outlets in Peru, and in the case of cheese, through certain gourmet stores.

Challenges: Catering to specific demands from the Peruvian consumer base such as the desire for premium yoghurts to be in glass packaging and the desire for small packaging to cater to low-income earners presents adaptability challenges. Competition with domestic producers is also a key challenge as production has risen in Peru resulting in falling prices for Peruvian dairy products in the country. Products may be impacted by health warning labels.

Opportunities: Demand for premium dairy products will continue to grow as incomes rise in the country and demand for healthier products increase. This presents a key window of opportunity for EU producers to garner a following amongst middle-income and higher-income earners interested in these premium products.

5.4 Wine

5.4.1 SWOT analysis

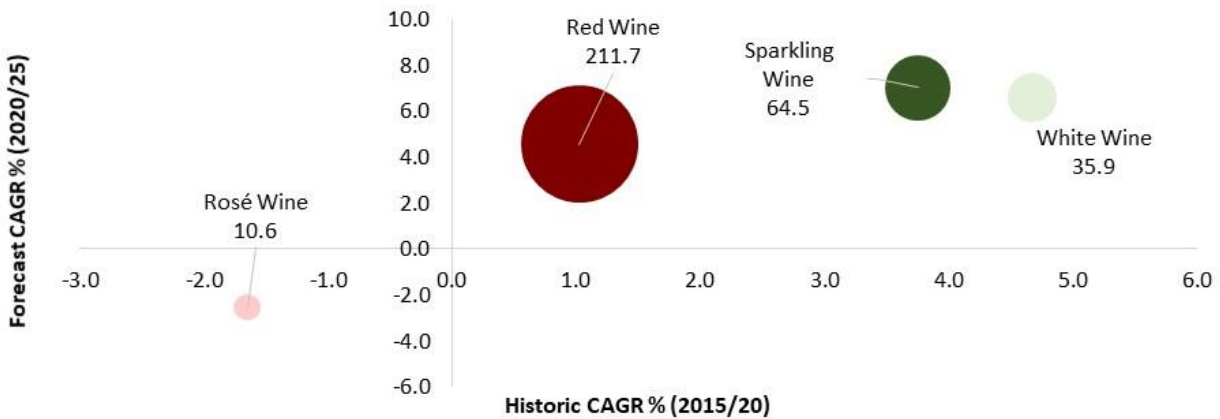
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Consumption of wine in Peru grew rapidly between 2016-2019 and is only declining as a result of COVID-19. It is likely to rebound with red wine being the most popular. ▪ Peru is a small domestic producer of wine without a historical culture of wine production. ▪ Peruvians increasingly consume European wines such as champagne on special occasions including weddings. 	<ul style="list-style-type: none"> ▪ Wine consumption is lower than the consumption of other alcoholic beverages such as beer and spirits. ▪ EU wine is much more expensive than domestic and regional wine from Argentina and Chile which may dissuade lower-income earners. ▪ Consumers in cities such as Ica and Pisco are less likely to consume imported wine instead of purchasing local wine to support the local wine production economy.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Peru is one of the bigger importers of wine in the region with total imports being higher than in neighbouring Ecuador, Bolivia, Chile and Argentina. ▪ Peruvians associate imported wine with being of a higher quality than domestic wine. ▪ Modern grocery retail outlets increasingly account for a higher percentage of sales and have a greater capacity to import and store imported wine. 	<ul style="list-style-type: none"> ▪ Chile and Argentina are the biggest threats in the Peruvian wine market for EU wine. ▪ The US and New Zealand are key competitors in the premium wine market of Peru. ▪ Domestic production is small but growing rapidly with Peru expected to emerge as an important player in the Latin American wine market by the end of the decade.

5.4.2 Consumption

5.4.2.1 Evolution of consumption

The wine market of Peru grew rapidly between 2015-2021. Currently, red wine is the largest wine category in Peru with a total value of EUR 211 million. This is twice the amount of the second-largest wine category sparkling wine with a total value of EUR 64.5 million. Red wine is forecasted to grow by a CAGR of 4.1% between 2021 and 2025 while sparkling wine is forecasted to grow at a CAGR of 5.4% which also makes it the fastest growing wine between this period. White wine has a total value of EUR 35.9 million and was the fastest growing wine between 2015-2020. Rosé wine has a total value of EUR 10.6 million with the wine experiencing a decline in recent years, which is forecast to continue.

Figure 5-13: Evolution and forecast of wine market (million Euros) in Peru, 2015-2025; total value



Source: Euromonitor International: Alcoholic Drinks, 2021.

5.4.2.2 Consumer profile and purchase criteria

Consumers

Consumption of wine is lower than beer and spirits in Peru with per capita consumption being lower than neighbouring Chile and nearby Argentina, which are both large wine producers. Consumption in Peru fell in 2020 due largely to the outbreak of COVID-19, which resulted in on-trade wine consumption falling by 34%, consequently. However, off-trade consumption grew by 11%. Previously wine consumption increased rapidly between 2010-2019 and became a normalised practice in Peru. Consumers of wine in Peru can come from a wide range of income classes as the presence of wine from neighbouring Chile and nearby Argentina make them generally not expensive in Peru. Red wine appeals to consumers seeking to associate wine consumption with having health benefits. Due to this red wine did not suffer as big a decline in consumption caused by COVID-19 compared to other wines such as sparkling wine and white wine. Domestic production has increased in recent years, which leads to the presence of cheaper wine that appeals to lower-income earners. Yet, the perception of imported wine being of a higher quality remains. Younger consumers are likely to be attracted to newer products on the market including innovative canned wine and domestic wine produced sustainably in the country. Older consumers and those of a higher income are likely to be attracted to imported wine with the more popular imported wines coming from Spain, Argentina and Chile.

Drivers and method of consumption

Drivers of consumption of wine in Peru vary as does the method of consumption. For red wine, the perception of the product as a healthier alternative to other wines drives demand from health-conscious consumers and resulted in this wine being less exposed to the effects of the outbreak of COVID-19 in the country. Consumption of champagne, sparkling and rosé wine is common during special occasions such as a birthday or a wedding. These wines were some of the most exposed wines to the effects of COVID-19 as large gatherings to celebrate special occasions were discouraged in Peru. Peruvians have shown a preference for sweeter wine in general. Lower-income earners are more likely to purchase wine in local

neighbourhood stores while upper-income earners are more likely to purchase them in specialised wine stores.²⁴ Many Peruvians consume wine as a way to relax. Consumption of canned wines recorded a growth of 300% in 2020 as consumers seek alternatives to on-trade wine and wine at a lower cost. Canned wine particularly appealed to younger consumers seeking to learn more about wine. Wine consumption in urban centres such as Lima has grown in recent years with wine bars becoming more common in the city and increasingly being a common after-work meet-up place, prior to COVID-19. Red wine is and will remain the most popular wine consumed in Peru by 2025 with the smallest wine category being rosé wine.

Purchase criteria

The price of wine in Peru is generally not expensive and imported bottled wine is obtainable to middle- and higher-income earners. Lower-income earners will likely be swayed by the growth of cheaper domestic wine and canned wine in Peru. Upper-income earners will be influenced by brand recognition with the country of origin being a large factor. The more popular imported wines come from Spain, Chile and Argentina. Younger consumers, which are increasingly concerned about sustainable environmental practices will be more inclined to purchase domestic wines, which have seen a large increase in production in recent years although the industry remains far behind that of Chile and Argentina. Although not a major industry in Peru compared to neighbouring countries, the concentration of Peru's wine industry around the cities of Pisco and Ica acts as a source of local pride. Thus, consumers from these cities are more likely to purchase local wines to help support the local Agri economy. Consumers of imported wines in Peru may be further persuaded to purchase them if they come with complementary products such as a wine screw and branded wine glass.

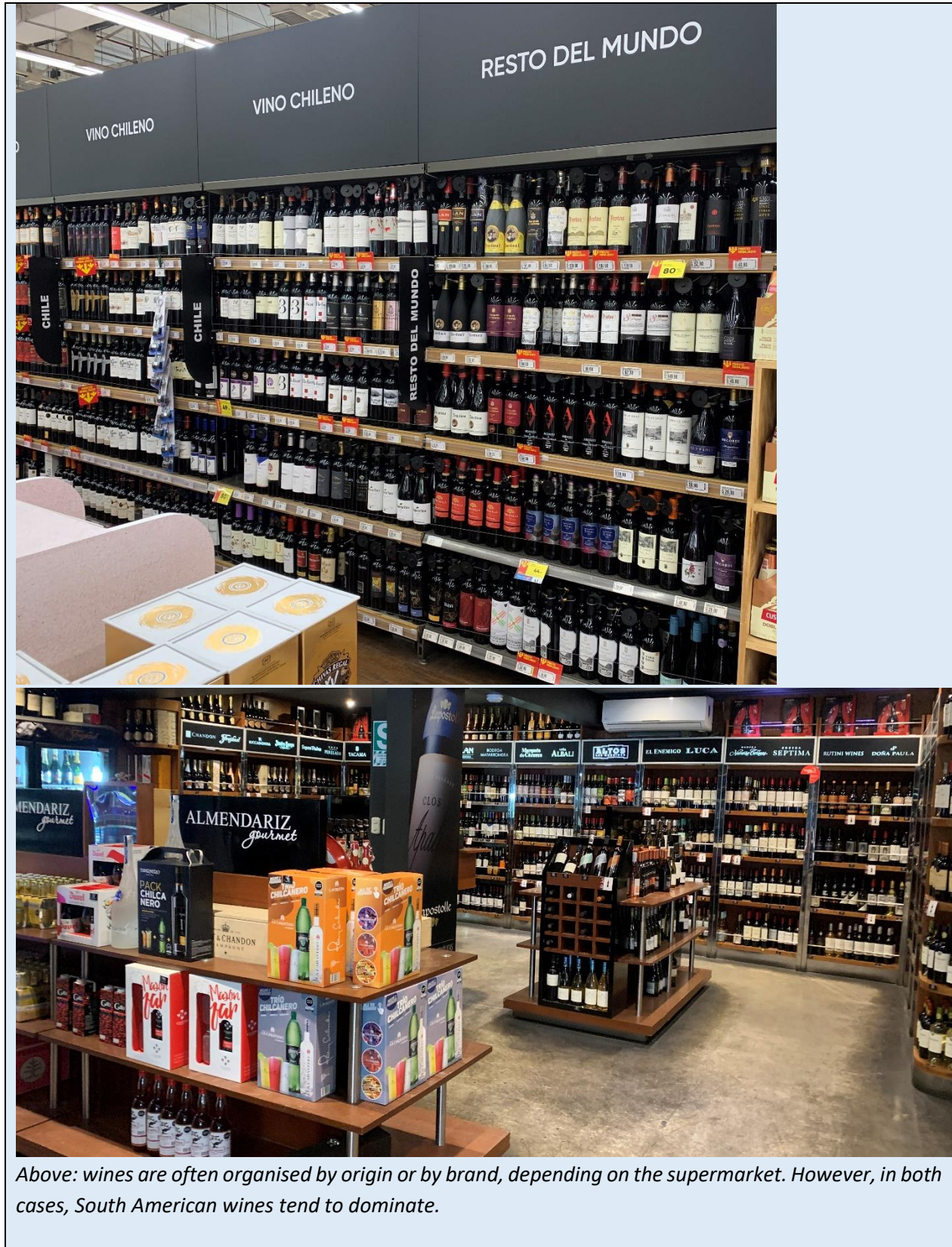
Wine on retailers' shelves in Peru

Common retail prices for a 750ml bottle of wine are:

- **Economy:** between PEN 18 - 39 (EUR 4 - 8.50)
- **Medium:** between PEN 40 – 79 (EUR 8.50 – 17)
- **Premium:** above PEN 79 (EUR 17)

European wines generally target the mid and premium segments, with abundant South American wines generally in the economy and medium segments.

²⁴ Consumo y producción de vinos en Peru, Lanoche envino.com, available at: <https://lanocheenvino.com/2018/07/31/consumo-y-produccion-de-vinos-en-peru/>



Above: wines are often organised by origin or by brand, depending on the supermarket. However, in both cases, South American wines tend to dominate.

750ml glass bottles are the most common packaging method for wine, though a few brands use 700ml bottles. Canned wine has also increased in popularity in recent years.

Labelling is often intentionally attractive as it serves as a way of attracting consumers which are not highly knowledgeable about wines – notably those who purchase the product as a gift. Some retailers also have displays to specifically draw attention to certain wines (see below).



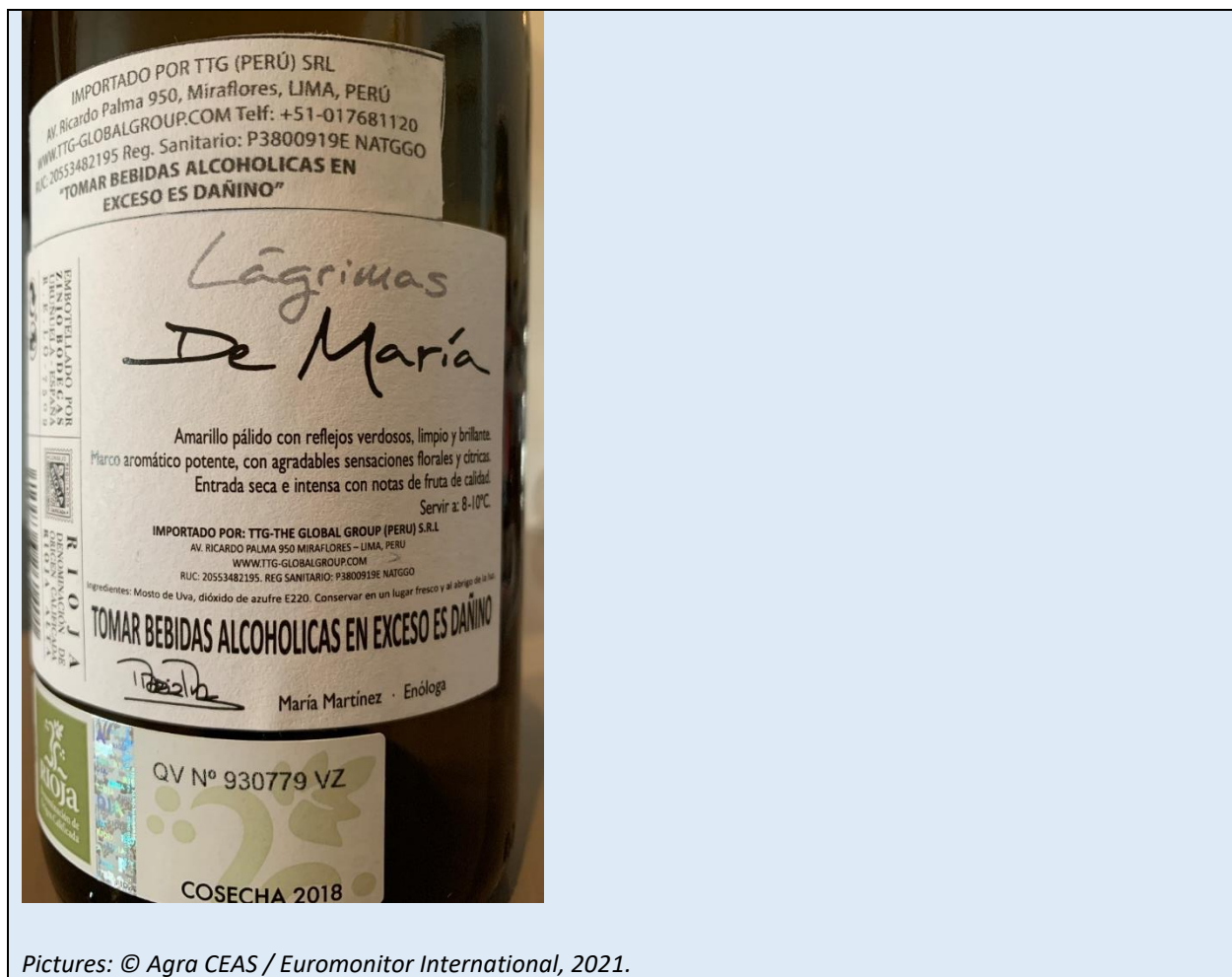
Above: displays in two different retailers, designed to draw attention to certain wines.

It should be noted that retailers may offer wine promotions around the major wine fair Expovino, which occurs in September and October. Wong Supermarket, as an organiser of Expovino, is chief among supermarkets doing so; though other supermarkets may also offer promotions around this time (see below).



Above: October wine promotions in Wong Supermarket

It must be remembered that wine must bear a warning label (see below).



Pictures: © Agra CEAS / Euromonitor International, 2021.

5.4.2.3 Recent market trends

As previously stated, wine consumption was heavily impacted by the outbreak of COVID-19 with Peru having some of the strictest restrictions in Latin America leading to a sharp decline in on-trade consumption of wine. Wine consumption prior to the outbreak of COVID-19 was growing quickly in Peru with sparkling and white wine both having a CAGR between 2015-2020 of 10.7%. This can be explained by the increasing association of these wines with the celebration of special occasions. The gifting of wine is not common in Peru but is a growing practice that benefits sales around special events in the country such as Christmas. The growth of the Peru wine industry has resulted in prices of wine falling in the country, which has opened the consumption of the product up to lower-income classes of Peru. Innovations in the Peruvian wine market include examples such as canned wine which appeals to Peruvian consumers who are used to the consumption of other alcoholic beverages such as beer via cans. Canned wine is increasingly present in the Peruvian market. Organic wines and wines which have unique packaging is also growing as a key market trend with producers being keen to stand out from competitors. Additionally, consumers can take an increasing number of wine tours of Peruvian vineyards and attend a lot of wine tasting events. Nonetheless, the lingering perception that imported wine is of a higher quality continues to hinder the ability of domestic wine producers to market their products to consumers. Going forward,

red wine will remain the most popular wine in Peru followed by sparkling wine and white wine with rosé wine having a smaller following. It is likely that the expansion of modern retail outlets in Peru will benefit the sale of imported wine as these outlets have a greater capacity to import and store imported wine for a prolonged period of time.

5.4.3 Offer

5.4.3.1 Domestic production

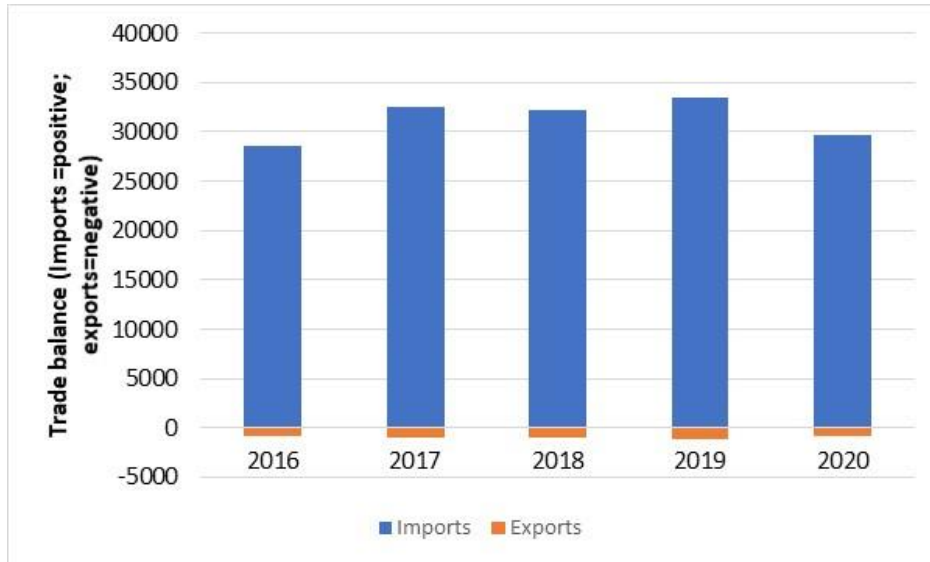
Production of wine in Peru is smaller than in neighbouring Chile and Argentina resulting in the domestic industry having to compete with larger producers within its vicinity. However, local production has expanded in recent years with the cities of Pisco and Ica, in particular, coming to be associated with the wine industry of Peru. There are around 11 000 hectares of vineyards in Peru with the main wine-producing regions of Peru being the Arequipa valley, the Huaral district, the Ica region and Pica. Peru produces around 73 000 tonnes of wine annually which ranks the country far behind neighbouring Chile (12 million tonnes) and Argentina (~13 million tonnes). Domestic brands Santiago Queirolo and Vina Tacama have the largest market share of the Peruvian wine market with Santiago Queirolo having a market share of just under 50%. Some other popular wines from Peru include Vista Alegre and Ocuaje. The wine industry in Peru was not able to previously develop to the scale seen in neighbouring Chile and Argentina due to a number of factors. These included: the production of Pisco in the country which is more popular and also requires grapes for production; the influx of wine from Chile and Argentina which provided a cheap alternative to domestic wines, combined with investment into the wine sector of these countries being higher than in Peru; and finally, the production of cotton in areas of Peru suitable for wine production was common as cotton was a heavily demanded commodity which made it more lucrative to produce than wine. Despite these factors, the Peruvian wine industry has recently begun to grow, and Peruvian wine will likely continue to become more globally recognised in upcoming years.²⁵

5.4.3.2 Imports and exports

Peru has a trade deficit in the trade of wine, despite the production of wine in the country increasing in recent years. Total imports in 2020 were valued at EUR 29 million which is a decline from the 2019 figure of EUR 33 million (Figure 5-14). Peru exported EUR 849 000 worth of wine in 2020, which is also a slight decline from 2019. Total imports are low but higher than in neighbouring Argentina, Chile, Ecuador and Bolivia making the country one of the more attractive markets in Latin America for foreign wine exporters.

²⁵ Peruvian wine and spirits, wine searcher, available at <https://www.wine-searcher.com/regions-peru>

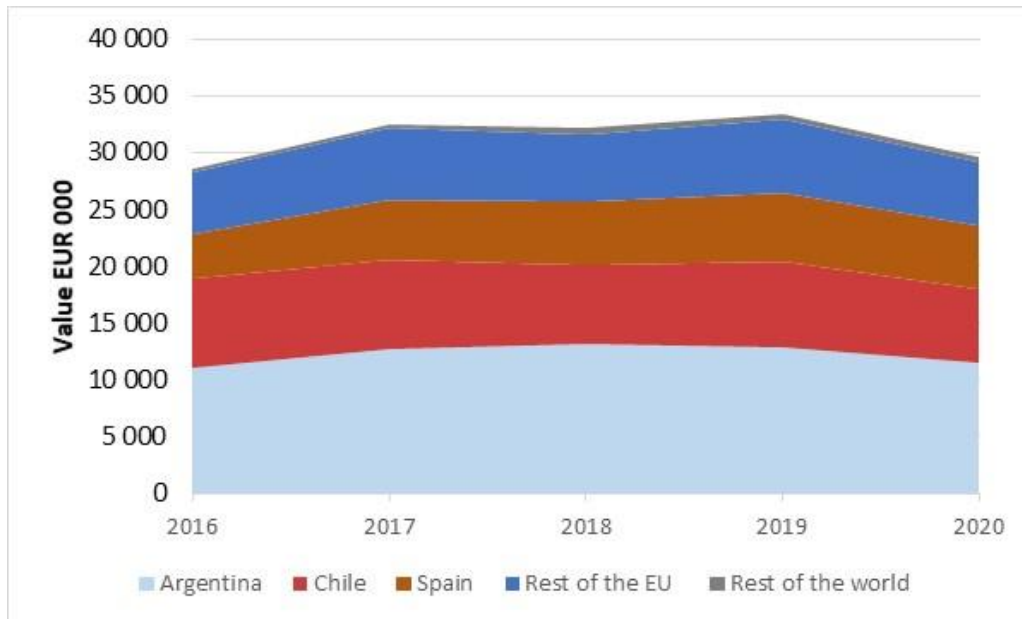
Figure 5-14: Trade balance (imports and exports) of wine in Peru, 2016-20; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2204.

Unsurprisingly, as shown in Figure 5-15, Argentina and Chile are the two biggest exporters of wine to Peru with both these countries having an established wine production base that facilitates the trade of wine to Peru. Total imports from Argentina were valued at EUR 11 million while imports from Chile were valued at EUR 6.6 Million. Spain is the third biggest exporter of wine to Peru and total imports from Spain came to a value of EUR 5.5 million in 2020. Italy is the fourth-largest exporter with a trade value of EUR 4 million followed by France with a trade value of EUR 1.3 million. Portugal and Germany are the only two other member states that are in the top ten exporters of wine to Peru.

Figure 5-15: Peruvian imports of wine by country, 2016-20; EUR 000

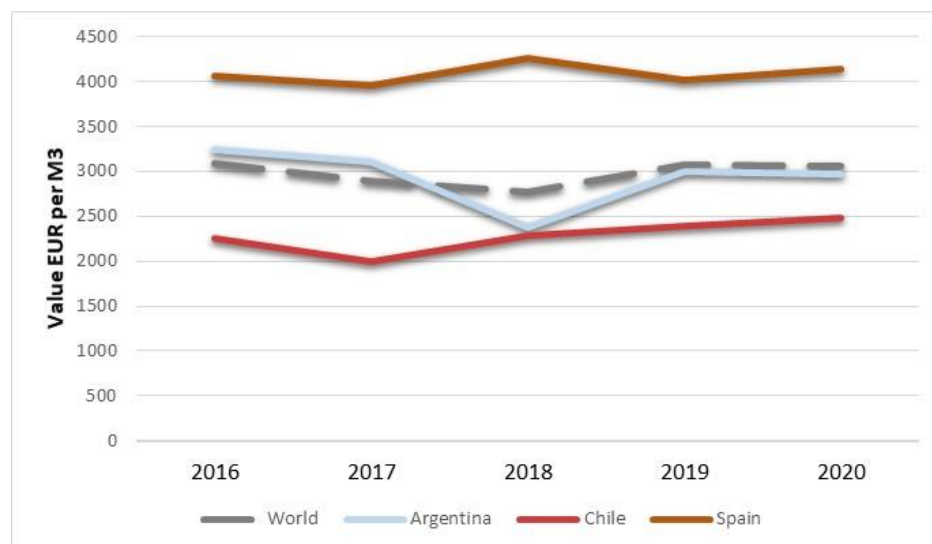


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2204.

Among the major exporters, Spanish wine had the highest unit value in 2020 as shown below in Figure 5-16. The unit value of Spanish wine was about EUR 4 130 per m³ which is almost double that of Chile and above the world average of EUR 3 050 per m³. The unit price of Spanish wine has remained consistent between 2016 and 2020 with very small amounts of fluctuations from its present price. Argentinian wine saw a large unit price value decline between 2017 and 2018, which saw the price decline from EUR 3 100 to EUR 2 370 per m³ with the unit value of Argentinian wine remaining lower than the global average ever since.

Figure 5-16: Peruvian imports of wine by country, 2016-20; Value EUR per m3



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2204.

5.4.3.3 EU GI products

As noted in section 4.2.4, a number of GIs are protected under the EU-Colombia/Peru/Ecuador trade agreement. This includes numerous wine GIs, a full list of which can be found in section 9.2.

5.4.3.4 Main competitors

For a long time now, the main competitors in the Peruvian wine market have been Chile and Argentina and this stays the same in the upcoming years as these countries have established a reputable wine production base that facilitates the movement of wine between these countries into Peru. Domestic wine production has increased as the government seeks to emulate the success of the Chilean and Argentinian wine sectors but remains very much in its infancy outside of the cities of Ica and Pisco. Within the luxury wine market, while Chile and Argentina are still big competitors, the presence of American and New Zealander wine in Peru presents a considerable challenge. However, the biggest EU wine producers, Italy, Spain and France remain ahead of both the US and New Zealand in terms of total exports with Portugal and Germany also being ahead of New Zealand. Total exports from other large wine-producing countries such as Australia and South Africa are small and at present do not yet present a considerable challenge for EU wine producers exporting to Peru.

5.4.4 Specific market entry requirements

Market access and entry; standards, SPS measures

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export is set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements for wine notably include the sanitary registration of foodstuffs and beverages; a certificate of analysis; and a free sale certificate.

In terms of tariffs, wines from the EU do not face tariffs.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general wine category (2204) from France to Peru

<https://trade.ec.europa.eu/access-to-markets/en/search?product=2204&origin=FR&destination=PE>

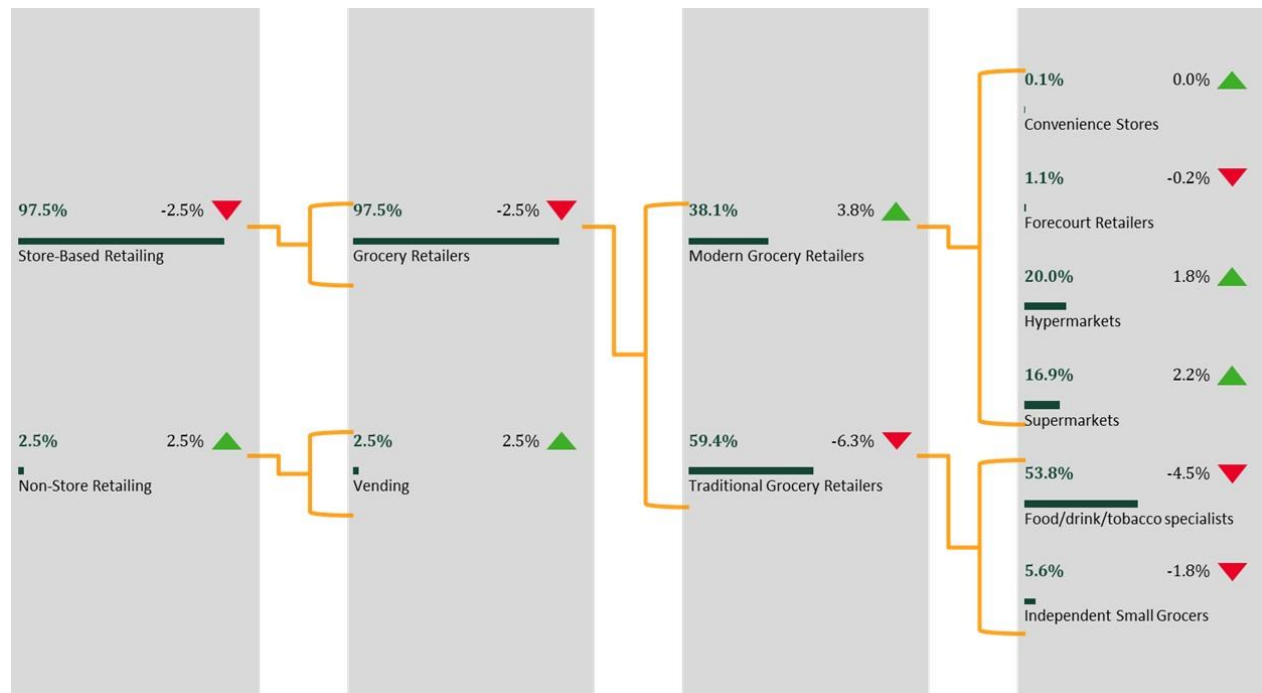
Labelling

Wine must conform to the labelling requirements set out in section 4.2.3. Most notably, labels must bear a warning label: "TOMAR BEBIDAS ALCOHOLICAS EN EXCESO ES DAÑINO" (excessive consumption of alcohol is damaging to the health). At least 10% of the label and of the packaging must be designated to this phrase.

5.4.5 Distribution

Figure 5-17 shows the off-trade distribution channels for wine. Traditional retail outlets account for roughly 60% of all sales. Within traditional retail outlets, food and drink specialist stores account for the majority of sales both within this channel and Peru as a whole with 54% of wine sales in off-trade sales of Peru coming from this retail outlet. Modern grocery retail outlets are growing their share of distribution in Peru and accounted for almost 35% in 2020. The largest modern grocery retail outlet selling wine are hypermarkets, which have a share of 20%. Vending is the only non-store retailing channel with 2.5%. Prior to the outbreak of COVID-19, on-trade sales accounted for 20% of all wine sales in Peru by volume.

Figure 5-17: Distribution channel overview of wine in Peru (2020); off-trade volume



Source: Euromonitor International: Alcoholic Drinks, 2021.

5.4.6 Challenges for EU products

Challenges for EU wine in Peru include the relatively low levels of wine consumption in Peru, with the product lagging behind beer and spirits in terms of consumption, although consumption before COVID-19 was growing. EU wine in Peru needs to compete with the presence of Argentinian and Chilean wine, which are cheaper and readily available as these countries neighbour Peru. Domestic production remains small despite growth. Yet, innovations from domestic producers in relation to packaging such as the introduction of canned wine are growing popular amongst younger consumers which present a competitive challenge for EU products. Despite challenges, the Peruvian market presents a number of opportunities with the country being one of the larger importers of wine in Latin America and the perception of imported wine being of a higher quality than domestic wine spurs demand for imported wine to celebrate special occasions such as weddings or birthdays.

Market Takeaway: Wine

Consumption: Consumption is lower than in neighbouring countries, however, the past decade has seen the rapid expansion of wine consumption within Peru with sparkling and white wine growing by a CAGR of over 10% in the years running up to the COVID-19 pandemic. The decline occurred due to the pandemic but will likely rebound.

Competition: Argentina and Chile are the two clear competitors in this market with both countries neighbouring Peru and having a well-developed wine sector. Domestic production is growing but remains limited.

Distribution: Traditional grocery retailers account for two-thirds of off-trade sales with specialised stores accounting for 58% of sales. Modern grocery retailers growing in importance with hypermarkets growing the fastest. On-trade sales of wine before COVID-19 accounted for 20% of all sales of wine by volume in Peru.

Challenges: Lower consumption per capita than neighbouring markets combined with the presence of two large wine-producing nations on its border, Argentina and Chile, present the key challenges for EU wines. Challenges for white wine producers given the focus on red and sparkling.

Opportunities: Peru imports more wine than most of its neighbours and is a key market for imported wine which is often perceived as having a higher quality than domestic wine. EU wines are amongst the highest amount imported by Peru.

5.5 Spirits

5.5.1 SWOT analysis

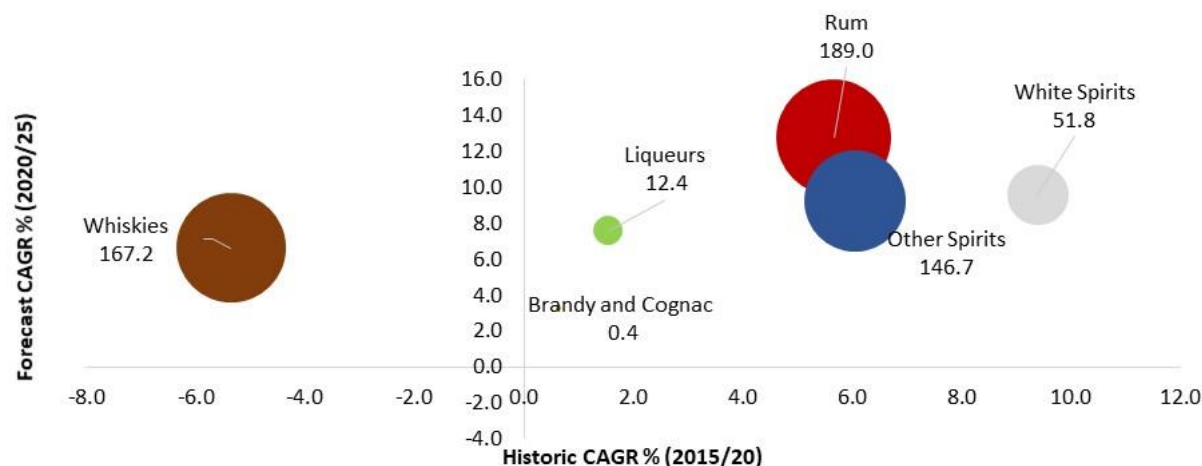
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ The spirits of whiskey, rum and vodka all seen double-digit CAGRs between 2014-2019. ▪ Spirits are the second most consumed alcoholic beverage in Peru. ▪ Ireland is the second-largest exporter of liquors and cordials to Peru with Germany being third. 	<ul style="list-style-type: none"> ▪ Pisco, the national spirit, is the most popular and generally affordable in the country. ▪ As a result of the interest of consumers in grape-based pisco, there is effectively no market for brandy or cognac. ▪ The Peruvian government has implemented an excise tax on imported spirits which is currently 40% ad valorem <u>or</u> specifically EUR 0.76 per litre, whereas pisco pays a flat EUR 0.47 per litre.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ The reopening of the Peruvian economy will likely help spirit sales to rebound in the country. ▪ Tourism to Peru from Europe was growing year on year before COVID-19 and will rebound after COVID-19; this may assist demand for imported spirits. ▪ An increasing number of consumers are curious about new products, which drives the demand for imported spirits. 	<ul style="list-style-type: none"> ▪ The Peruvian government has implemented laws to protect pisco from outside competition which results in a discriminatory taxation regime for foreign spirits. ▪ The UK is the biggest threat from outside of Peru and is particularly strong in the whisky segment. ▪ Peruvian domestic production of spirits other than pisco is growing and will in time present a threat to EU products.

5.5.2 Consumption

5.5.2.1 Evolution of consumption

Figure 5-18 shows that rum is the largest spirit category in Peru by total value, with a total value of EUR 189 million. It is also forecast to grow the fastest over the next five years at over 12% per year. The second-largest spirit product is whiskies; the product has remained the second-largest spirit in Peru despite declining between 2015-2020, currently having a total value of EUR 167 million. Other spirits are remaining spirit products with a significant value in the Peruvian market with a total value of EUR 146 million; this is primarily driven by Pisco. White spirits have been growing in Peru and currently have a total value of EUR 52 million. Liquors have a total value of EUR 12.4 million followed by the smallest category which is brandy and cognac with a total value of EUR 400 000.

Figure 5-18: Evolution and forecast of the spirits market in Peru, 2015-2025; total value, EUR millions



Source: Euromonitor International: Alcoholic Drinks, 2021.

Pisco is included under 'Other Spirits'.

5.5.2.2 Consumer profile and purchase criteria

Consumers

Consumption of spirits in Peru has been growing in recent years with the products of rum, other spirits and white spirits registering double-digit annual growth between 2014-2019. Consumption of spirits declined in 2020 largely as a result of most on-trade establishments closing their doors due to the outbreak of COVID-19. Pisco has been long established as the flagship spirit consumed in Peru with the spirit also being largely only produced in Peru with the exception of smaller distilleries in Chile. Due to this, consumers are well accustomed to the presence and consumption of pisco during social events. Older consumers are more likely to consume pisco as it brings the brand familiarity while younger consumers are likely to explore other spirits such as rum, vodka and whiskies.

Overall consumers of imported spirits are likely to be between the ages of 25-44 and live-in urban centres within Peru. Urban consumers along the coast of Peru have access to a wider variety of imported spirits as the logistics behind exporting spirits to the interior of Peru where the consumption of pisco is preferred makes it difficult. Tourists visiting Peru's many attractions are another key demographic likely to purchase imported spirits with the presence of Spanish and Irish bars in cities such as Cusco and Lima acting as key channels for the distribution of imported spirits. The consumption of imported spirits is focused largely on middle- and higher-income earners due to the unequal taxation practise in the country with taxes on imported spirits being 40% with an ABV of 20% compared to domestic pisco, which has a tax rate of 20% and thus attracts lower-income and price-sensitive consumers. While pisco is the flagship spirit in Peru, rum and whisky are growing in popularity through a consumer base that is increasingly curious about other products including foreign-produced ones. Domestic variants of these products are increasingly visible as producers seek price-sensitive consumers impacted by the taxation of non-pisco spirits in Peru.²⁶

²⁶ Drinking in Peru, Peru explorer, Available at <https://www.peru-explorer.com/drinking.html>

Drivers and methods of consumption

Drivers of imported spirit consumption involve special occasions, the presence of European bars catering both to tourists and locals and finally the desire to explore new products which have emerged as a key trend amongst the younger consumer base. Peruvians will typically consume Pisco for casual spirit consumption with the product being a source of pride for many locals. The product even has its own national celebration day which takes place on the first Saturday of every February. Curiosity about foreign products in the country, which extends to the products of vodka, rum and whiskies, has been a key driver of consumption with these products recording double-digit growth across most of the last decade. Rum has the largest market value in the country and has grown to be popular among higher-income earners who often associate the product with success; the drink may be domestically produced or imported. Whiskey is also popular with imported whiskey being preferred. Indeed, it is common for Peruvians abroad in both the US and Europe to bring home whiskey as a gift. Social outings commonly involve the consumption of spirits with many Peruvians associating the consumption of spirits, in particular pisco, with socialising. This trend has declined due to the closure of on-trade establishments, however, will likely rebound once the economy reopens. In relation to the method of consumption:

- Whisky is usually consumed neat, with ice or mixed with water, and to a lesser extent, with soda.
 - Cognac is generally consumed neat or with ice, in tastings and at social gatherings.
- Vodka is a popular spirit consumed at cocktail bars and during social gatherings while rum is usually consumed with a mixture of coke and ice.

Purchase criteria

Peruvian consumers appreciate spirits produced from products sourced locally in the country such as fresh fruit, grapes and corn. This helps to further explain the popularity of pisco because it incorporates and compliments these products. Peruvians have a special attachment to the product of pisco to an extent that it is illegal to bring non-Peruvian pisco into the country (although the product is rarely produced outside of Peru). Peruvians will expect high-quality from imported spirits as imported spirits will have to persuade consumers to spend more than they would on cheaper domestic spirits such as pisco. Due to this, it is important to distinguish the quality of and difference in relation to pisco when presenting products to Peruvian consumers. Brand recognition plays a large role in the purchase criteria for consumers of spirits in Peru. Major foreign spirit producers have spent a large amount of money in recent years in marketing to Peruvian consumers in order to build a brand loyalty consumer base in the country.

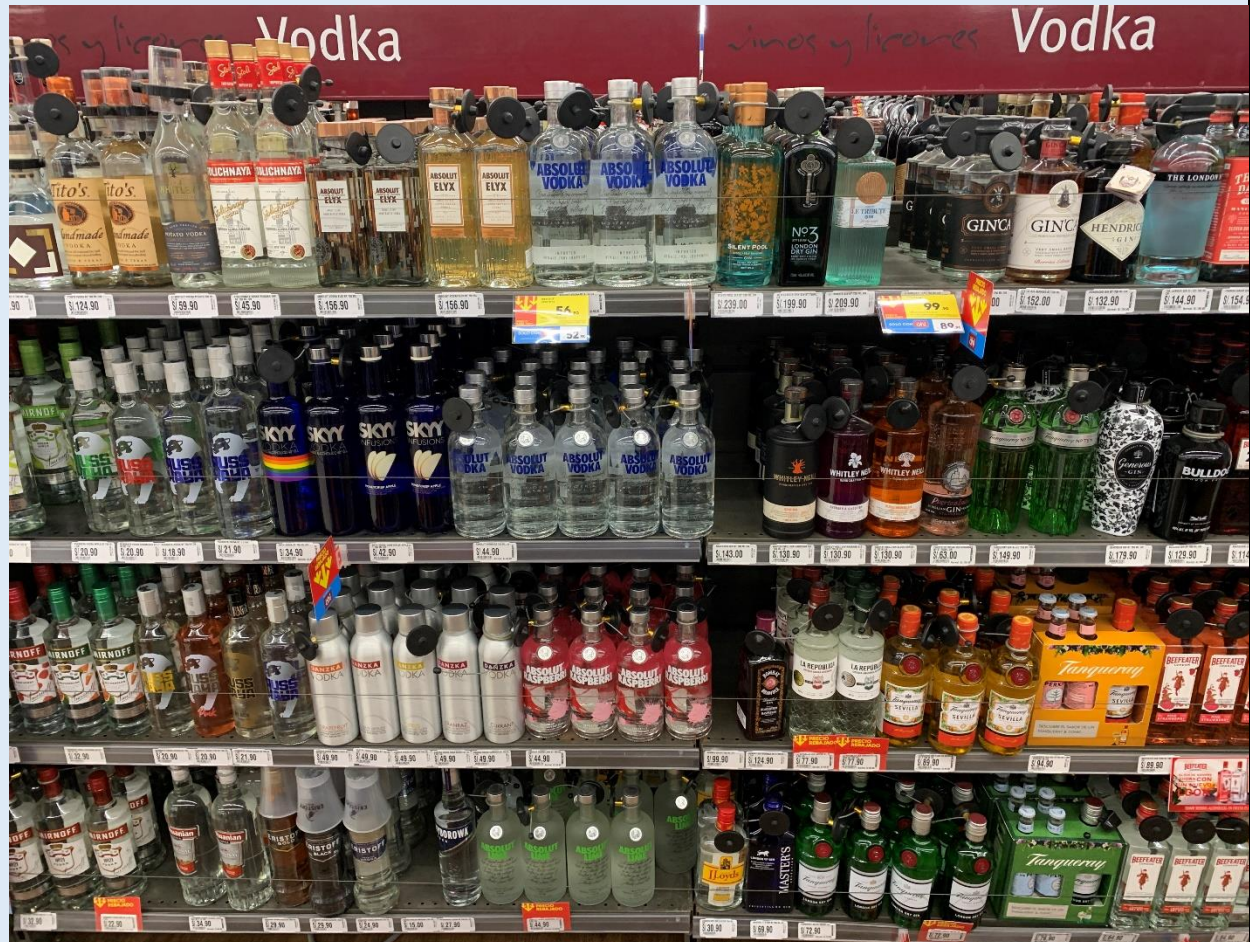
Spirits on retailers' shelves in Peru

While prices vary between spirit types, in very broad terms, retail prices for spirits (750ml bottle) are:

- **Economy:** between PEN 16 –44 (EUR 3.50 – 10)
- **Mid-range:** between PEN 45 – 100 (EUR 10 – 22)
- **Premium:** above PEN 100 (EUR 22)

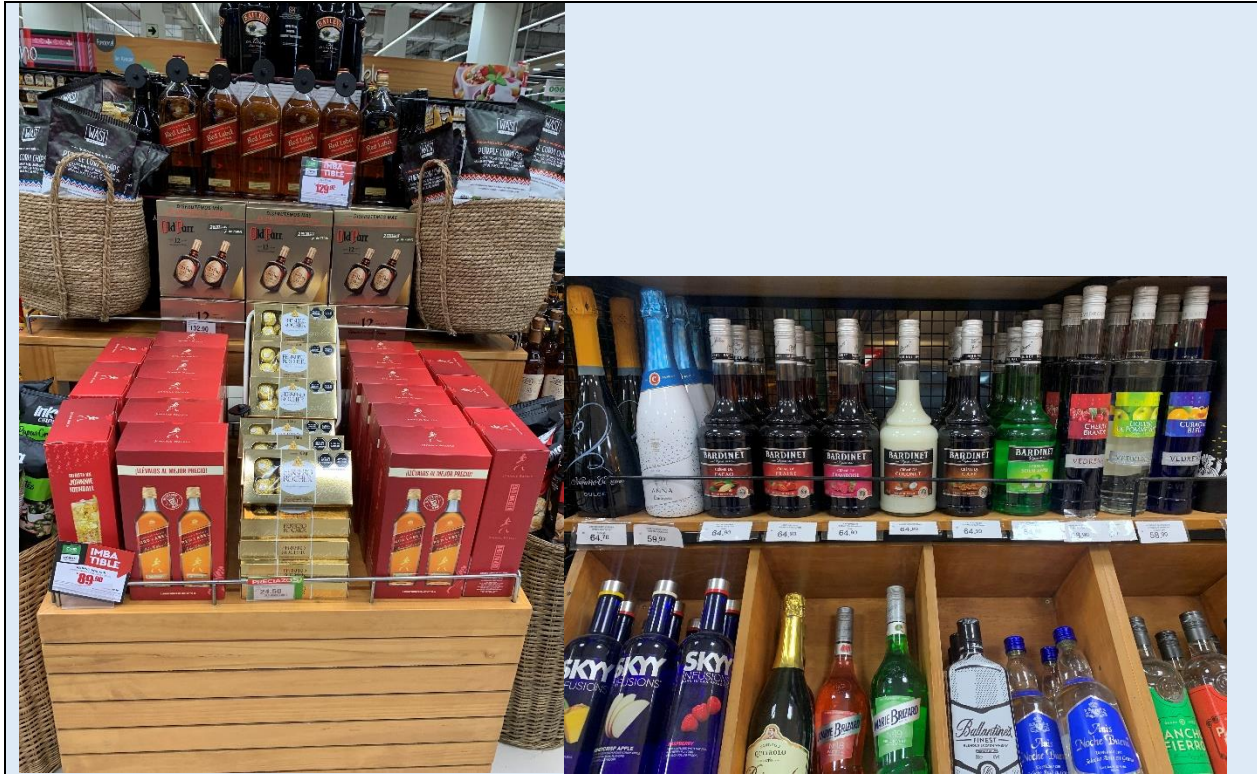
White rum is more likely to be premium; while dark rum and gin are more likely to be mid-range. Whisky tends to be polarised between the economy and premium segments.

Spirits are most commonly sold in bottles of 700ml or 750ml. Occasionally smaller (e.g. 375ml) or larger (e.g. 1 litre+) bottles can be found. Spirits are often organised on shelves by type (see below).



Above: vodka section in a supermarket

Packaging and labelling is often used to make products stand out (see below).



Above: colourful and stand out packaging of spirits in supermarkets.

Some retailers may offer discounts in order to attract consumers (see below).



It must be remembered that warning labels must be placed on spirits products (see below).



Pictures: © Agra CEAS / Euromonitor International, 2021.

5.5.2.3 Recent market trends

Recent CAGRs across the products of rum, other spirits and white spirits exceeded 15% between the years 2014-2019, which suggest that the consumption of spirits is growing quickly in the country. However, total sales declined by 7% in 2020 due largely to the outbreak of COVID-19 which resulted in the closure of on-trade establishments. Sales of off-trade spirits also declined by 3% with lower levels of social gatherings and higher unemployment being cited as key reasons for this decline. Pisco consumption remained stable which further emphasises its popularity amongst Peruvians. It can be expected that most of the decline in spirit sales will be rebounded once the economy reopens and Peruvians can gather again to celebrate and socialise in on-trade establishments.

Recent trends in spirits in Peru include:

- The introduction of pocket whisky in a small 200ml bottle of whiskey that appeals to consumers seeking a small quantity of whiskey instead of purchasing a larger bottle for minimal usage.
- Connected to the above, a more general trend from producers of offering more economic varieties of spirits in Peru with mid and low-priced spirits becoming more present in the market.
- Offering complimentary products within the packaging of their spirit products such as a soft drink or tonic water.

5.5.3 Offer

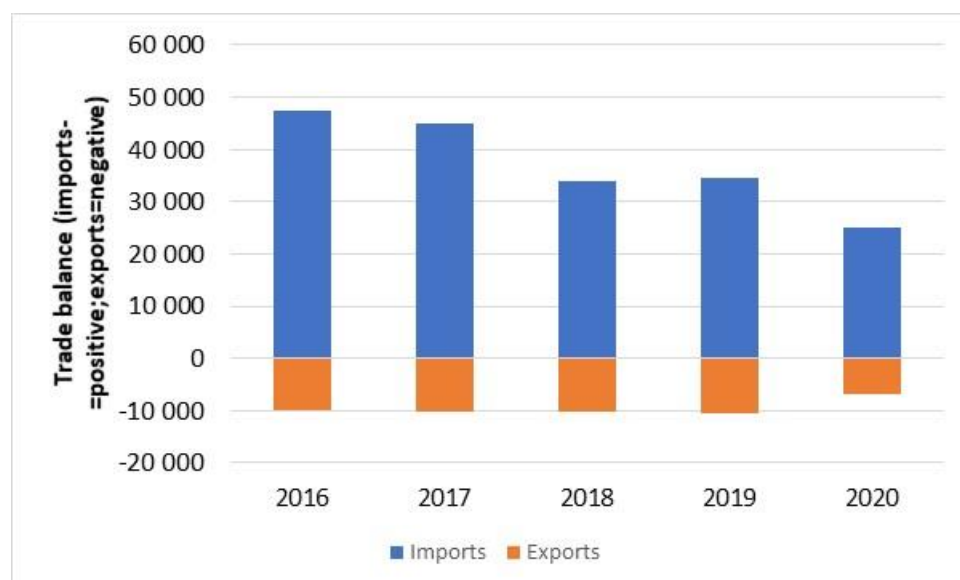
5.5.3.1 Domestic production

Domestic production is largely focused on the production of pisco, which is the national spirit and is an industry that is actively promoted and supported by the Peruvian government. The production of pisco is largely focused on the regions of Lima, Ica, Arequipa and Moquegua and Tacna. Whiskey production in Peru is small and Whiskey is largely made from Peruvian purple corn. Vodka is also a small industry; however, Peruvian vodkas have been garnering international attention in recent years with Peruvian potato vodka being awarded a gold medal at the San Francisco world spirits competition. Production of rum is centred in the district of Cartavio on the coast of Peru. Production of non-pisco spirit in Peru is likely to grow as the consumer base continues to consider a wider variety of spirit products. The company with the largest market share in Peru is Cartavio Rum CO SAC which has a market share of just under 40%, this is followed by Diageo Peru SA which has a market share of around 14% and Santiago Queirolo SA with a share of 7%.²⁷ Overall production of spirits outside of Pisco and Rum is small with imports making up most of the other spirits present in the Peruvian market. The craft spirit sector is growing but remains also small. Notable craft spirits in Peru include *aguardientes*, *macerados*, and *cañazo*

5.5.3.2 Imports and exports

As shown below in Figure 5-19, Peru is a net importer of spirits, though the level of imports has dropped rapidly since 2016 from just under EUR 50 million to EUR 25 million. While exports dropped a bit in 2020, they were previously stable at around EUR 10 million per year.

Figure 5-19: Trade balance (imports and exports) of spirits in Peru, 2016-2020; EUR 000

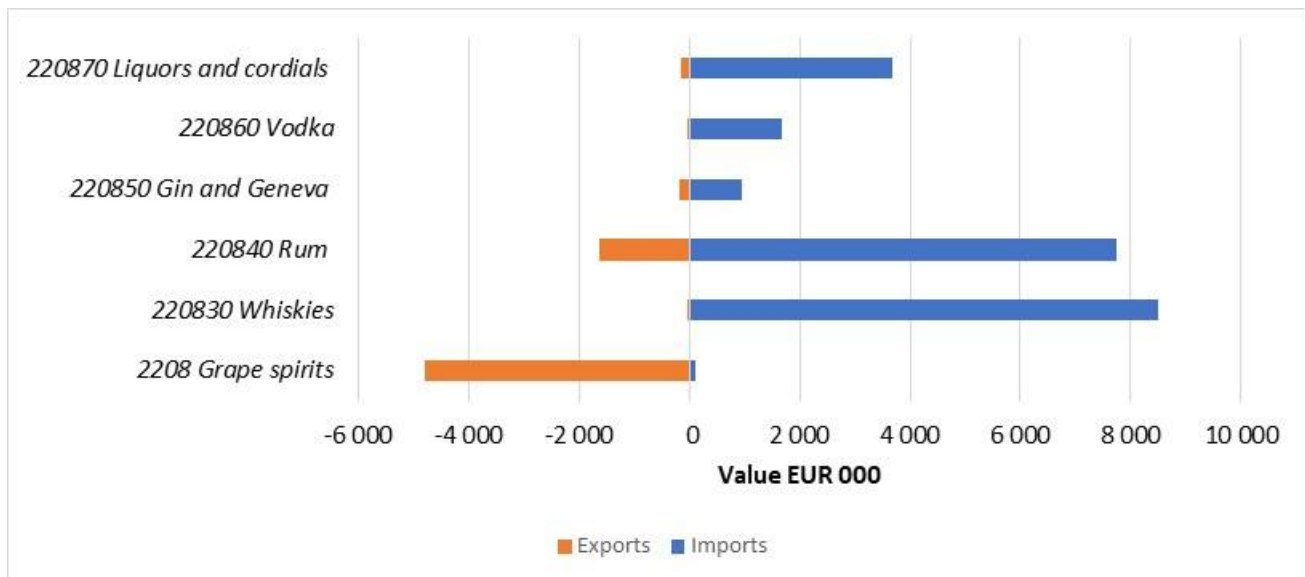


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2208.

²⁷ Beyond Pisco: Peru's other distinctive drinks, Liquor.com, available at <https://www.liquor.com/peru-beyond-pisco-4797448>

As shown below in Figure 5-20, whiskies are the most imported spirits into Peru, with exports into Peru coming to a value of EUR 8.5 million in 2020. Grape spirits are the most exported from Peru with Pisco being the largest exported product. This also explains why imports are so low as the importation of non-Peruvian pisco into Peru is illegal and there is little demand for other grape spirits such as cognac. Rum is the second most imported product with a value of EUR 7.7 million followed by liquors and cordials with a value of EUR 3.6 million. Vodka has an import value of EUR 1.6 million followed by gin with an import value of EUR 950 000.

Figure 5-20: Trade balance (imports and exports) of spirits in Peru, by type, 2020; EUR 000

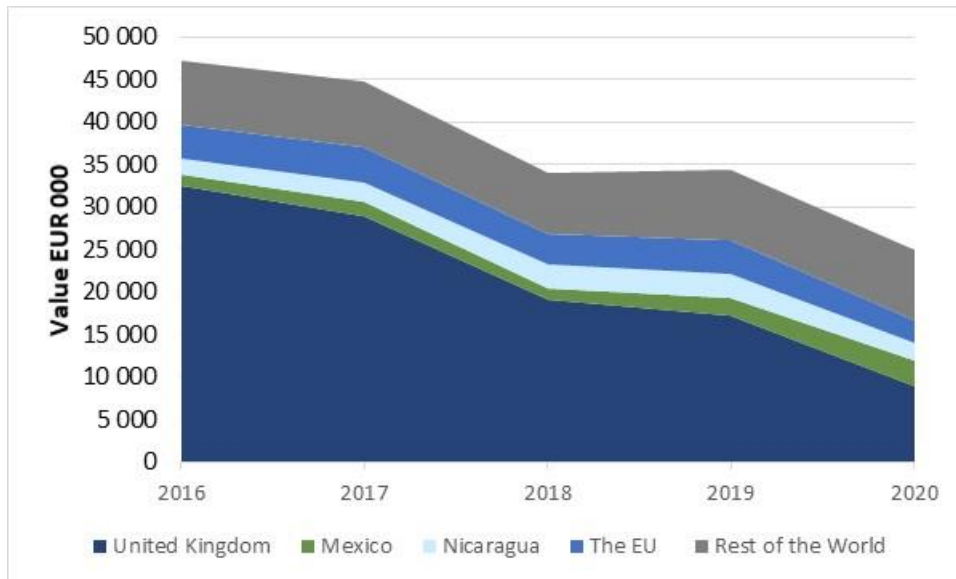


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Spirit names shortened. CN codes before spirit name.

As Figure 5-21 demonstrates, the largest exporter of spirits to Peru is the United Kingdom, which exported EUR 8.9 million worth of spirits to Peru in 2020, with whiskies being the predominant spirit exported with a value of EUR 7.7 million. Mexico and Nicaragua are the second and third largest exporters respectively with Mexico largely exporting liquors and cordials and Nicaragua largely exporting rum. Ireland is the largest exporting country from the EU with a value of EUR 660 000 in 2020. Ireland is also the only EU member state in the top ten exporters of spirits to Peru. France, Spain, Italy and Germany are smaller exporters of spirits with total exports from these four countries being between EUR 290 000 and EUR 520 000.

Figure 5-21: Peruvian imports of spirits by country, 2016-2020; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2208

5.5.3.3 EU GI products

As noted in section 4.2.4, a number of GIs are protected under the EU-Colombia/Peru/Ecuador Trade agreement. This includes several spirit GIs, a full list of which can be found in section 9.2.

5.5.3.4 Main competitors

The main competition in the spirits space comes from the domestic production of pisco, which is the national drink of the country and has gained a special attachment with many Peruvians, particularly those who are proud of local produce. The UK is the largest competitor outside of Peru, particularly in the trade of whiskey with the country being by far the largest whiskey and by extension spirit exporter to Peru. The UK is also the largest gin competitor. Rum from Nicaragua and liquors and cordials from Mexico are the biggest competitors for EU variants of these products. The US is the biggest competitor in the vodka market.

5.5.4 Specific market entry requirements

Market access and entry; standards, SPS measures

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements for spirits notably include: the sanitary registration of foodstuffs and beverages; a certificate of analysis; and a free sale certificate.

In terms of tariffs, spirits from the EU do not face tariffs with the exception of rum which faces a tariff of 6%.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general spirits category (2208) from France to Peru

<https://trade.ec.europa.eu/access-to-markets/en/search?product=2208&origin=FR&destination=PE>

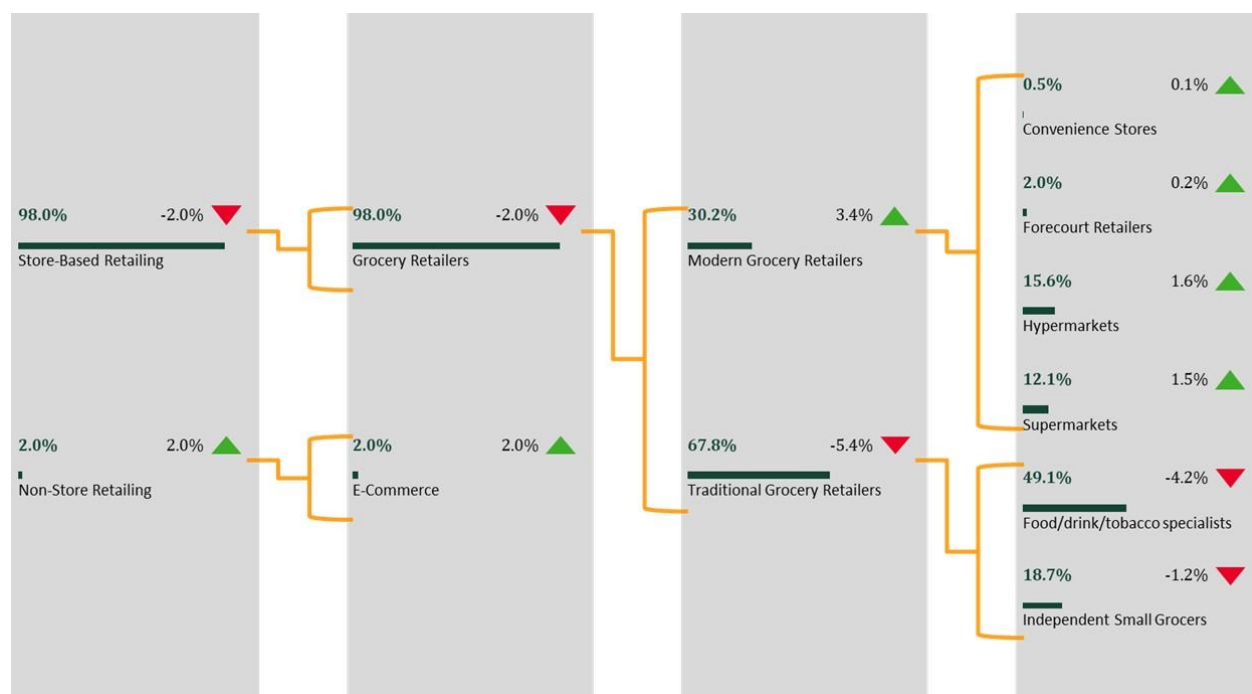
Labelling

Spirits must conform to the labelling requirements set out in section 4.2.3. Most notably, labels must bear a warning label: "TOMAR BEBIDAS ALCOHOLICAS EN EXCESO ES DAÑINO" (excessive consumption of alcohol is damaging to the health). At least 10% of the label and of the packaging must be designated to this phrase.

5.5.5 Distribution

As is the case for wine as well, grocery retailers are the predominant distribution channel of spirits in Peru. 68% of sales come from traditional retail outlets. Food and drink specialists account for just under half of all sales in Peru. Pisco is particularly popular amongst traditional retail outlets with the sale of pisco at night stores and street vendors being common in the country. Modern grocery retailers account for just over 30% of all sales. However, this figure is growing and will likely continue to grow into the future due to the growth of modern grocery outlets in the country such as hyper- and supermarkets. E-commerce is beginning to emerge as a significant channel of distribution and now holds a 2% share, having not accounted for any distribution prior to 2017. Prior to COVID-19, on-trade sales of spirits in Peru accounted for around 15% of all spirit sales in the country by volume.

Figure 5-22: Distribution channel overview of spirits in Peru (2020); off-trade volume



Source: Euromonitor International: Alcoholic Drinks, 2021.

5.5.6 Challenges for EU products

Unequal market practises in the sale of imported spirits are a key challenge for EU spirits to overcome. Currently, excise for Pisco is PEN 2.22 per litre vs PEN 3.55 per litre for other spirits with over 20% alcohol content; and this creates a price imbalance. Peru has taken a number of steps to protect its domestic pisco spirit which include the aforementioned taxation policy and also making the importation of non-Peruvian pisco illegal. The interest of the Peruvian consumer in pisco also means that there is almost no market for brandy or cognac in the country.

A long-standing challenge that has affected all imported spirits is that of IPR protection and smuggling. Most commonly the challenge relates to the smuggling of spirits from neighbouring countries, though some cases of counterfeiting have also been reported.

The fall in tourists going to Peru coupled with the closure of on-trade establishments in Peru due to COVID-19 presents a key challenge for EU products in the country as two key drivers have been forced to stop. It may take time for tourist numbers to reach pre-COVID levels which put further pressure on European bars in Peru catering to tourists to remain open. Finally, Peruvian production of other spirits although small is growing and Peruvian spirits will present a new challenge to EU spirits in the country.

Market Takeaway: Spirits

Consumption: *Pisco is the preferred spirit in Peru and a source of pride for many consumers. Consumption of imported spirits with a high ABV is focused largely on middle- and higher-income earners due to the discriminatory taxation practise in the country with an excise tax on imported spirits which is currently EUR 0.76 per litre while domestic pisco pays a flat EUR 0.47 per litre.*

Competition: *Pisco is the biggest competitor to imported spirits as the product is the most popular in the country and relatively cheap. Competition from outside of Peru comes largely from the UK, Mexico and Nicaragua.*

Distribution: *Distribution from traditional grocery retailers continues to account for the majority of off-trade sales although this percentage is declining as hypermarkets and supermarkets continue to expand their presence in Peru.*

Challenges: *Unequal taxation practices, the popularity of pisco and the growth of the domestic production of spirits are the three key challenges for EU producers. IPR issues may also cause challenges.*

Opportunities: *The reopening of the economy coupled with rebounding employment in Peru will allow more consumers to purchase imported spirits. Rebounding tourist numbers will likely drive demand for imported spirits even more.*

5.6 Olive oil

5.6.1 SWOT analysis

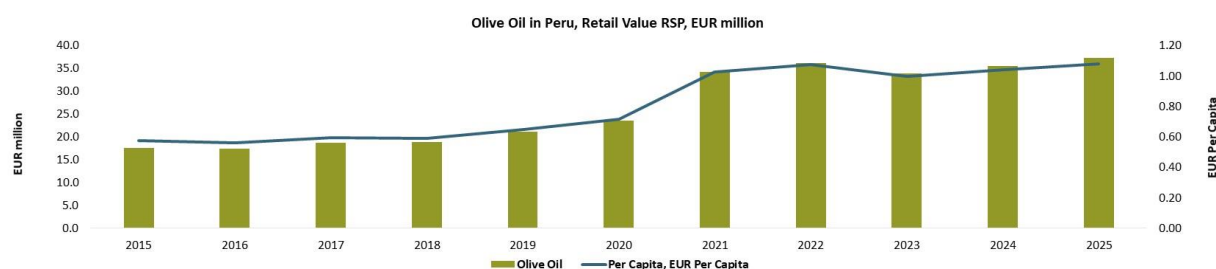
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> EU is the main origin of imported olive oils found in Peru, with Spain and Italy being the biggest exporters. 	<ul style="list-style-type: none"> Olive oil is not largely consumed in Peru. Other edible oils are much more common and much cheaper.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> An increasingly health-conscious consumer base that has yet to be exposed on a wide scale to olive oil presents a key growth opportunity. EU products seen as superior to domestic production. 	<ul style="list-style-type: none"> Very strong indirect competition from other edible oils. Growing domestic production of olives and exports from Turkey and the US are the biggest threats for EU olive oil products.

5.6.2 Consumption

5.6.2.1 Evolution of consumption

Figure 5-23 below shows the evolution and forecast of the retail volume of olive oil in Peru. Olive oil consumption has increased since 2015 at a slow rate with a notable increase forecast to occur in 2021. The market in 2020 was worth just under EUR 24 million.

Figure 5-23: Evolution and forecast of the retail market for olive oil (value, EUR millions) and olive oil consumption per expenditure, in Peru; 2015-2020



Source: Euromonitor International: Packaged Food, 2021.

Note: figures for 2020 to 2025 are based on forecasts.

5.6.2.2 Consumer profile and purchase criteria

Consumers

Olive oil is not a major product consumed in Peru as it is competing with rival products such as soy and sunflower oil. Indeed, per capita consumption is minor at only around 60 ml per person per year. Price is one of the major factors behind this as olive oil is generally expensive in Peru compared to more commonly used local alternatives such as soy or sunflower oil. This dissuades most middle and lower-income consumers from olive oil usage, and due to this, consumers of olive oil in Peru generally belong to the higher-income groups. Knowledge about olive oil remains relatively small in Peru and thus, many consumers are either tourists from nations such as Spain and Italy or higher income consumers with the capacity to spend more on olive oil as a seasoning. The majority of olive oil consumers live in urban areas, as it is uncommon in rural areas to cook with olive oil. Among the population with the capacity to afford olive oil, its consumers are likely to be: those with a desire for a healthy diet; culinary enthusiasts; skilled

chefs who use olive at work during the preparations of meals or to use as a dressing; and the descendants of immigrants from Spain and Italy seeking authentic products from their ancestral homelands.

Drivers and method of consumption

Demand for olive oil largely comes from higher-income earners desiring healthy foods due to the rise in demand for health-conscious products. While the main market for olive oil is by far the retail market, influence from Spanish and Italian restaurants in the country further exposes consumers to olive oil products. Consumers generally are not very aware that Peru itself is a growing producer of olive oil and thus mainly associate olive oil with Europe. European olive oil is furthermore perceived to be a luxury product and expensive. Olive oil is generally consumed as a seasoning product complimenting fresh Peruvian fruit and vegetable products. The product is consumed alone by a small number of consumers who associate olive oil with medicinal purposes.

Purchase criteria

As previously noted, olive oil is not a staple oil in Peruvian society. Other cooking oils such as soy oil, rapeseed oil, and corn oil are more commonly used in Peru and are generally cheaper as these products are produced to a higher scale in Peru. Price sensitive consumers thus have to choose between various cooking oils with olive oil being generally the most expensive which discourages purchases. Consumers with a higher income will be drawn to olive oil from the EU as it is commonly viewed to be a luxury product. They are also more likely to pay attention to country of origin, certifications and packaging. As a result, higher income consumers even choose it over quality Peruvian olive oil. Consumers with more moderate levels of income are more likely to pay attention to price and consume local olive oil or private label brands, which could potentially include European oil which has been imported in bulk and subsequently repackaged. Many consumers currently simply are not aware of olive oil and its properties.

Olive oil on retailers' shelves in Peru

Normal retail prices for imported olive oil are, per litre:

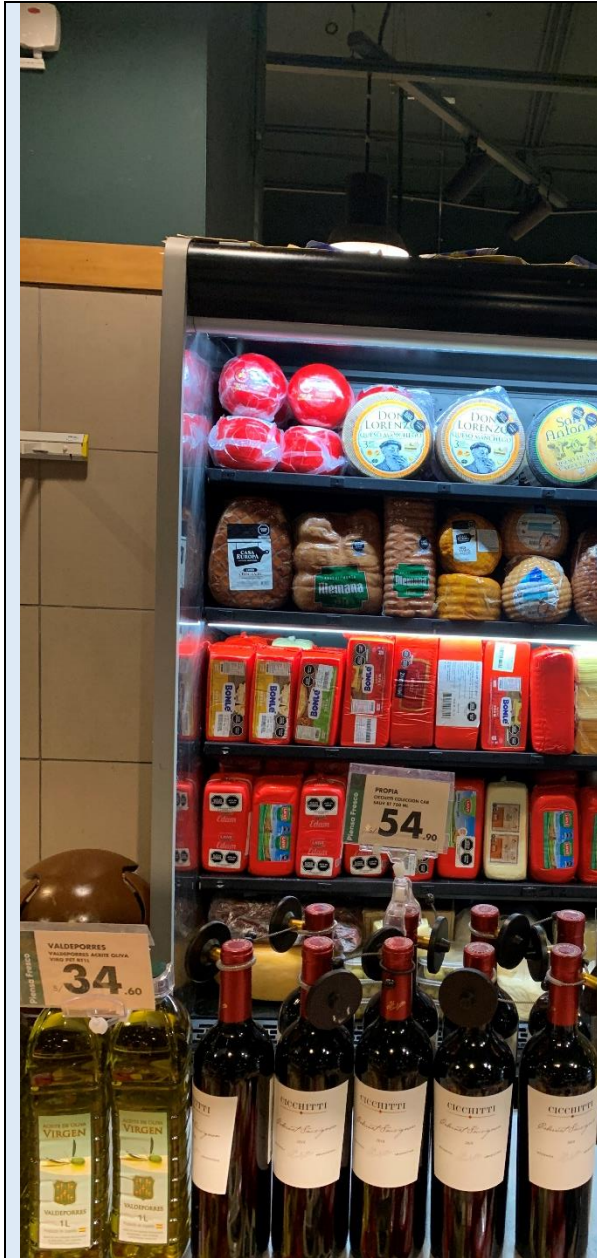
- **Extra Virgin Olive Oil:** between PEN 40 - 70 (EUR 9 – 15.50)
- **Other qualities (of pure olive oil):** PEN 32 – 50 (EUR 7 – 11)



Ranges are extensive in larger supermarkets (above and below). Glass bottle is by far the most common packaging format, with 500ml and 1 litre the most common sizes. That said, some smaller format bottles (e.g. 200ml and 250ml) can be found. Plastic bottles can be found for locally produced olive oil, but the expectation with imported olive oil is a glass bottle.



Some retailers may offer discounts of 5 to 10%. It may be possible to find olive oil sold alongside other products such as bread, pasta and cured hams. This may be part of a cross-selling strategy, and can be particularly effective for products first entering this crowded market (see below).



Above: olive oil displayed alongside wine and cheese.

Pictures: © Agra CEAS / Euromonitor International, 2021.

5.6.2.3 Recent market trends

Olive production is growing in Peru, which is leading to new brands emerging in the market. This in combination with an ongoing marketing campaign by some of the newer and larger olive oil brands such as el Olivar boosts interest in these products. Olive oil consumption between 2015-2020 grew by a CAGR of 5% which is quite high. However, in total, the product lags behind other oils. Going forward,

consumption is expected to decline in growth down to a CAGR of 1.2% with price sensitivity and a lack of awareness of olive oil among many consumers being cited as a reason for this decline.

5.6.3 Offer

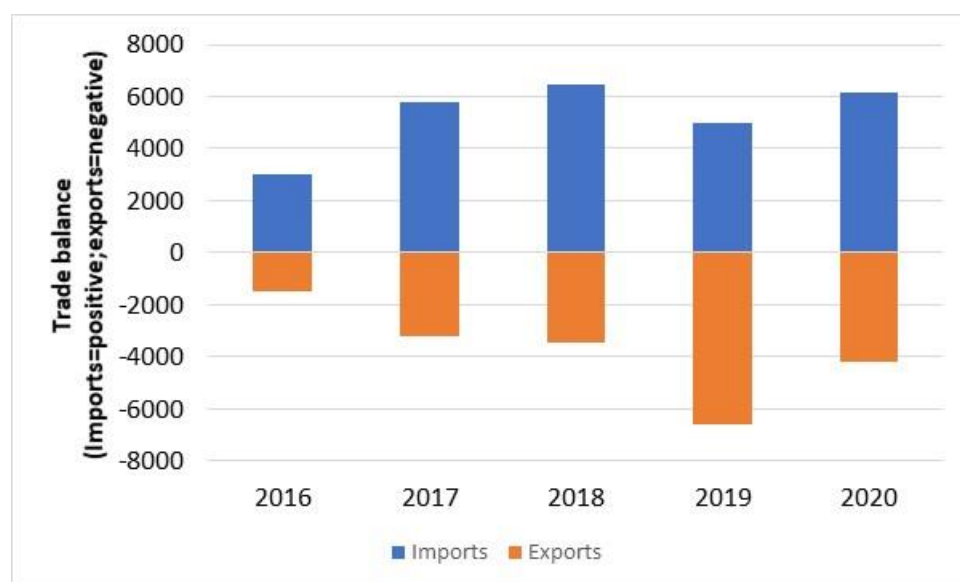
5.6.3.1 Domestic production

Peru is the growing exporter of olive oil in the South American region. Across all provinces, modern production systems co-exist with traditional systems, which boost the production of olives in Peru. Modern farming systems, such as intensive and super-intensive farming, are the models generally applied in the various olive-growing regions of the country. The country has roughly 10 000 hectares of olive groves, which are concentrated in the regions of Tacna, Arequipa and Ica. Arbequina, Hojiblanca and Koroneki olives are the more common variants grown in Peru and are well adapted to the hot climate of the country.²⁸

5.6.3.2 Imports and exports

As can be seen in Figure 5-24, Peru is a net importer of olive oil although exports are catching up, having surpassed imports for the first time in 2019 before subsiding. Total imports of olive oil into Peru in 2020 were valued at EUR 6.1 million with imports peaking at the value of EUR 6.4 million in 2018.

Figure 5-24: Trade balance (imports and exports) of olive oil in Peru, 2016-2020; EUR 000



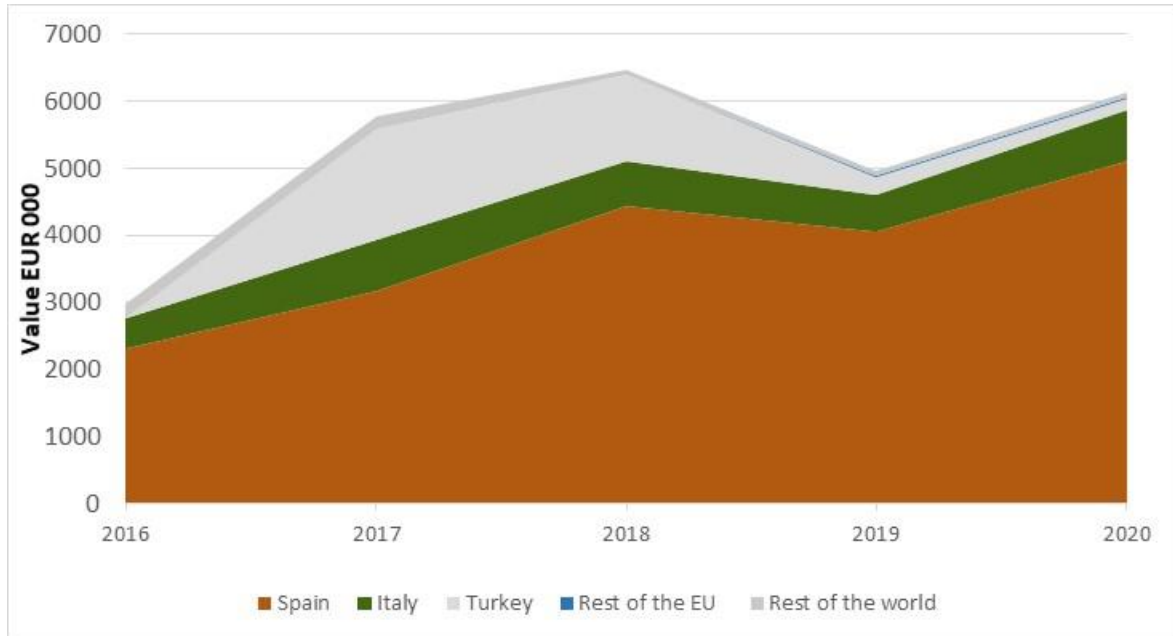
Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 1509.

As shown in Figure 5-25 Spain and Italy are the two main exporters to Peru, with Spain alone accounting for over three-quarters of imports to a value of EUR 5.1 million. Italy is the second-largest exporter with a

²⁸ Peruvian olive oils, olive oil & beyond, available at <https://www.oliveoilandbeyond.com/Peruvian-Olive-Oils-/1890.htm>

value of EUR 752 000. Turkey is the third biggest exporter with a value of EUR 178 000. The EU in general is the main origin of imported olive oil found in Peru.

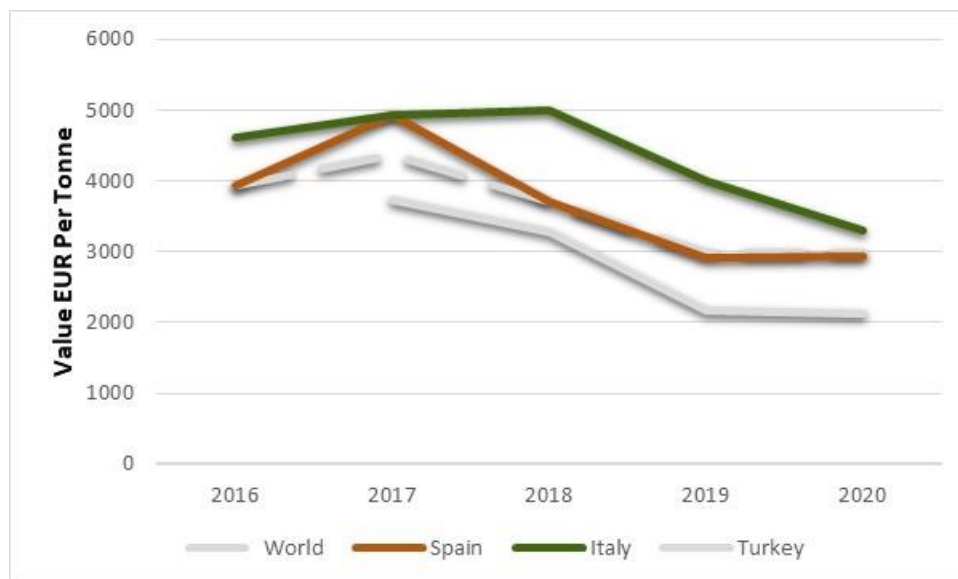
Figure 5-25: Peruvian imports of olive oil by country, 2016-2020; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 1509.

In 2020, the world's average unit value per tonne of olive oil exports to Peru was about EUR 2 980 per tonne, which was lower than in previous years. The unit value of Spanish olive oil was below the world's average, at approximately EUR 2 940 in 2020 as shown in Figure 5-26. The unit value of Italian olive oil on the other hand is generally higher than the world's average and was close to EUR 3 300 in 2020. Turkey's unit value was lower than the Spanish and Italian one at about EUR 2 120.

Figure 5-26: Unit value of Peruvian imports of olive oil by country, 2016-2020; EUR 000 per tonne



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 1509.

5.6.3.3 EU GI products

As noted in section 4.2.4, a number of GIs are protected under the EU-Colombia/Peru/Ecuador Trade agreement. This includes two olive oil GIs - Huile d'olive de Haute-Provence and Priego de Córdoba, as listed in section 9.1.

5.6.3.4 Main competitors

The EU is by far the main exporter of olive oil to Peru, however, some non-EU countries such as Turkey and the US are key competitors. At the domestic level, olive production is growing and Peruvian olive oil is of good quality. Yet, many consumers are still not aware of this at the moment.

5.6.4 Specific market entry requirements

Market access and Entry; standards, SPS measures

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements for olive oil notably include the sanitary registration of foodstuffs and beverages, with other requirements also potentially necessary.

In terms of tariffs, olive oil does not face tariffs.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general olive oil category (1509) from Spain to Peru

<https://trade.ec.europa.eu/access-to-markets/en/search?product=1509&origin=ES&destination=PE>

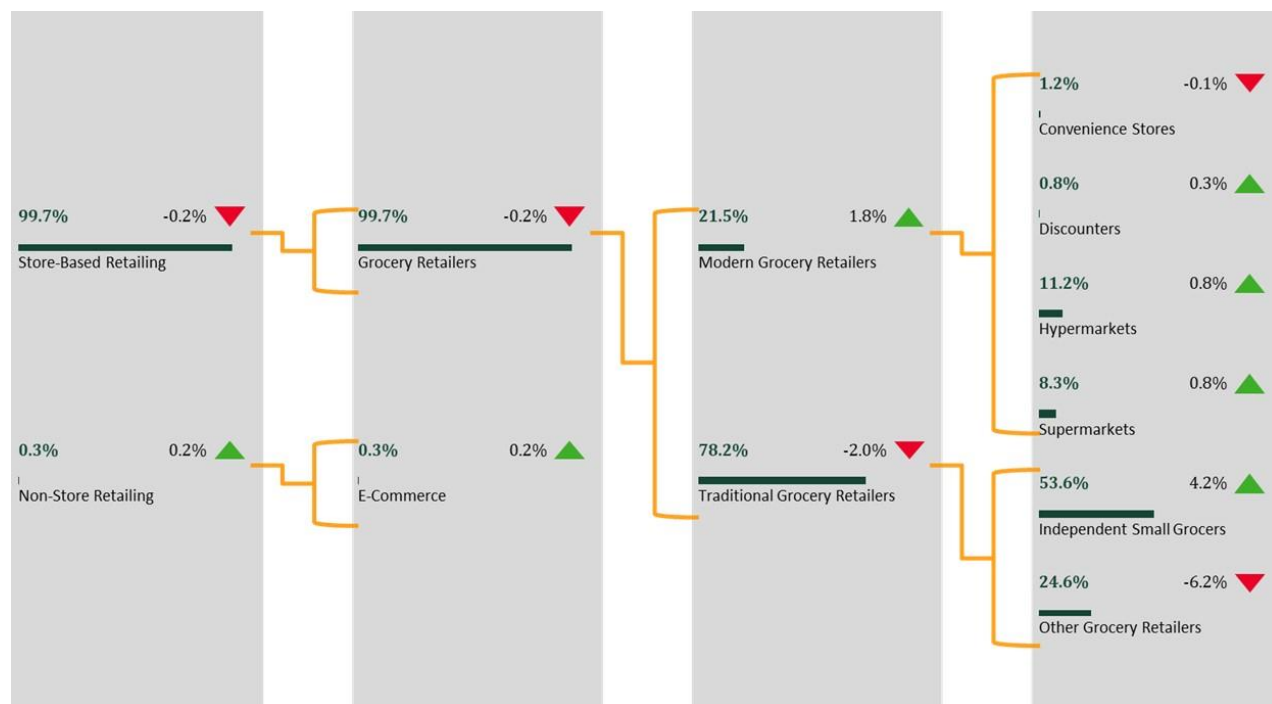
Labelling

Olive oil must conform to the labelling requirements for packaged foods set out in section 4.2.3.

5.6.5 Distribution

Figure 5-27 shows that traditional grocery retailers are the largest distributors of edible oil in Peru accounting for three-quarters of sales. Independent small grocers accounted for 53% of all sales and are the biggest sole distributor. Modern grocery retailers are growing their share of distribution accounting for 21% of all sales. This is further broken down by the 11.2% share by hypermarkets and 8.3% share by supermarkets. E-commerce sales are small accounting for 0.3% of sales. However, the picture for olive oil is slightly different with modern grocery retailers the most important channel. Gourmet stores are also a notable channel. Most olive oil is sold through retail – it is estimated that some 90% passes through retail channels compared to just 10% through food service.

Figure 5-27: Distribution channels overview of edible oils (including olive oil) in Peru (2020); retail value



Source: Euromonitor International: Packaged Food, 2021.

5.6.6 Challenges for EU products

Peruvian consumers are not generally aware of olive oil and its health properties. Consumers of olive oil are likely to have a higher income and have a history of exposure to EU products which translates to a small percentage of the Peruvian consumer base. The presence of cheaper alternative cooking oils such as sunflower oil and rapeseed oil further makes it difficult to compete in this market.

Market Takeaway: Olive oil

Consumption: Many Peruvians are unaware of olive oil at present, but this is changing. Consumers of the product are likely to have a higher income and history of exposure to EU products.

Competition: EU producers dominate. The limited competition is largely from Turkey and the US, which are the biggest competitors from outside of Peru. Domestic producers grow their presence but remain small and domestic products are often perceived as being of a lesser quality compared to EU olive oil.

Distribution: While independent small grocers dominate for oil as a whole, supermarkets and hypermarkets are more important for olive oil specifically. A minority of olive oil passes through the food service channel.

Challenges: Competing with cheaper cooking oils such as rapeseed and sunflower oil is a key challenge and raising awareness about olive oil among Peruvian consumers is another one.

Opportunities: An increasingly health-conscious consumer base with increasing wealth that has yet to be exposed on a wide scale to olive oil presents a key growth opportunity.

5.7 Chocolate and confectionery

5.7.1 SWOT analysis

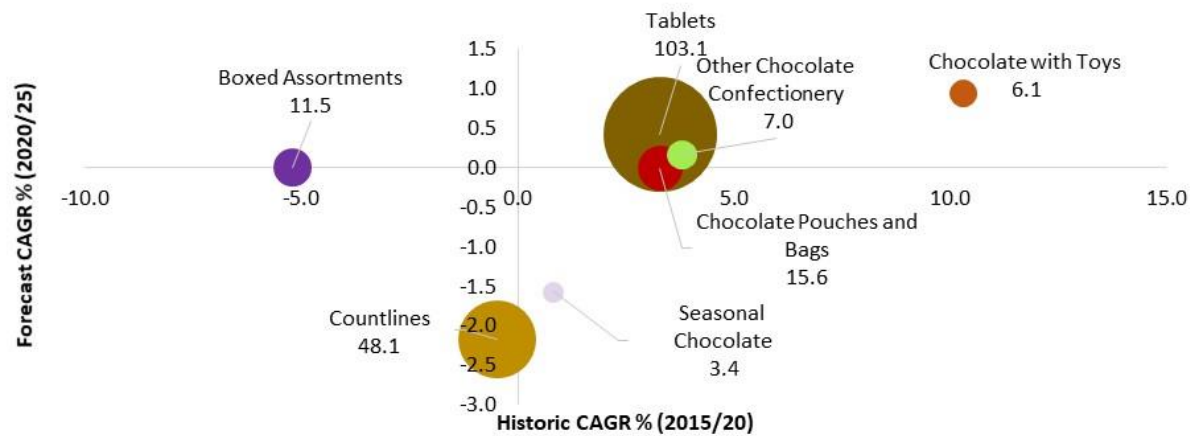
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Chocolate has been consumed in Peru for centuries and thus consumers are accustomed to its presence. ▪ Confectionery consumption has grown in recent years due to the rising demand for convenient products. 	<ul style="list-style-type: none"> ▪ Despite the history of chocolate production, consumption is not particularly high by western standards. The same is true for the consumption of sugar confectionery. ▪ Peruvian chocolate is perceived as a premium product that limits demand for imported chocolate.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ A consumer base that has yet to be largely exposed to EU chocolate and confectionery products creates an opportunity to garner a newfound following. ▪ The rise of e-commerce as a distribution channel for imported chocolate may allow for further exposure of European chocolate brands; and gourmet products are increasingly found in modern retailers. 	<ul style="list-style-type: none"> ▪ The US, Colombia and Mexico are the biggest threats from outside of Peru. ▪ Domestic production of organic chocolates is a threat for EU variants of the product.

5.7.2 Consumption

5.7.2.1 Evolution of consumption

As shown below in Figure 5-28, tablets are the biggest chocolate and confectionery product category within the Peruvian market with a retail value of EUR 103 million. The second-largest chocolate confectionery product is countlines which has a retail value of roughly half that of tables with a retail value of EUR 48 million. Chocolate pouches and bags have a retail value of EUR 15.6 million followed by boxed assortments with a retail value of EUR 11.5 million. Chocolate with toys is the fastest-growing chocolate confectionery product in Peru and currently has a retail value of EUR 6.1 million.

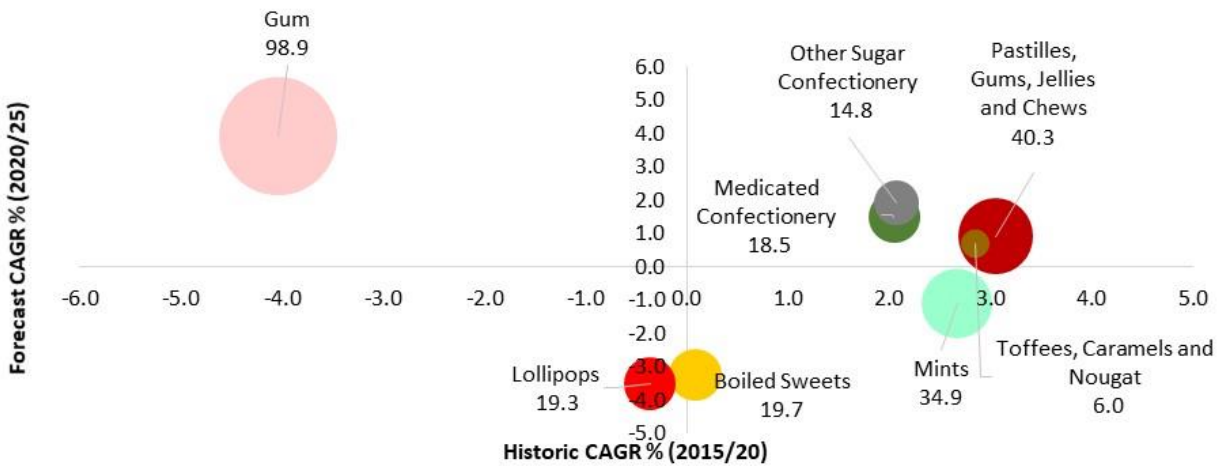
Figure 5-28: Evolution and forecast of the chocolate confectionery market in Peru, 2015-2025; total retail value EUR million



Source: Euromonitor International: Packaged Food, 2021.

As shown below in Figure 5-29, gums are the largest sugar confectionery product category by retail value with a retail value of EUR 98.9 million. The retail value of gums has declined between 2014-2019 with a negative CAGR of -4.2%. This figure is expected however to rebound between 2021 and 2025 with a forecasted CAGR of 4%, which will also make it the fastest-growing product between 2021 and 2025. Pastilles, gums, jellies and chews are the second largest product group with a retail value of EUR 40.3 million followed by mints with a current retail value of EUR 34.9 million. Boiled sweets and lollipops both have a retail value of around EUR 19 million followed by medicated confectionery which is slightly behind with a retail value of EUR 18.5 million. Toffees, caramels and nougat are the smallest categories with a current retail value of EUR 6 million.

Figure 5-29: Evolution and forecast of the sugar confectionery market in Peru, 2015-2025; total retail value, EUR million



Source: Euromonitor International: Packaged Food, 2021.

5.7.2.2 Consumer profile and purchase criteria

Consumers

Consumption of chocolate and confectionery products in Peru largely grew in terms of retail volume as consumers have further accessibility to a wider variety of these products. Peruvian chocolate has been enjoyed in the country for centuries with the product being consumed as far back as the Incan empire.

Consumers of chocolate, while potentially from all income segments, are more likely from the middle and high-income brackets, given that chocolate is a more expensive product than sugar confectionery. Peruvians aged between 25 and 65 years generally consume chocolate generally in the form of sweet snacks, whereas those aged between 16 and 24 years consume it generally in the form of chocolate bars during study or work. Looking more specifically at different chocolate products, notable consumers for each are:

- **Tablets:** women aged 30-65. Quality and cocoa content are frequently valued by this group.
- **Countlines:** middle class teenagers and millennials.

Consumers of sugar confectioneries like boiled sweets and lollipops are mainly children and teenagers, whether directly (i.e. they purchase them) or indirectly (their parents purchase them – most notably for special occasions such as Halloween).

Consumers of imported chocolate and confectionery products are most likely to come from the higher income class and live-in urban areas such as Lima and Arequipa. They may purchase the products either for personal / family consumption, or for gifting.

A growing health and wellness trend in Peru have influenced the sale of chocolate and confectionery products with many consumers now seeking reduced sugar options. This consumer base will likely

continue to grow after COVID-19 as consumers are increasingly concerned about their health. Consumption of Chocolate is heavily associated with consumers living in cities in the Andean region as cocoa production in this region is a key economic activity. As such, cities such as Cusco have a number of chocolate outlets that showcase chocolate produced in the local area.

Drivers and method of consumption

A key driver in the sale of sugary confectionery and chocolate products in Peru comes from a rapidly urbanising population which creates a growing demand for convenience foods and growing incomes that drive demand for indulgent products. Tourism to cities such as Cusco is a notable further driver of chocolate consumption as the city has grown a reputation for its chocolate production. Chocolate making classes and chocolate speciality stores in the city are common and boost chocolate consumption. As Peru's population is highly urbanised, demand for convenient on-the-go snack foods including chocolate and confectionery products is there; this is aided by the presence of chocolate and confectionery products across most retail outlets in urban areas. The demand for luxury products has grown in Peru as incomes have risen and Peruvians continue to associate boxed assortment chocolates as a perfect gift, which drives demand around large holidays in the country such as Christmas and increasingly Easter. The product may also be purchased around these events for family consumption as a kind of celebration. Indeed, producers increasingly create special editions of their products specifically for these occasions.

Most Peruvians consume chocolate and confectionery goods as a snack with chocolate also commonly being consumed with tea or coffee in the country. Externalities from the COVID-19 outbreak have impacted the consumption of confectionery products with notable examples being chewing gum. Peruvians consume less chewing gum due to the need to wear facemasks in the country which makes chewing gum uncomfortable. As is the case for most confectionery and chocolate products, a rebound can be expected as COVID-19 restrictions are removed.

Purchase criteria

Imported chocolate and confectionery products are more expensive than domestic variants, which may dissuade consumers of a lower income. Peru itself produces a large number of chocolate products which make them readily affordable in the country. Imported chocolate and confectionery products see a spike in demand around special occasions such as Christmas as consumers (particularly middle-income and higher-income earners) seek chocolates from abroad. Consumers in Peru will appreciate the small packaging of these products as this makes them not only more affordable but also more practical for those Peruvians seeking quick on-the-go foods to consume throughout their day. Packaging also plays an important role as impulse purchasing plays a role for some consumers. It is important to note that many Peruvians will perceive their domestic chocolate to be of a good quality which makes the demand for imported chocolate more of a splurge rather than a desire for a higher quality product. Finally, cocoa content and any potential health benefits are often looked at by consumers.

Confectionery on retailers' shelves in Peru

Price points for confectionery depend on the type of confectionery itself. Common prices per 100 grams are:

- **Sugar confectionery:** PEN 6 – 8 (EUR 1.30 – 1.70)
- **Tablets:** PEN 10 – 15 (EUR 2.20 – 3.30)
- **Boxed assortments / pouches:** PEN 20-24 (EUR 4.40 – 5.50)

European chocolate confectionery is much more prevalent than sugar confectionery on retailers' shelves.



Above: chocolate (left) and sugar confectionery (right) in a supermarket

Whereas sugar confectionery most commonly comes in plastics bags and occasionally metal tins, of various different sizes, the packaging for chocolate is more varied with plastic, carton and tins all used to some extent (see below). Pack sizes for chocolate varies somewhat. While countlines are often 50 or 100 grams, tablets are normally 75, 100 or 200 grams. It is increasingly common to find larger format packets of both sugar and chocolate confectionery products.



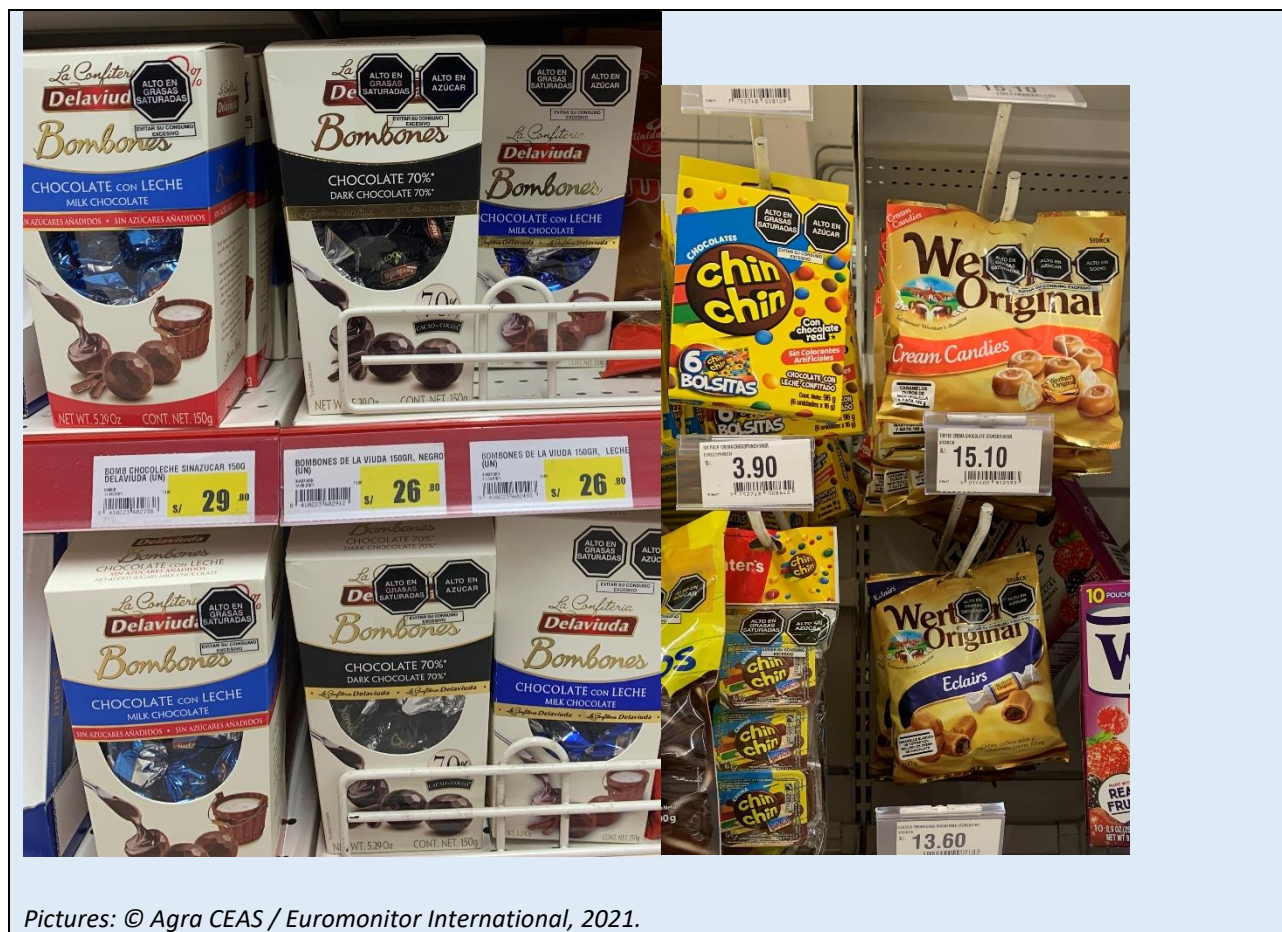
Above: variations in the types of packaging in use for confectionery



Above: extensive chocolate range in a supermarket

Many producers offer special packaging of their products around major events such as Easter, Christmas and Halloween.

It is important to note that the warning “octagons” have to be used on confectionery products which are high in certain nutrients (see below).



5.7.2.3 Recent market trends

Consumption of chocolate and confectionery products in Peru has grown in recent years. The product that has stood out for substantial growth is chocolate with toys, which experienced a CAGR between 2014-2019 of 11.5% although the growth came from a relatively small base. Tablets will remain the most popular chocolate product while gum (more especially chewing gum) will remain the most popular sugar confectionery product. Demand for organic variants of chocolate is growing although it is important to note Peru itself is one of the larger producers of organic chocolate in the world. COVID-19 reduced demand for some confectionery products such as gum and boiled sweets as these products are commonly consumed on the go between work schedules which was halted due to stay at home orders in the country. It is likely that demand for healthier variants of chocolate and confectionery products will grow as COVID-19 has highlighted the need for a balanced diet. This health trend is already underway in Peru as the sale of pure dark chocolate products has increased and there has been a growth in sales of sugar-free versions of popular chocolate bars in the country such as Milky Ways. Some local producers have plugged into this trend in a novel way by using traditional, healthy ingredients in the preparation of chocolate. Such ingredients include: cat's claw, matico -a medicinal herb-, lemon verbena and ginger.

Finally, distribution channels have been changing. The use of e-commerce as a platform to distribute both chocolate and confectionery products is growing in importance with many Peruvian producers now

utilising this platform to distribute their products across the country. Also, gourmet products have been increasing their presence in modern retail channels in Peru, offering a potentially interesting opportunity to luxury EU chocolates.

5.7.3 Offer

5.7.3.1 Domestic production

The production of chocolate in Peru is growing and the country is one of the largest producers of cocoa in the world, a key ingredient in the production of chocolate. In 2019, Peru was the world's 9th largest producer of cocoa with about 71 150 tonnes of cocoa being cultivated in the country, which helps to supply various chocolate factories located throughout the country. Popular chocolate brands include Cacaosuyo and Elemento. Peru also produces a variety of confectionery products with some more notable brands including Chupetin lollipops and Fruna Banafria bonbons. Monlitalia have the biggest share of the Peruvian sugar confectionery market with about 36%, which is double that of the second biggest company Mondelez Peru. The rest of the market is made up of a number of smaller producers, which often focus on regional areas of Peru and neighbouring markets. Nestlé Peru has over half the market share of Peru's chocolate market. Monlitalia has a market share of around 10%, which makes them the second largest company while the rest of the market is made up of smaller players.²⁹

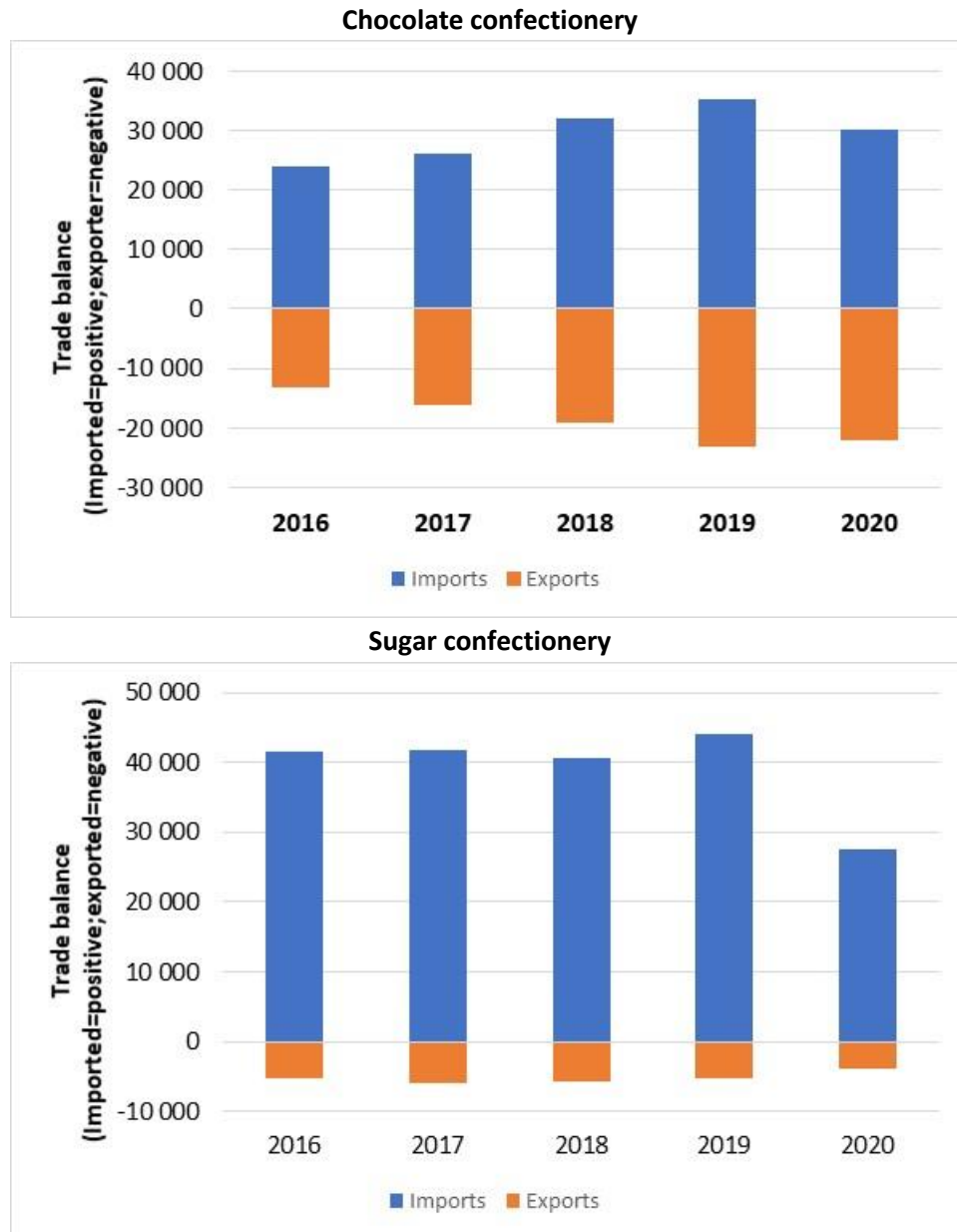
5.7.3.2 Imports and exports

Figure 5-30 shows that Peru is a marginal net importer of chocolate confectionery with the country importing chocolate and confectionery to a value of EUR 30 million in 2020 which is a decrease from the EUR 35 million figure in 2019. The country exported EUR 22 million worth of chocolate confectionery products in 2020. Despite being a net importer of chocolate confectionery products, the country is a big producer of these products which cater to most of the demand in the country. Peru is also a net importer of sugar confectionery products with the country importing EUR 27.5 million worth of this product in 2020, which is a large decline from the EUR 44 million value imported in 2019.

²⁹ El consumo de chocolate crece en el Peru, nacional, available at:

<https://www.radionacional.com.pe/novedades/el-informativo/el-consumo-de-chocolate-crece-en-el-peru>

Figure 5-30: Trade balance (imports and exports) of confectionery in Peru, 2016-20; EUR 000

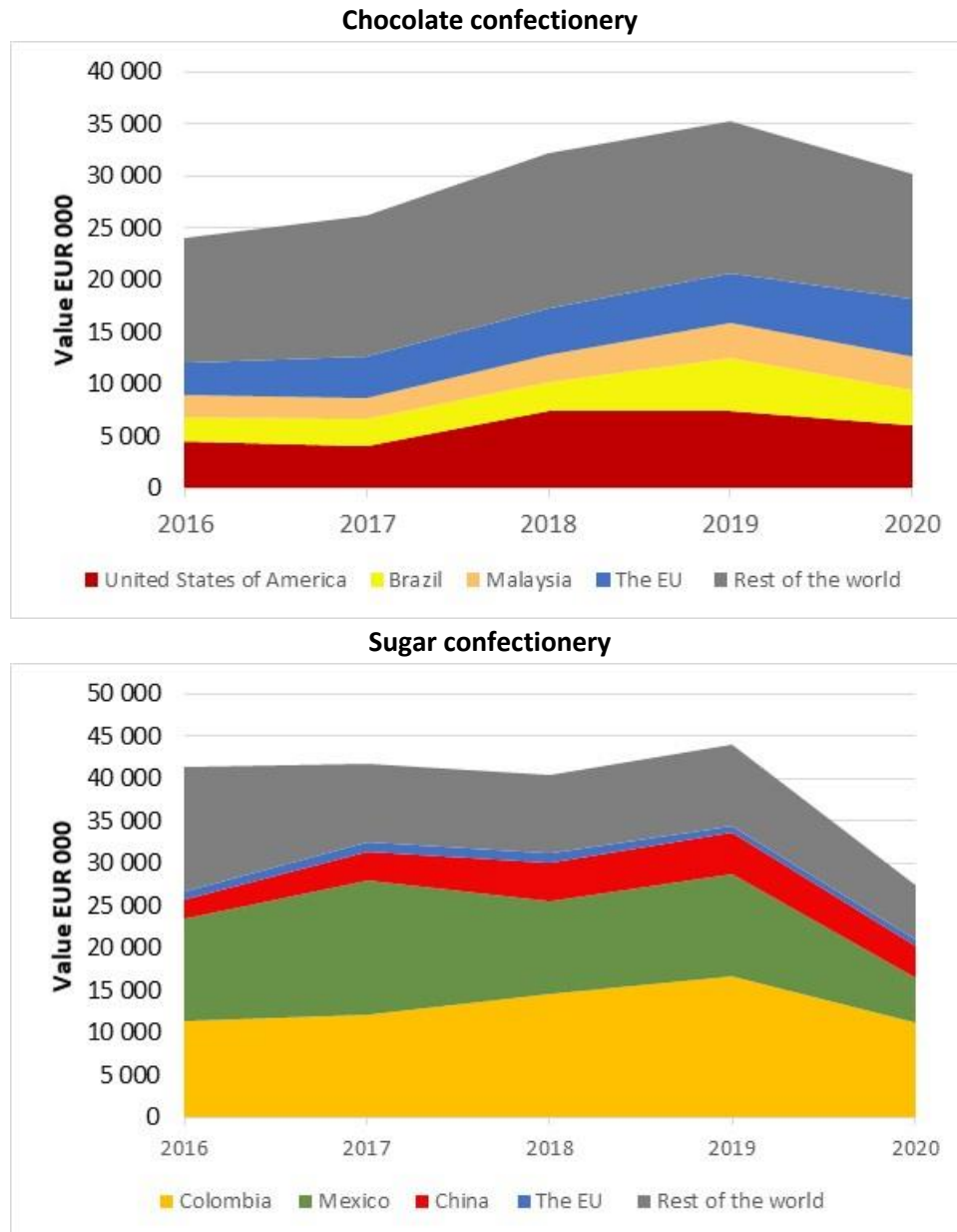


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 1806 and 1704.

The United States is the largest exporter of chocolate to Peru with American chocolate exports to Peru being valued at EUR 6 million in 2020. This is followed by Brazil with an export value of EUR 3.3 million and Malaysia with about EUR 3.3 million as well. Italy is the largest exporter to Peru from the EU with a trade value of EUR 1.5 million. Germany and the Netherlands are also in the top ten exporters of chocolate confectionery to Peru (Figure 5-31).

Colombia is the largest exporter of sugar confectionery to Peru with a total value in 2020 of EUR 11 million, this is followed by Mexico and China. The largest EU exporter is Spain which had a value of EUR 460 000. Spain is the only EU member state within the top ten exports of sugar confectionery to Peru.

Figure 5-31: Peruvian imports of confectionery by country, 2016-20; EUR 000



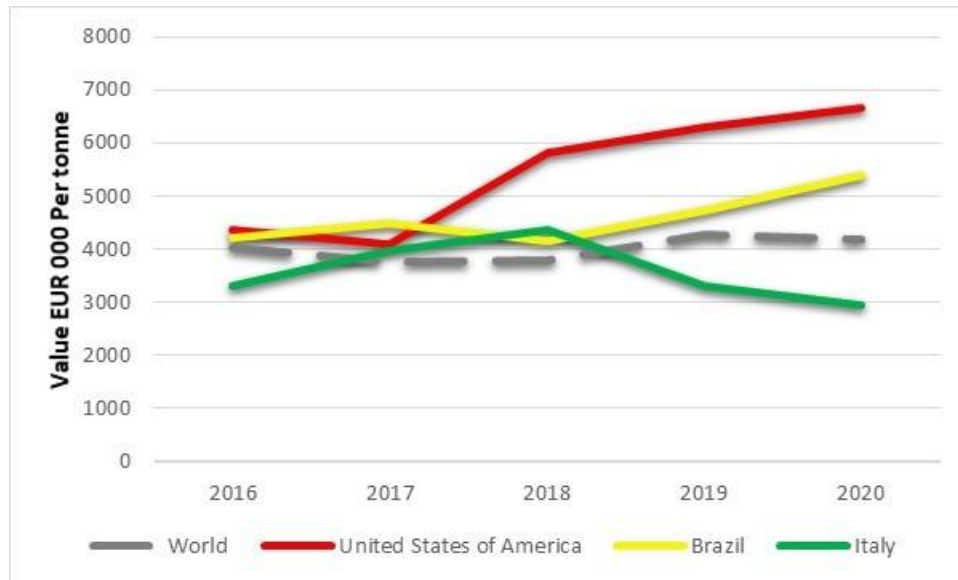
Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 1806 and 1704.

The unit value of Italian chocolate is below the global average of EUR 4 190 with a unit value per tonne of EUR 2 950. The largest exporter of chocolate, the United States of America has a unit value per tonne of EUR 6 670 which is amongst the highest. Brazilian chocolate is also above the global average with a unit value per tonne of EUR 5 380. In terms of sugar confectionery, Spain has one of the highest unit values per

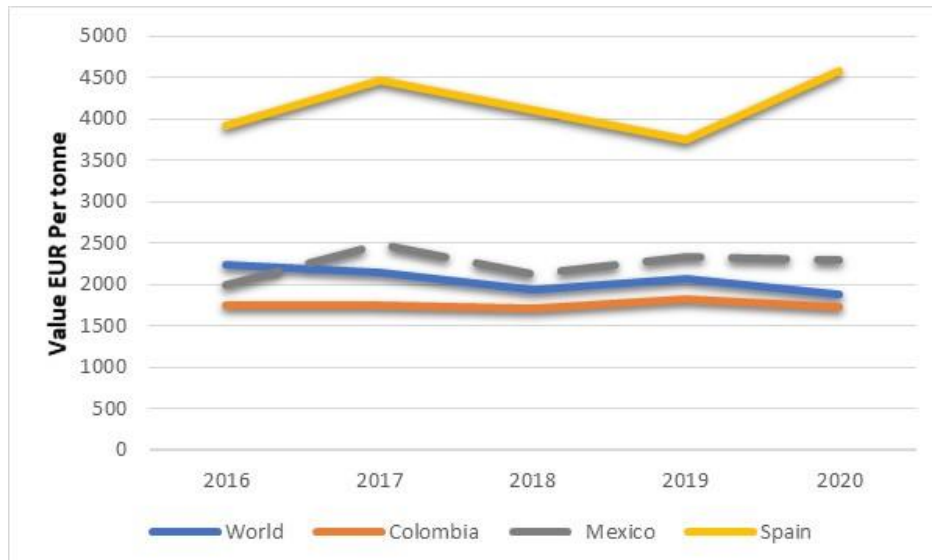
tonne with a unit value of around EUR 4 500 per tonne; well ahead of the global average is EUR 2 150 (Figure 5-32).

Figure 5-32: Per unit value of Peruvian imports of confectionery for selected countries, 2016-20 (EUR per tonne)

Chocolate confectionery



Sugar confectionery



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 1806 and 1704.

5.7.3.3 EU GI products

As noted in section 4.2.4, a number of GIs are protected under the EU-Colombia/Peru/Ecuador Trade agreement. This includes one confectionery GI, Masticha Chiou as per the list in section 9.1.

5.7.3.4 Main competitors

The largest competitors in the Peruvian chocolate and confectionery market come primarily from domestic production as Peru is a large chocolate producer in Latin America. Most notably, the country is also one of the larger producers of cocoa, a key ingredient in the production of chocolate. Outside of Peru, The United States, Brazil and Malaysia are the biggest competitors in relation to chocolate confectionery. Peruvian sugar confectionery production is lower but growing. Colombia, Mexico and China are the biggest competitors from outside of Peru.

5.7.4 Specific market entry requirements

Market access and entry; standards, SPS measures

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements for chocolate and sugar confectionery notably include the sanitary registration of foodstuffs and beverages; authorisation of foreign foodstuffs manufacturers; a certificate of analysis; and a free sale certificate.

In terms of tariffs:

- Depending on the CN code, sugar confectionery either faces 0% tariffs, or 6% tariffs after a TRQ at 0%.
- Chocolate confectionery faces tariffs of either 6% or 11% (depending on the CN code) after a TRQ at 0%.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general sugar confectionery category (1704) from Germany to Peru

<https://trade.ec.europa.eu/access-to-markets/en/search?product=1704&origin=DE&destination=PE>

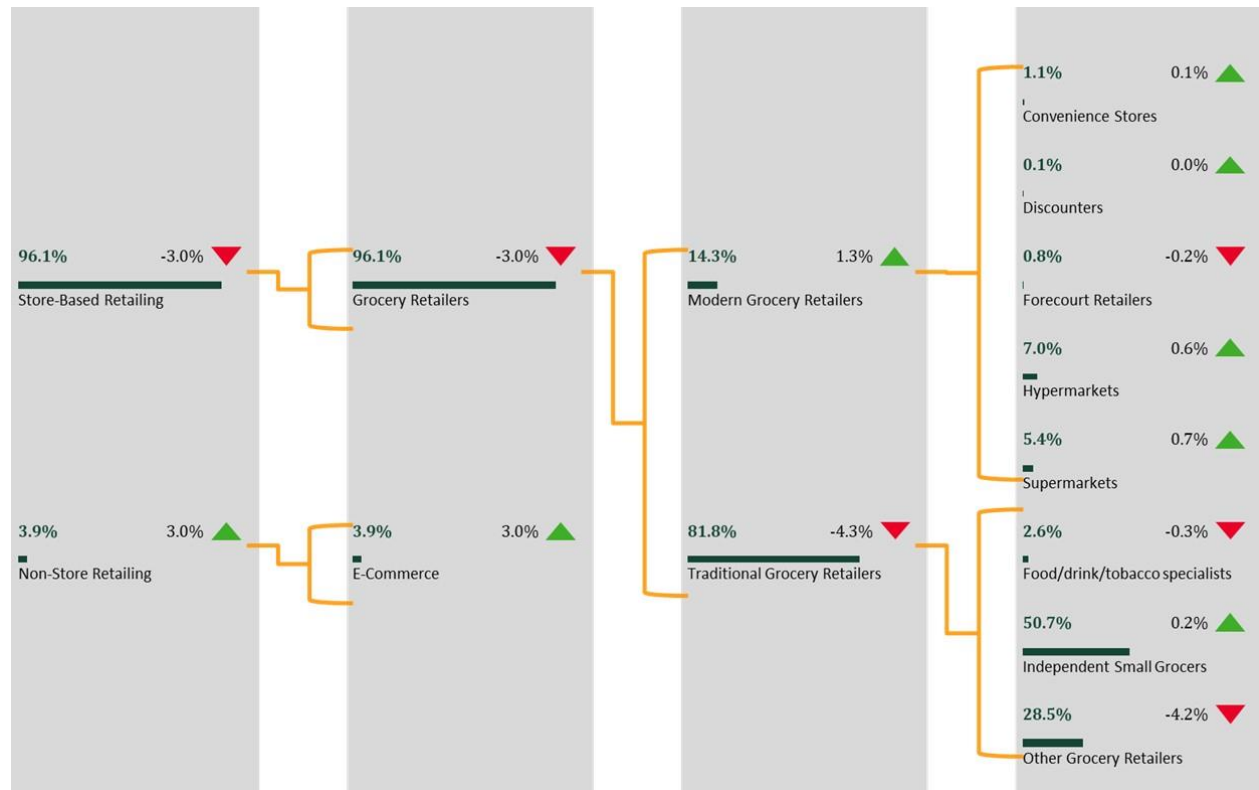
Labelling

Confectionery must conform to the labelling requirements for packaged foods set out in section 4.2.3, including notably the health warning label requirements.

5.7.5 Distribution

Chocolate confectionery distribution is shown below in Figure 5-33. Traditional grocery retailers account for 81.8% of all sales, with independent grocery retailers accounting for just over half of all sales. Other grocery retailers accounted for 28.5% of all sales making it the second-largest distribution channel. Modern grocery retailers currently account for 14.3% of all sales with hypermarkets growing to account for 7% of all sales. E-commerce has emerged as a new channel and now accounts for 3.9% of all sales.

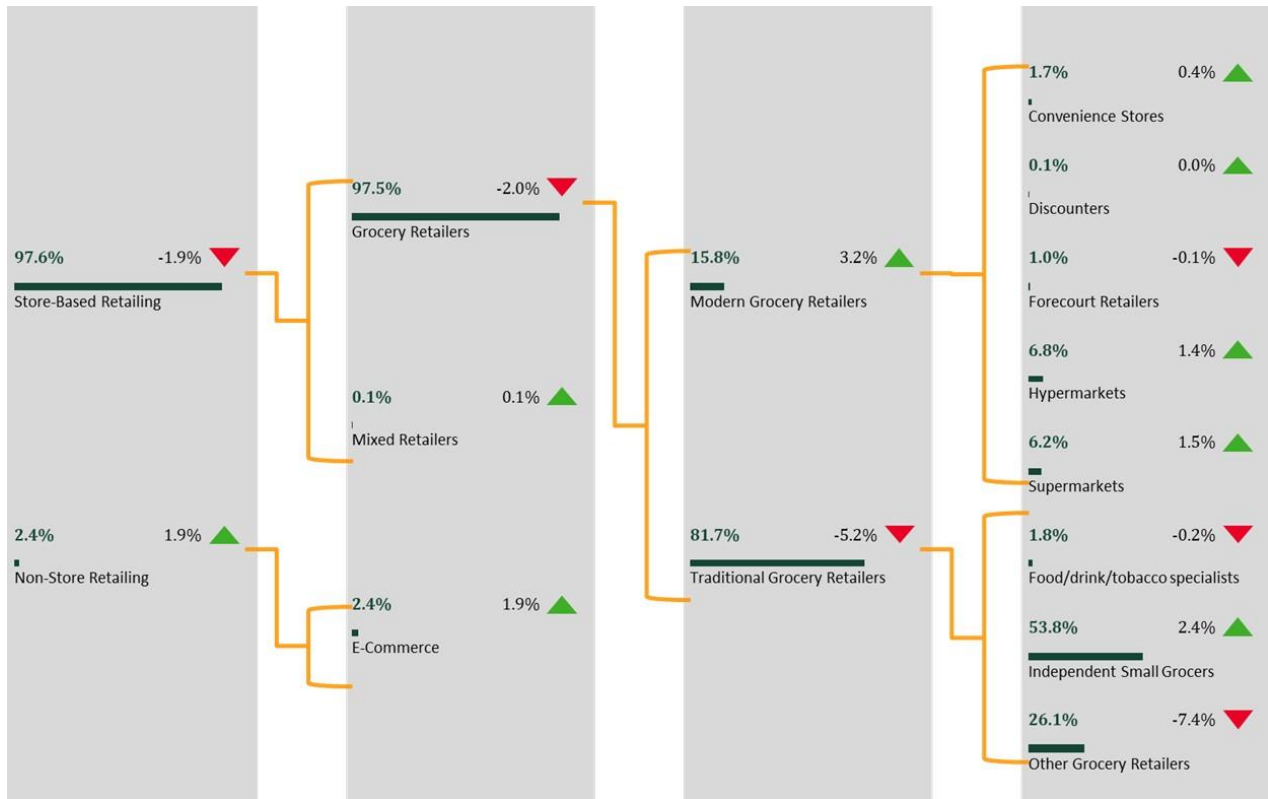
Figure 5-33: Distribution channel overview of chocolate confectionery in Peru (2020); retail value



Source: Euromonitor International: Packaged Food, 2021.

Sugar confectionery distribution is shown below in Figure 5-34. Traditional grocery retailers account for 81.7% of all sales, with independent grocery retailers accounting for 54% of all sales. Independent grocery retailers were the only traditional grocery retailer to register a growth in distribution in 2020. Modern grocery retailers accounted for 15.8% of all sales. E-commerce has recently emerged as a new channel and accounted for 2.4% of all sales in 2020.

Figure 5-34: Distribution channel overview of sugar confectionery in Peru (2020); retail value



Source: Euromonitor International: Packaged Food, 2021.

5.7.6 Challenges for EU products

Unlike in many other markets, Peruvian consumers will perceive domestically produced chocolate as a premium product, which limits demand for imported chocolate in the country from consumers seeking premium products. The rise in demand for healthy products has created a new market for organic chocolates. Peru is growing its organic chocolate production, which is a challenge for EU producers to emulate or compete with. Peruvians are accustomed to purchasing chocolate and confectionery products as individual products that can be consumed on the go which further limits demand for bulk imported chocolate products. Ultimately, domestic production is the major challenge for imported chocolate confectionery; the landscape for sugar confectionery is more varied. Finally, confectionery products are likely to be impacted by the provisions of the health warning label system.

Market Takeaway: Chocolate and confectionery

Consumption: despite a long history of chocolate production, consumption of chocolate in Peru is not particularly high by western standards, however, several key innovations in the country have helped to drive demand. Confectionery products are also consumed to a lower level by western standards with chewing gum being the most popular product.

Competition: Peru itself is a growing producer of chocolate and has emerged as one of the larger producers in Latin America. The country is also a large cocoa producer which results in fewer trade constraints in the production of chocolate. Outside of Peru, the US, Brazil and Malaysia are the biggest competitors in the chocolate market while Colombia, Mexico and China are the biggest competitors in the sugar confectionery market.

Distribution: Mostly in traditional grocery retailers such as independent grocery retailers, which are the biggest distribution channel for both chocolate and confectionery products. Modern grocery retailers growing their presence quickly and will likely continue to account for an ever-larger share of distribution with e-commerce also likely to continue growing.

Challenges: High regard for Peruvian chocolate amongst Peruvians limits demand for imported chocolate in the country, even at the premium end of the market. Confectionery products are not largely consumed in the country with neighbouring Colombia being the biggest source of imports. Products are likely to need to bear a health warning label.

Opportunities: Demand for imported chocolate and confectionery products is limited, which acts as both a hindrance and an opportunity as consumers in the country are yet to be largely exposed to EU producers which will allow for the garnering of a new following.

5.8 Beer

5.8.1 SWOT analysis

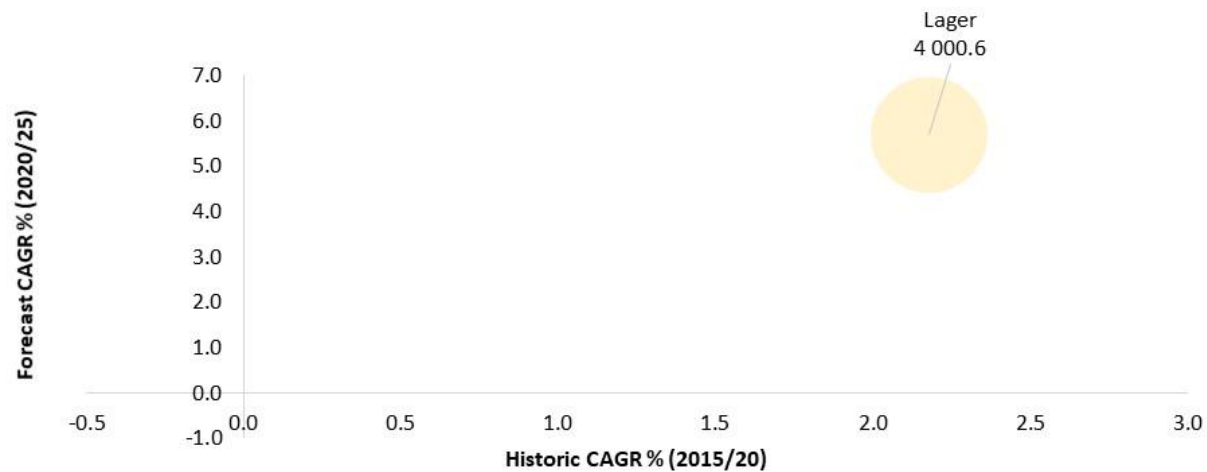
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Belgium is the second-largest exporter of beer to Peru with the Netherlands, Germany and Portugal all being in the top ten. ▪ Beer is by far the most consumed alcoholic beverage in Peru. 	<ul style="list-style-type: none"> ▪ The de-facto monopoly of the Peruvian market by domestic producer Backus, which has a 96% share of the market. ▪ Peruvians effectively only consume lager beer products at present, which makes it difficult for other beer categories such as dark beer and stout to compete.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Demand for premium lager is likely to increase as the economy reopens. ▪ With the market for craft beer emerging, it is possible that interest in beers other than lager picks up over time, though only time will tell if this occurs. 	<ul style="list-style-type: none"> ▪ Very strong competition both from the domestic de-facto monopoly and from Mexico, the biggest threat from outside of Peru. ▪ The country has a growing craft beer production scene which threatens the consumption of imported non-lager-based beer as domestic craft beer producers have begun to experiment in non-lager beer production.

5.8.2 Consumption

5.8.2.1 Evolution of consumption

The Peruvian beer market is having an estimated value of EUR 4 billion which comes exclusively from lager sales with this beer being the only significant beer category in the country. Beer consumption grew by a CAGR of 2.2% between 2015 and 2020; growth up until 2019 was strong but the market shrank by about 10% in 2020 due to the COVID-19 pandemic. The market is expected to recover well with a CAGR of over 5% between 2021 and 2025. Other beer categories such as dark beer and stout have yet to garner a significant following in Peru (Figure 5-35).

Figure 5-35 the beer market in Peru (value, EUR million); 2015-2025



Source: Euromonitor International: Alcoholic Drinks, 2021.

5.8.2.2 Consumer profile and purchase criteria

Consumers

Peruvians are proud of and big consumers of domestic beers, with beer being the most consumed alcoholic beverage in the country. On average, the per capita consumption is around 45 litres per year which is higher than in neighbouring Bolivia and Ecuador. There is a larger population of males than female beer drinkers in Peru. Domestic beer is enjoyed across income classes and ages above the legal minimum age of 18 years and is available throughout the country. The domestic beer industry is essentially focused entirely on lager, which further explains why it is the only notable beer type in Peru. Craft beer has emerged as a new trend in the market with consumers, particularly younger ones, showing an increased preference for craft beers that are produced throughout Peru.³⁰ In relation to imported beers, consumers are likely to be: males above the age of 25 with middle to higher income and living in main cities like Lima, Arequipa, Cusco and Trujillo (where there is greater access to imported beers).

Drivers and method of consumption

Beer consumption is being associated with relaxation, with consumption rising towards the end of the day as Peruvians relax with friends and family; particularly in on-trade establishments such as restaurants and bars (prior to COVID-19). However, COVID-19 restrictions in the country have resulted in on-trade sales of beer declining in volume by 23%. Peruvian BBQs are common throughout the year particularly around sporting events and special occasions such as a birthday and typically these BBQs involve the consumption of beer. Consumption of beer increases when Peru is involved in a major sporting event such as the football world cup. This has led to beer brands taking advantage of this situation by advertising in these events, television commercials, social media, or as special sponsors of football team apparel. Beer consumption in Peru has some local traditions which may cause confusion for foreigners. Such practices include gathering

³⁰ The beer market in Peru, Flanders trade and investment market study, Available at:

https://www.flandersinvestmentandtrade.com/export/sites/trade/files/market_studies/The%20Beer%20Market%20In%20Peru-2018.pdf

in a circle and passing a larger bottle (typically around 650 ml) or jug of beer in a clockwise circle when pouring with the first individual passing to the right and each person then doing the same until everyone receives their glass. As a vague rule, whoever finishes the bottle/jug must buy the next one. This process of beer consumption encourages sharing and the social aspect of drinking beer but may be challenging for foreigners who are more accustomed to drinking at their own pace.

Purchase criteria

First of all, Peruvians are proud of local beers which can make it difficult to persuade some of them to switch to foreign variants. As already noted, lager is clearly the predominant beer consumed in Peru and most consumers will expect beers on sale to be lagers. As mentioned above, Peruvians like to share beer when consuming which drives demand for larger bottles with smaller single bottles not appealing to social Peruvians. Beers that incorporate iconography of the local area will appeal to Peruvians will be well-positioned to tap into the pride they have for local products. Brand awareness is a key purchasing criterion with Peruvian consumers having many references to the imported brands in the market because they perceive them as higher quality. For example, brands such as Stella Artois and Heineken are widely recognised for their logos and iconic stylised green bottles and positioned as quality products of European origin in the Peruvian market (even if in some cases they are brewed locally/regionally under license). Consumers who enjoy having a beer but are conscious of the negative impacts of too much beer consumption will be incentivized to purchase low-calorie or non-alcoholic beers.

Beer on retailers' shelves in Peru

Typical retail prices for beer (per litre) are:

- **Economy:** between PEN 7 - 9.5 (EUR 1.5 – 2.10)
- **Mid-range:** between PEN 10 – 13 (EUR 2.20 – 2.90)
- **Premium:** above PEN 14 (EUR 3)

Imported beers, alongside craft beers, are normally priced as premium. However, foreign beers brewed locally or regionally under licence typically are priced as economy or mid-range beers. In view of this and particularly if higher volumes are the aim, it may be worth considering pricing for the mid-range if feasible.

With Peru being a hot and humid country, beer is often sold already chilled (see two pictures below).





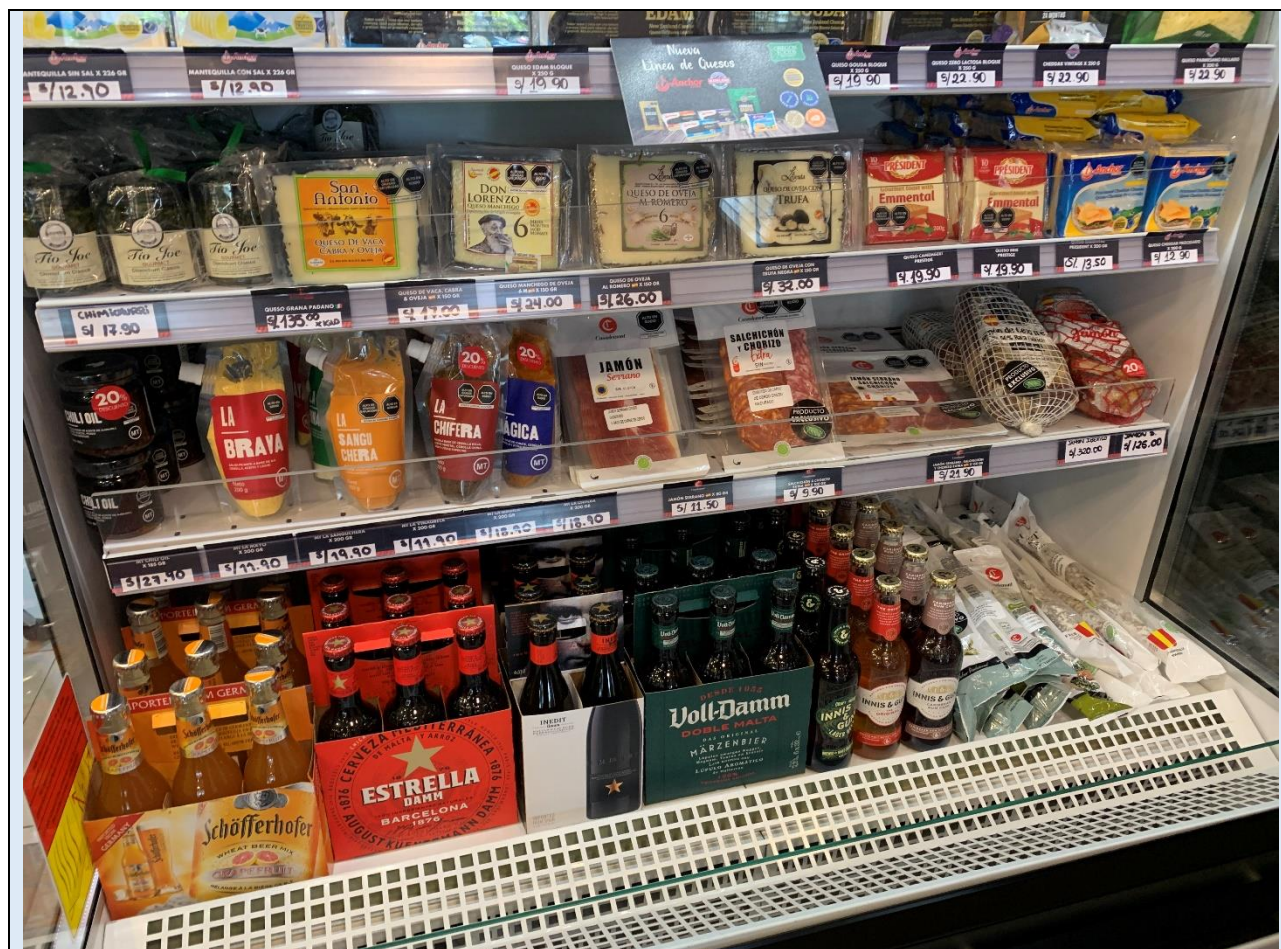
Above and previous photo: extensive beer ranges and volumes in supermarkets, sold already refrigerated.

In terms of packaging and format, 330 or 355ml bottles or cans are most common for local products. 6 packs are particularly common for the 355ml format. Some smaller, 269ml cans have recently been launched by domestic producers with the advantage of a lower unit price. The packaging format for imported products is much more varied. In addition to 330ml, products can be found in 250ml, 470ml, 500ml and 568ml sizes (see below).



Above: range of different package sizes of imported beer in a supermarket

Products which are new on the market often offer discounts of 10 to 20% to attract consumers. Supermarkets are also likely to run promotion campaigns with 20 to 30% discounts at certain points of the year; most notably *Fiestas Patrias* (15th to 30th July) and at the end of the year (throughout December). Discounts may also occasionally be offered for purchasing beer with other products such as sausages, hamburgers or other meat products.



Above: beer being sold alongside meat products in a supermarket

Pictures: © Agra CEAS / Euromonitor International, 2021.

5.8.2.3 Recent market trends

Consumption of beer (mainly lager) grew in the past decade with lager registering a CAGR of 7.7% between 2014-2019 before falling during the COVID-19 pandemic. Beer is the largest consumed alcoholic beverage in Peru, and this will remain the case going into the future. The demand for healthier varieties of beer products such as non-alcoholic beer has yet to see the successes seen in the US and Europe. However, demand is increasing spurred by harsh drink driving regulations in recent years and the general demand for healthier products. A notable focus on individual cans has emerged as a market trend in recent years with producers increasingly focusing on the production of small individual cans with a quantity of 250 or 269ml instead of the standard 330ml can. This is done to make beer more affordable for consumers and to appeal to the market appreciation for economical food and beverages. Craft beer has emerged as a growing trend with most of these beers being lagers although a very small amount of dark beer has emerged with Cusquena Negra being one such example. As mentioned above, the outbreak of COVID-19 and consequential lockdowns in Peru has resulted in overall consumption declining as social gatherings

were discouraged and on-trade establishments were closed. However, consumption of beer is heavily associated with these activities and will rebound once these activities are permitted and normalised again.

5.8.3 Offer

5.8.3.1 Domestic production

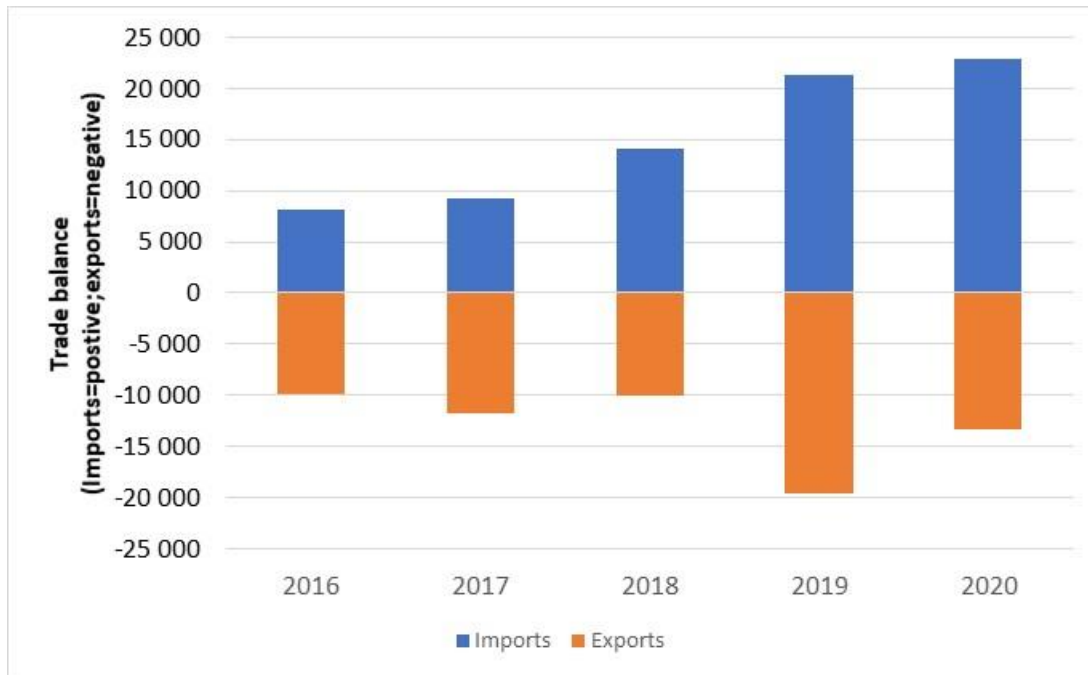
The company Backus is the largest by far in Peru and has a near-monopoly of domestic production with a share of 96% of the Peruvian beer market. The company predominantly produces lager with notable brands including Cristal and Cusquena. The company has experimented with non-lager products such as a stout variant of Cusquena, but lager remains the company's focus in line with consumer demand. The company currently operates six distilleries throughout Peru in the cities of Lima, Chiclayo, Trujillo, Arequipa, Cusco and Pucallpa. The second-largest company in the Peruvian beer market is Cia Cervecera Ambev which has a share of 2.5% of the market, further highlighting the de-facto monopoly that Backus has on the Peruvian market. Lager is the predominant beer produced in Peru; however, craft beer production has risen in recent years, which has opened up a very smaller new market for other beer varieties such as Quinoa beer and coffee porter. Recently, new producers such as Heineken have entered the market which is likely to boost the production of beers not traditionally produced in Peru such as non-alcoholic beers.³¹

5.8.3.2 Imports and exports

As shown below in Figure 5-36, Peru has been transitioning into becoming a net importer of beer in recent years moving from a near trade balance in 2016 to an export deficit of around EUR 9 million in 2020 with exports dropping between 2019 and 2020. The majority of Peruvian exports go to neighbouring Chile where it exports beer to a value of EUR 10.5 million out of a total global export value of EUR 13.3 million.

³¹ Heineken enters the Peruvian market, Heineken, Available at <https://www.globenewswire.com/en/news-release/2020/09/09/2091172/0/en/HEINEKEN-enters-the-Peruvian-beer-market.html>

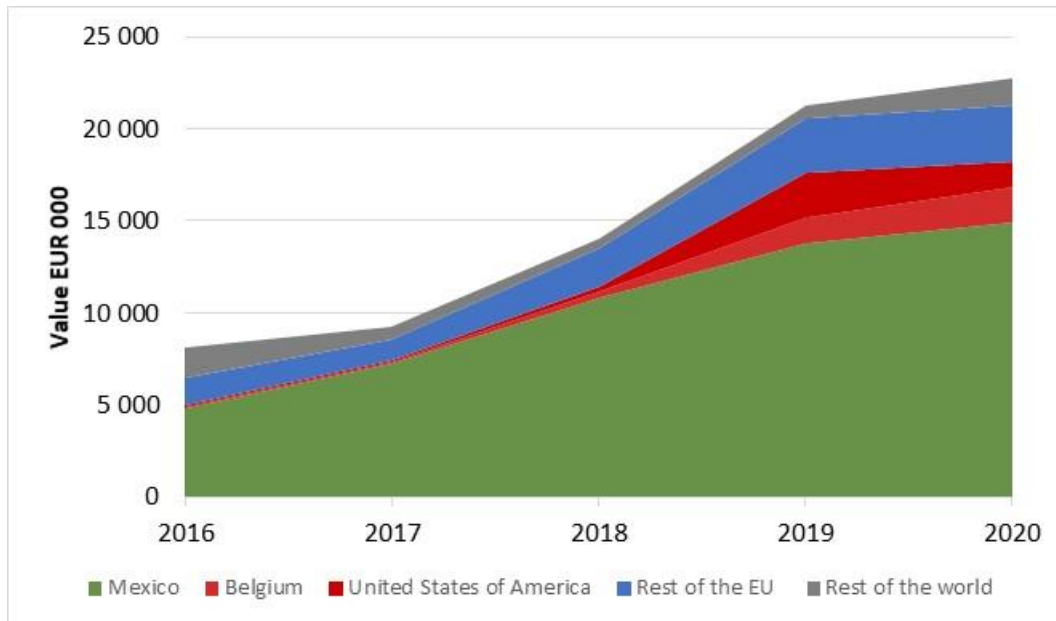
Figure 5-36: Trade balance (imports and exports) of beer in Peru, 2016-20; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2203.

Figure 5-37 shows the most popular countries that Peru imports beer from with Mexico being by far the largest exporter of beer to Peru with a value of EUR 14.8 million. Belgium is the second-largest exporter of beer to Peru with an export value of EUR 1.9 million, ahead of the EUR 1.6 value of exports from the USA. The Netherlands, Spain, Germany and Portugal are all also in the top ten exporters of beer to Peru.

Figure 5-37: Peruvian imports of beer by country, 2016-20; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2203.

Figure 5-38 goes further to explain the unit value of Peruvian beer imports. In 2020, the average cost of beer exports to Peru was about EUR 750 per tonne. Belgium has the highest unit value per tonne with a value of EUR 1 000 which is above the global average. The largest exporter of beer, Mexico, has a unit value of EUR 730, while a big competitor in the premium beer market, the US, has a unit per tonne value of EUR 710 which is below the global average.

Figure 5-38: Per unit value of Peruvian imports of beer for selected countries, 2016-20 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2203.

5.8.3.3 EU GI products

As noted in section 4.2.4, a number of GIs are protected under the EU-Colombia/Peru/Ecuador Trade agreement. As per the list in section 9.1 this includes two beer GIs; Bayerisches Bier and Münchener Bier.

5.8.3.4 Main competitors

Domestic producer Backus is by far the biggest competitor to EU producers due firstly to the company's de-facto monopoly in the Peruvian market combined with the company's presence throughout Peru with distilleries in most major cities. Outside of Peru, the biggest competitors come from Mexico and the US, with Mexico standing out as the main competitor due to the country accounting for just over half of all exports to Peru.

5.8.4 Specific market entry requirements

Market access and entry; standards, SPS measures

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export is set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements for beer notably include: the sanitary registration of foodstuffs and beverages; a certificate of analysis; and a free sale certificate.

In terms of tariffs, beer from the EU does not face tariffs.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general beer category (2203) from Belgium to Peru

<https://trade.ec.europa.eu/access-to-markets/en/search?product=2203&origin=BE &destination=PE>

Labelling

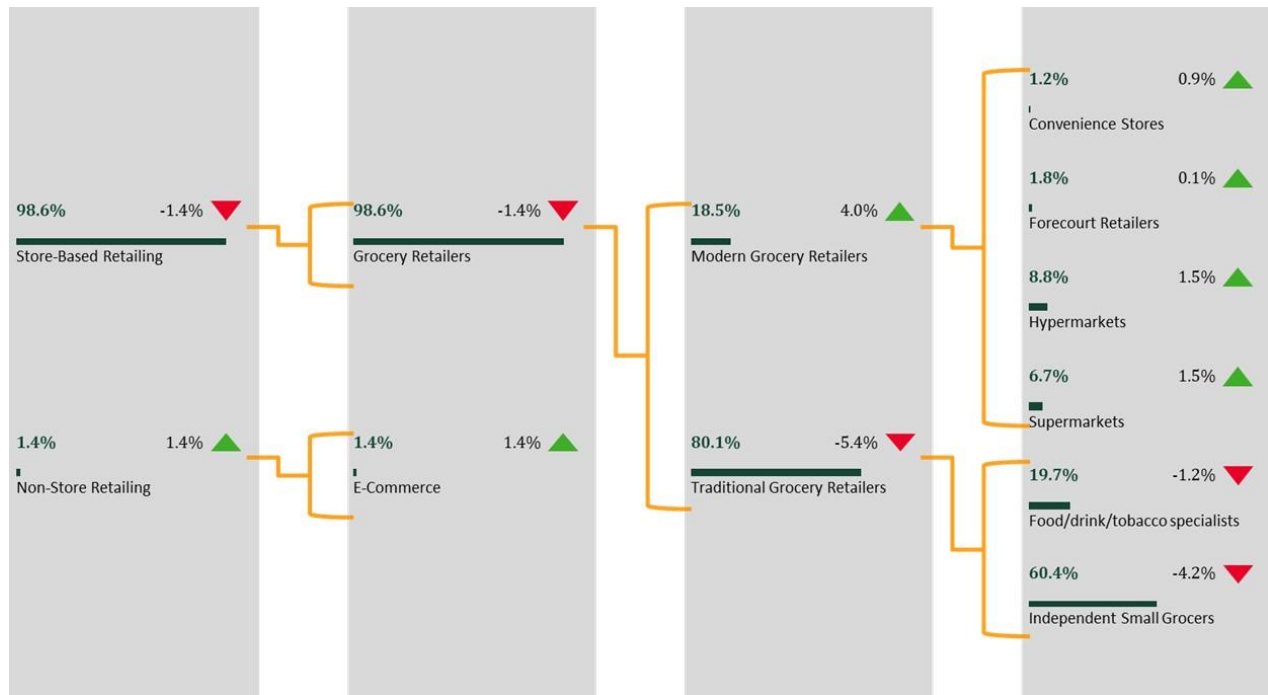
Beer must conform to the labelling requirements set out in section 4.2.3. Most notably, labels must bear a warning label: "TOMAR BEBIDAS ALCOHOLICAS EN EXCESO ES DAÑINO" (excessive consumption of alcohol is damaging to the health). At least 10% of the label and of the packaging must be designated to this phrase.

5.8.5 Distribution

As is the situation for both wine and spirits, beer is predominantly sold through grocery retailers with traditional grocery retailers accounting for 80% of all sales.

Figure 5-39 depicts the different off-trade channels by volume and shows that the largest sole channel for the distribution of beer is independent small grocers which are visible throughout Peru and often sell beer late into the evening. Food and drink specialist stores account for 20% of sales, however, this figure is declining. Modern grocery retailers presently account for 18.5% of all sales, however, this will likely rise in the future as these retailers expand their presence in Peru. E-commerce has emerged as a minor channel since 2017. Prior to the outbreak of COVID-19 in 2019, on-trade establishments accounted for around one-fifth of all sales by volume.

Figure 5-39: Distribution channel overview of beer in Peru (2020); off-trade volume



Source: Euromonitor International: Alcoholic Drinks, 2021.

5.8.6 Challenges for EU products

Overall, lager is the only beer category with a notable following in Peru and many consumers in the country will solely associate lager as beer without considering other categories. This makes it difficult for producers of stout and dark beer to enter the Peruvian market. However, the increasing presence of craft beer producers in Peru, which often produce stout and dark beer, may help to familiarise consumers in Peru with these beers which may drive demand for imported stout and dark beer. The company Backus has a de-facto monopoly of the market in Peru with a near 96% share of the market and long history of acquiring competitors. This makes the company very influential in the Peruvian beer market and a trendsetter that requires EU producers to track this company's activities in the country. EU producers of lager or lager-like beers are likely to have an easier time marketing their products to consumers in Peru than other beer categories; and indeed, some originally European beers are sold in Peru having been brewed outside the EU under licence. This further explains the presence of large producers of blond beer, while large producers of other beer categories such as Ireland with regards to stout still currently have practically zero exports to Peru.

Market Takeaway: Beer

Consumption: Beer is the most popular alcoholic beverage, and the category is effectively entirely dominated by lager. The growth of craft beer production in the country may aid other beer categories in garnering a following in Peru over time.

Competition: The Peruvian company Backus has a de-facto monopoly of the Peruvian beer market which makes it the biggest competitor for EU products. Mexico and the US are the biggest competitors from outside of Peru.

Distribution: Small independent grocery retailers account for nearly two-thirds of all sales of beer in Peru followed by specialised food and beverage stores with a 20% share. Hypermarkets are the fastest-growing channel, which currently has a 7.5% share, a figure that likely continues to rise.

Challenges: The presence of a large producer with a de-facto monopoly in Peru is a competitive challenge for EU producers, coupled with demand for beer largely only being for lager which makes the exportation of other beer categories to Peru difficult at present.

Opportunities: Premium lager is the biggest opportunity area for EU beer producers in Peru. Rising incomes and a rebounding economy may grant consumers a greater capacity to splurge on imported beer which will drive demand.

5.9 Pet food

5.9.1 SWOT analysis

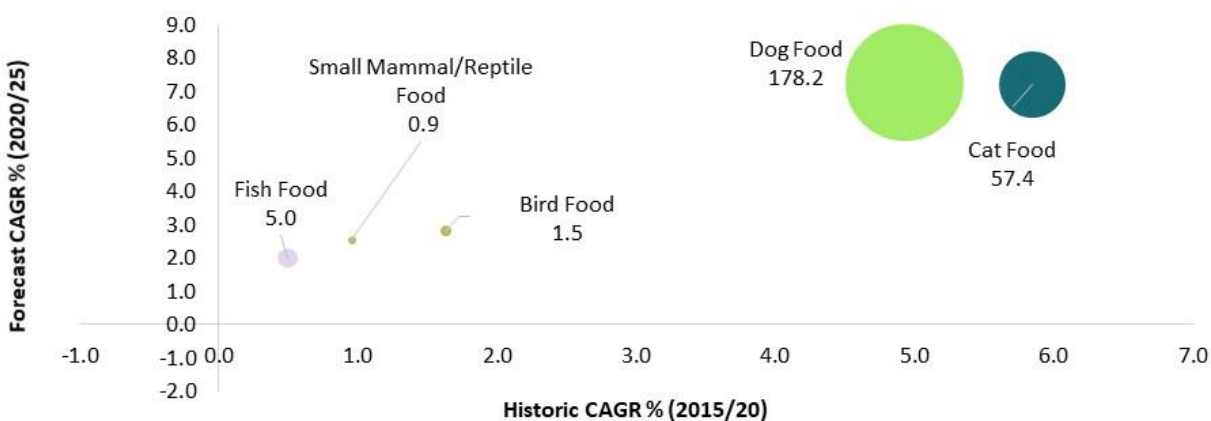
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> Pet ownership has been common in Peru for centuries and is growing in the country aided by the outbreak of COVID-19 and the desire for companionship at home. Structural shortage in pet food. Czech Republic, France and Spain are amongst the top ten exporters of pet food to Peru. 	<ul style="list-style-type: none"> The markets for fish food, bird food, and small mammal/reptile food are small. A certain level of price sensitivity in the market creates some headwinds for premium wet food in particular.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> The humanisation of pets is increasing, which drives demand for high nutritional products that are often imported. The emergence of e-commerce and the use of social media provide possible alternative avenues for consumer engagement. 	<ul style="list-style-type: none"> Domestic production has increased steadily in recent years both in terms of quantity and quality. Argentina, the US and Brazil are the biggest competitors from outside of Peru.

5.9.2 Consumption

5.9.2.1 Evolution of consumption

As shown below in Figure 5-40, dog food is the largest pet food product by retail value in Peru with a total retail value of EUR 178 million, almost three times that of cat food, which is valued at EUR 57 million. Both dog food and cat food are forecasted to grow by a CAGR of 7.2% between 2021 and 2025. Fish food is far behind cat food, with a retail value of EUR 5 million, which is expected to grow by a CAGR of 2% between 2021 and 20215. Bird food has a retail value of EUR 1.5 million while small mammal/reptile food has a retail value of EUR 900 000.

Figure 5-40: Evolution and forecast of the pet food market in Peru, 2015-2025; retail value EUR million



Source: Euromonitor International: Pet Care, 2021.

5.9.2.2 Consumer profile and purchase criteria

Consumers

Consumers in Peru are increasingly prioritising the health of their pets which has led the trend away from the traditional practice of feeding pets leftover foods and towards the purchase of economy and mid-ranged pet food products. Consumers living in urban areas are more likely to have cats as these pets' complement urban environments such as those found in Lima, Arequipa and Cusco. The ownership of cats is growing in the country due to the outbreak of COVID-19 and the desire for at-home companionship. Dogs seem to be more suited for the rural areas of Peru and act as guardians and company for Peruvians living in sparsely populated areas. The Chimu dog is native to Peru and has been a popular pet in the country for centuries. Even today it remains one of the most popular dog breeds in the country. There has been a trend towards owning smaller dog breeds in urban areas because of the limited space available. Fish ownership declined in 2020 due to many Peruvians having them as pets in office settings which consequently closed due to COVID-19 lockdown restrictions in the country.

Drivers and method of consumption

Key drivers in pet food ownership in Peru come from the need for companionship at home due to stay at home orders in the country caused by COVID-19 restrictions which benefited the ownership of cats and small dog breeds, although negatively impacted fish ownership which is more office-oriented. Currently, dry dog food is preferred by consumers due to the product lasting longer and also generally being cheaper in the country, although it is important to note that wet dog food grew faster in 2020 and is expected to also grow faster in 2021. Likewise, dry cat food is the most popular cat food product for the same reasons, although wet cat food is also catching up. Pet humanisation is a key driver of imported pet food consumption as pet owners are increasingly demanding pet foods that cater to the nutritional needs of their pets which in turn boosts interest in premium pet food products.

Purchase criteria

Many pet owners in urban areas of Peru will have the disposable income necessary to ensure the wellbeing of their pets, which drives demand for premium pet foods in these areas of the country in particular. However, most consumers are attracted to products that are long-lasting and cost-effective. This explains why dry food is the most popular pet food product; in both cases of cat and dog food consumption. Increasing nutritional awareness and concerns about the consumption habits of pets are driving demand further for premium products including imported ones. Some consumers, particularly those impacted by a wider humanisation trend, will research meticulously the nutritional information available on packaging. Consumers are also increasingly influenced by social media trends with cat ownership particularly being impacted by social media as owners form pages to discuss maintenance practices and favourite foods for their cats. This results in the need to take social media marketing seriously in the country when it comes to pet food promotion.

5.9.2.3 Recent market trends

Cat and dog ownership in Peru has been a common practice for centuries with dogs emerging as the preferred pet. However, an urbanising population with limited space available for pets is increasingly

interested in cat ownership. Subsequently, cat ownership will likely continue to increase in the country alongside dog ownership of smaller breeds; the latter because they take up less space in urban areas, but also consume less food. Social media marketing/reputation management is emerging as a key tactic to reach out to consumers in the country with many social media pages and forums in Peru being created in recent years to showcase and discuss pet ownership. E-commerce is increasingly used in obtaining pet foods which were further compounded by the outbreak of COVID-19. This does provide a new avenue for imported pet food producers to market to consumers in Peru. While dry dog and cat foods remain preferred, wet dog and cat foods are growing faster and will take up an ever-larger share of the market in the future. The market is bright for both dog and cat foods as a predicted CAGR of 7.2% for both products is forecasted between 2021 and 2025, with fish foods also forecast to grow albeit at smaller rates.

5.9.3 Offer

5.9.3.1 Domestic production

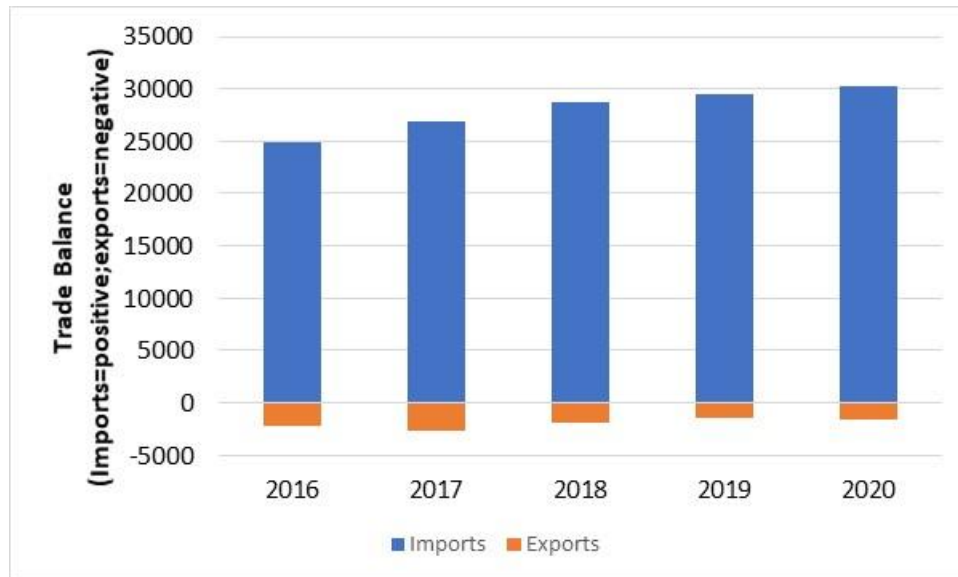
Production of cat and dog food in Peru has grown in recent years as the country has the resources available to compliment the production of these products such as poultry and corn. Nonetheless, domestic production does remain somewhat limited. Rinti SA has the largest share of the cat food market with roughly 43%, followed by multinational Nestle SA with just under a one-third share. The rest of the market is made up of a large number of smaller producers. Rinti SA and Nestle also have the largest share of the dog food markets with Rinti SA having a share of 36% followed by Nestle with 23% and Monitalia, which has a share of just over 10%. The rest of the dog food market is made up of smaller producers. Overall, the country produced 49 750 MT of pet food in 2019 with the majority of this going to cater to demand domestically.³²

5.9.3.2 Imports and exports

As shown below in Figure 5-41, Peru is a net importer of pet food with the country importing EUR 30 million worth of pet food in 2020, a figure that has increased year on year since 2016. Exports from the country are small but this further highlights how domestic producers cater mainly to the local market. The need and capacity to export continues to be small and imports are still needed to meet domestic demand.

³² US International trade administration, Peru country commercial guide, available at <https://www.trade.gov/knowledge-product/peru-agricultural-sectors>

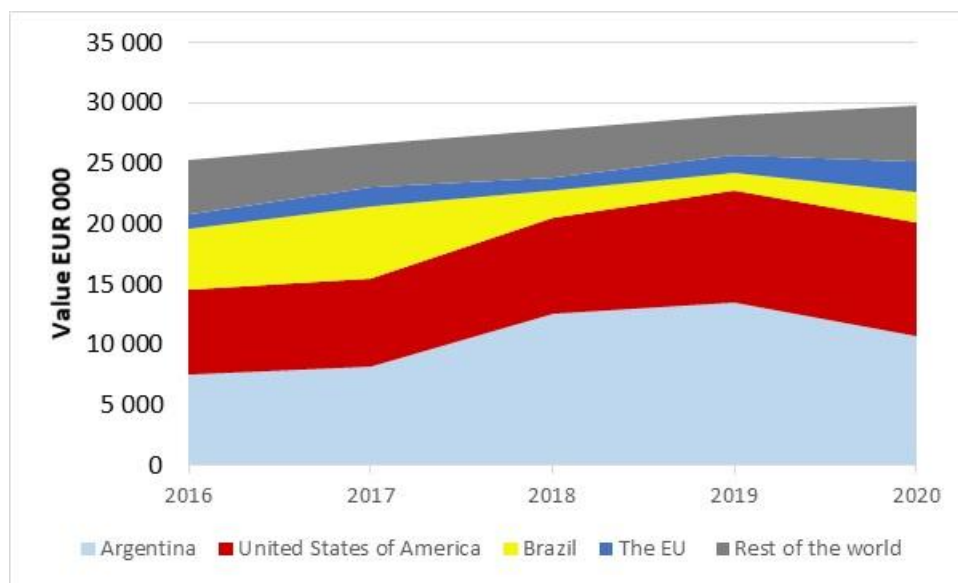
Figure 5-41: Trade balance (imports and exports) of pet food in Peru, 2016-20; value 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN codes 23091090

Figure 5-42 shows that Argentina, the United States, and Brazil and are the largest exporters of pet foods to Peru and are all located within the vicinity of Peru. The largest EU exporter of pet foods to Peru is the Czech Republic which is the 5th largest overall pet food exporter to the country with pet food exports from the Czech Republic coming to a value of EUR 1.2 million. This is followed by France and Spain.

Figure 5-42: Peruvian imports of pet food by country, 2016-20; value 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 23091090

5.9.3.3 Main competitors

The largest competitor in the Peruvian pet food market comes from domestic producers, which are growing and adapting production techniques to cater to the Peruvian market such as the expansion of wet food production. Nonetheless, there is still a substantial reliance on imports, and outside of Peru, Argentina, the US and Brazil are the biggest competitors with the countries of Chile and Canada also having a large presence.

5.9.4 Specific market entry requirements

Market access and entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export is set out in Table 4-1. In addition to these, the following specific requirements exist for petfood:

- Registration of fodder
- Permit to import live animals and products of animal origin (assuming product contains animal origin products)
- Inspection of pesticides, phytosanitary and animal health products
- Veterinary health certificate for animal products
- Certificate of analysis
- Free sale certificate

Plus, depending on the composition of the product (namely, if the product contains raw plant products) the following is necessary:

- Registration of importers of plant and plant products for quarantine
- Permit to import plants and plant products

An export notification for goods under the Rotterdam convention may also be requested.

In terms of tariffs, cat and dog food does not face tariffs.

information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – cat and dog food category (230910) from France to Peru

<https://trade.ec.europa.eu/access-to-markets/en/search?product=230910&origin=FR&destination=PE>

Standards, SPS measures and labelling

Animal feed falls within the scope of the Peruvian food safety law (see section 4.2.2). In accordance with the directorial resolution R.D. N° 0021-2013-MINAGRI-SENASA-DSA, dog and cat food is categorised as risk

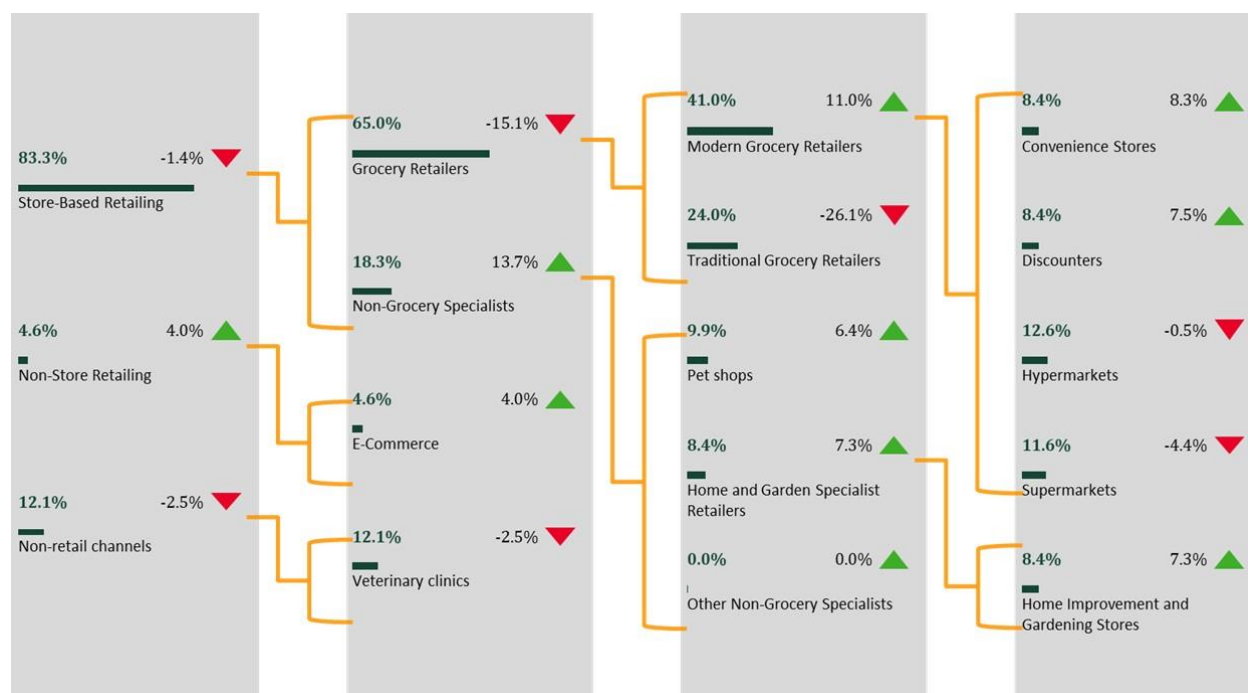
category 2. This is to say they are considered as products/sub-products of animal origin which have undergone one or more physical or chemical transformations, and hence reducing/eliminating the possibility of transporting quarantine grade pathogens. As a result, facility registration is not normally required, though it is nonetheless recommended to confirm this prior to export, particularly given that the risk category is subject to change and SENASA may introduce additional measures for existing categories.

Petfood labels should contain product name; animal for which food is destined; net weight; name and address of producer and distributor; list of ingredients by weight; expiry date. An analysis of guarantee of product quality is also normal.

5.9.5 Distribution

As shown below in Figure 5-43, modern grocery retailers are the largest channel of distribution of pet food products in Peru with a percentage of 41%, this share has grown in recent years. Hypermarkets and supermarkets are the biggest distributors in the category with supermarkets having an 11.6% share and hypermarkets having a 12.6% share. Traditional grocery retailers now account for only one-fourth of distribution. One of the channels which have grown at the expense of traditional grocery retailers is e-commerce which now accounts for 4.6%.

Figure 5-43: Distribution channel overview of pet food in Peru (2020); retail value



Source: Euromonitor Pet Care, 2021.

5.9.6 Challenges for EU products

A key challenge for EU exporters includes the strict requirements from Peru regarding the importation of products containing meat, with poultry being one of the biggest impacted products. This constraints the

ability for EU produces of pet food containing poultry to export to Peru. Another challenge is the price sensitivity of lower-income pet owners, many of whom are only now moving from feeding their animals leftovers to providing them with prepared dog foods. Subsequently, such owners are price sensitive. The trend of humanisation will help alleviate some of these constraints as some consumers increasingly desire premium pet food products that are often imported. Such consumers are more likely to analyse nutritional information available on the packaging of imported pets' foods and ingredients may be taken into account by them when purchasing.

Market Takeaway: Pet food

Consumption: *Pet ownership is growing in Peru with smaller pets such as cats and small dogs growing in popularity as the population continues to urbanise. This coupled with the adoption of prepared pet food by some consumers instead of the use of leftovers has helped to boost demand for pet food in Peru.*

Competition: *Domestic producers are growing their capacity to cater to the growing domestic demand for pet food in the country. However still a shortage, and outside of Peru, Argentina, the US and Brazil are the biggest competitors.*

Distribution: *Modern grocery retailers such as supermarkets and hypermarkets account for the majority of sales with 41.5% of pet food being sold through this channel. E-commerce and home and garden specialist stores emerging as increasingly important.*

Challenges: *The market as a whole is quite price-sensitive, though this is beginning to change.*

Opportunities: *Structural shortage. The increasing humanisation of pets in Peru is driving demand for premium pet food products. Imports of pet food have grown year on year since 2016.*

5.10 Ice cream

5.10.1 SWOT analysis

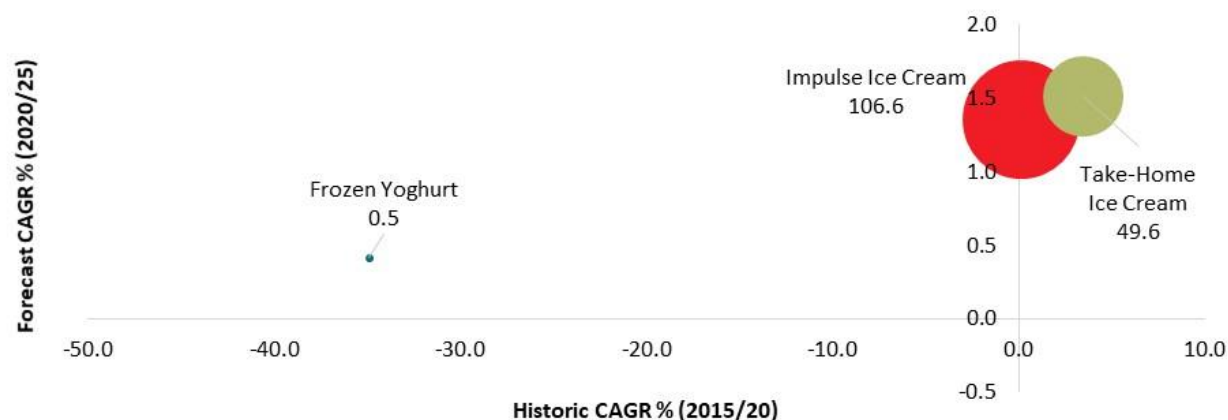
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ A slight structural shortage of ice cream. ▪ France is the second-largest exporter of ice cream products with Italy, Spain, and Denmark also amongst the top ten. 	<ul style="list-style-type: none"> ▪ Peruvian producers have the capacity to produce Peruvian centric flavours such as Lucuma and Mamey, which appeal to local consumers and are not produced in the EU. ▪ Peru is not a large per capita consumer or big importer of ice cream products; and no signs of this changing in short term.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Growing incomes and increased availability of appliances to store ice cream are tailwinds for consumption. ▪ The rise in take-home ice cream consumption in recent years opens a new avenue for EU ice cream products in the country. 	<ul style="list-style-type: none"> ▪ One company has a dominant position in the market, making competition tough. ▪ Expansion of Peru's dairy market has led to market pressures.

5.10.2 Consumption

5.10.2.1 Evolution of consumption

As shown below in Figure 5-44, Impulse ice cream is the largest ice cream product in Peru by retail value by quite a distance. It has a retail value of EUR 106 million, which is double that of the second-largest ice cream product take-home ice cream which has a market value of EUR 49.6 million. Impulse ice cream is expected to grow by a CAGR of 1.5% between 2021 and 2025 which is slightly below the fastest growing product, take-home ice cream which is forecast to grow by a CAGR of 1.5%. Frozen yoghurt is far smaller with a retail value of EUR 500 000 with the product declining significantly in recent years by a negative CAGR of -34.9% between 2015 and 2020.

Figure 5-44: Evolution and forecast of the ice cream market in Peru, 2015-2025; retail value EUR million



Source: Euromonitor International: Packaged Food, 2021.

5.10.2.2 Consumer profile and purchase criteria

Consumers

Consumption of unpackaged ice cream declined significantly in 2020 due to the outbreak of COVID-19 which required many establishments selling unpackaged ice cream to shut their doors. A fall in employment also impacted unpackaged ice cream as this product is often viewed as a luxury indulgent product. As a result, it suffered from a lower disposable income across a large percentage of Peruvian consumers. Consumers of ice cream are largely focused in urban areas which have a higher capability to provide appliances required for ice cream storage. This leads to many producers focusing their marketing campaigns within urban centres of the country. Younger consumers, which are also increasingly migrating to urban centres, have become the key demographic driving ice cream consumption in Peru. Older consumers are, on balance, less likely to consume ice cream. Ice cream was introduced to the country by Peruvians of Italian descent and even today this segment of the population (estimated at around half a million) remains an interesting demographic for ice cream consumption in the country with many of the larger brands in Peru such as D'Onofrio (now owned by Nestlé) being founded by Italian immigrants. Nonetheless, per capita consumption of ice cream in Peru still significantly lags that of neighbouring Chile.

Drivers and method of consumption

Peru is home to many unique ice cream flavours as producers take advantage of the numerous fruit and vegetable products produced in Peru. Notable examples of ice cream flavours available uniquely in Peru include Lucuma fruit flavour, cherimoya and Mamey. Tourism brings a small amount of demand to the ice cream sector. Curious tourists who try Peruvian foods are drawn to ice cream vendors in the country. Peruvian consumption methods mirror that of western practices with one scoop of ice cream generally being preferred. The consumption of ice cream at home has become more widespread as consumers increasingly have access to the necessary appliances needed to store ice cream. Consumption in rural areas is not as strong, however, ice cream is present particularly in rural areas which bring tourism as street vendors offer ice cream products to visitors. Ice cream vendors have also become increasingly common

along with Peru's highway system with consumers stopping to get ice cream during long and often humid drives throughout the country.

Purchase criteria

Premiumisation has started to occur in the Peruvian ice cream market as consumers have been shown to spend more on ice creams that incorporate a number of additional benefits such as being dairy-free, containing pieces of fruit and having special packaging. Price sensitive consumers are increasingly demanding single packaged ice cream products, which are increasingly available in traditional grocery retailers; as well as being more affordable than larger volumes. The fact that they can be consumed in one go simplifies storage considerations. Imported ice cream is largely reserved for mid-to higher-income earners which have the financial capacity to explore flavours outside of the wide variety currently available in Peru. On average, Peruvians will spend EUR 2 on ice cream during each outing to an ice cream shop.³³

5.10.2.3 Recent market trends

The outbreak of COVID-19 severely impacted the sale of unpackaged ice cream in Peru as many outlets which sell this product were forced to close. It can be expected that these outlets may see a rebound as the economy of the country reopens. Demand for smaller packaged ice cream will likely rebound also as consumers will have less time to prepare foods and will demand convenience ice creams to cater to the demand for ice cream products in the household. Take-home ice cream has grown in sales as the product is suited for the need to stay at home in Peru during the COVID-19 outbreak. The growth of access to appliances used to store ice cream additionally provides a tailwind for take-home ice creams. It has also helped change a previous practice of abstaining from take-home ice cream consumption during the wintertime. The larger players in the ice cream market of Peru such as Nestlé will continue to innovate in the areas of cross-category flavour experimentation with notable examples being chocolate and biscuit flavoured ice cream.

5.10.3 Offer

5.10.3.1 Domestic production

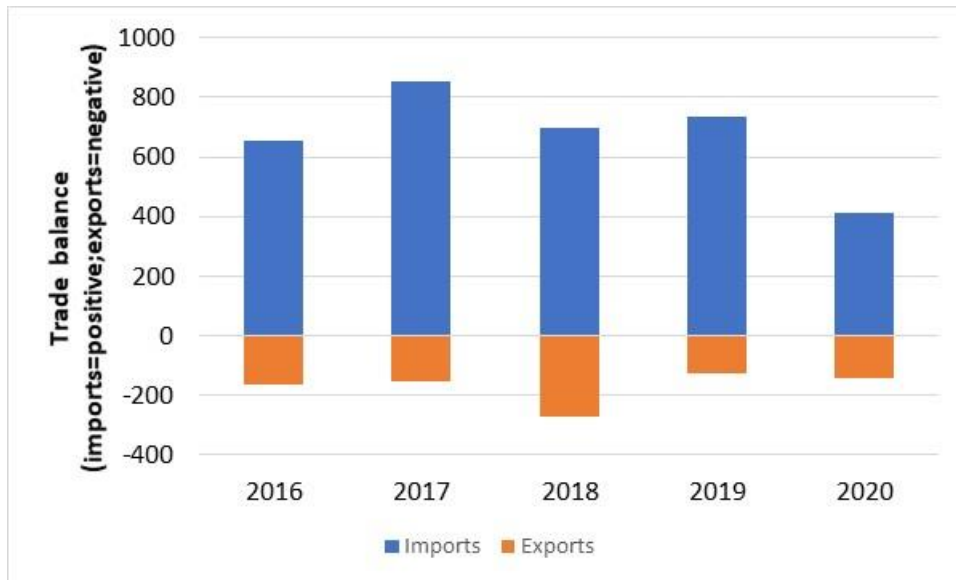
Peru's expanding dairy sector is further bolstering the country's ability to produce domestic ice cream with domestic ice cream emerging as a new tourism channel as foodies seek out unique flavours. Peruvian ice cream variants such as Lucuma, Cherimoya and Mamey are amongst a large number of flavours unique to Peru and are offered in the country due to the wide variety of fruits produced locally. Nestlé has an almost de-facto monopoly of the market with the company having an 81% share of the market which places it far ahead of the second positioned Hipermercados Tottus SA which has a 3.2% share. Through a series of acquisitions, Nestlé has been able to obtain some of Peru's more notable ice cream brands such as D'onfrio. Due to this, Nestlé can dictate the direction of ice cream production in the country which includes recent trends such as ice cream sandwiches, vanilla cups and cones.

³³ Peruanos gastan en promedio hasta 10 soles en helados en cada salida, la republica, available at: <https://larepublica.pe/economia/2020/02/22/verano-peruanos-gastan-en-promedio-hasta-10-soles-en-helados-en-cada-salida-video-donofrio-frio-rico-alaska-bloqueadores/>

5.10.3.2 Imports and exports

As Figure 5-45 below shows, Peru is a net importer of ice cream with total imports reaching 412 tonnes in 2020 which is a decline from the figure in 2019 of 733 tonnes. The onset of COVID-19 can be largely attributed to this decline as demand in the country was less. The country is a smaller exporter, having exported 146 tonnes of ice cream in 2020.

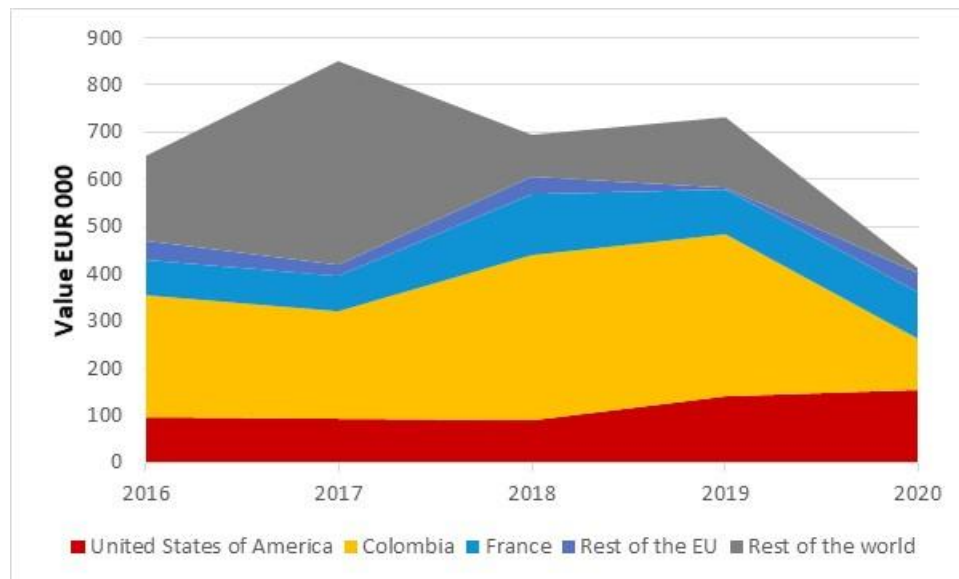
Figure 5-45: Trade balance (imports and exports) of ice cream in Peru, 2016-20; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2105.

As shown in Figure 5-46 the United States is the largest exporter of ice cream to Peru presently with the country exporting 154 tonnes of the product in 2020. This is followed by Colombia which exported 109 tonnes. France exported 98 tonnes which makes it the biggest EU member state that exports ice cream to Peru. This is followed by Spain and Italy.

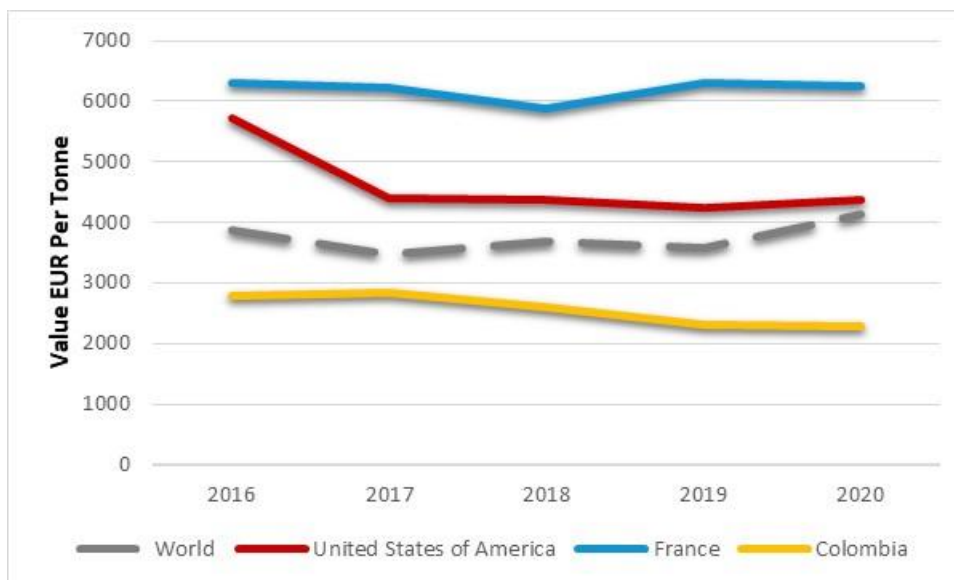
Figure 5-46: Peruvian imports of ice cream by country, 2016-20; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2105.

French ice cream has the highest unit value in the Peruvian market. The total unit value was roughly EUR 6 240 per tonne in 2020. The global average, by comparison, was EUR 4 140 in 2020.

Figure 5-47 Per unit value of Peruvian imports of ice cream for selected countries, 2016-20 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2105.

5.10.3.3 Main competitors

The main competition in the Peruvian ice cream market comes primarily from Nestlé which holds a commanding 80%+ share of the market. Furthermore, local producers, including Nestlé subsidiaries, have the capacity to produce unique flavours that appeal to the Peruvian consumer base. Outside of Peru, the US and Colombia are the biggest competitors for EU ice cream products in Peru.

5.10.4 Specific market entry requirements

Market access and entry; standards, SPS measures

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export is set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements for ice cream notably include the sanitary registration of foodstuffs and beverages; authorisation of foreign foodstuffs manufacturers; a certificate of analysis; and a free sale certificate.

In terms of tariffs, ice cream with dairy content faces a 6% tariff after a 0% TRQ of 126 tonnes.

information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general ice cream category (2105) from France to Peru

<https://trade.ec.europa.eu/access-to-markets/en/search?product=2105&origin=FR&destination=PE>

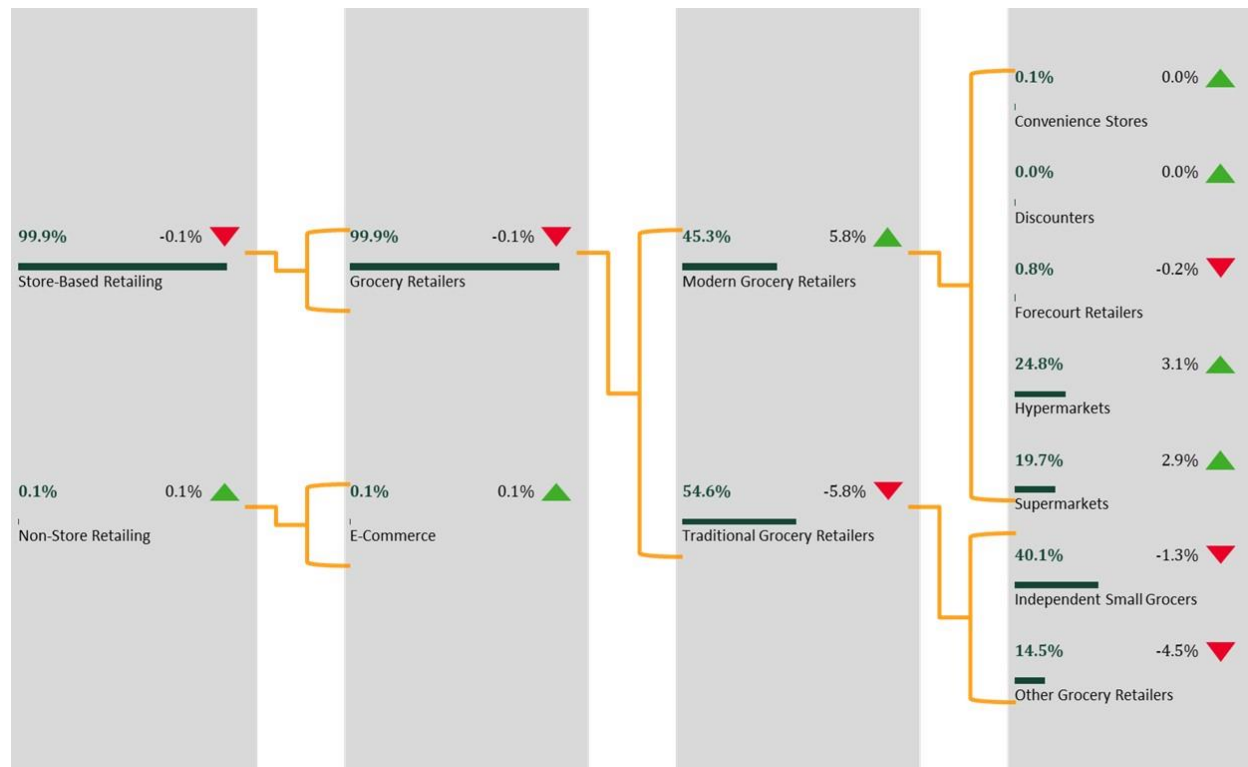
Labelling

Ice cream must conform to the labelling requirements for packaged foods set out in section 4.2.3. The requirements of the health warning label system should be borne in mind.

5.10.5 Distribution

As Figure 5-48 below shows, ice cream is primarily distributed by grocery retailers (most notably independent small grocers) which further explains why many Peruvian consumers associate ice cream as a product that must be consumed on the spot. Modern grocery retailers account for just under half of all sales with a share of 45.3%. Independent small grocers were heavily impacted by the outbreak of COVID-19 and subsequent shutdowns but remain the largest single channel of distribution with a 40% share of sales. Hypermarkets now account for roughly a quarter of all sales. E-commerce usage remains negligible.

Figure 5-48: Distribution channel overview of ice cream in Peru (2020); retail value



Source: Euromonitor International: Packaged Food, 2021.

5.10.6 Challenges for EU products

Challenges for EU products include the dominant position of Nestlé; as well as competition with ice cream flavours that are unique to Peru and often contain fruits and additional ingredients that are not produced in Europe such as lucuma. The growth of the dairy sector in Peru in recent years has facilitated the expansion of domestic production which has impacted prices for ice cream in the country. Finally, while per capita consumption of ice cream in Peru remains quite low compared to neighbouring countries providing theoretical room for growth, the market is forecast to only grow slowly in coming years. Nonetheless, this growth may be tempered somewhat by the combination of health consciousness and the health warning label system, which, depending on composition, may impact ice cream products.

Market Takeaway: Ice cream

Consumption: Historically mainly impulse ice cream. However, overall ice cream consumption was heavily impacted by the outbreak of COVID-19 as many distributors of ice cream were forced to close. This did lead to a growth in take-home ice cream sales which is increasingly common. Consumption is more likely in urban areas because they have greater access to appliances that can store ice cream for a prolonged period.

Competition: Market dominated by Nestlé. Domestic producers as a whole are notable competitors as they can produce Peruvian centric flavours. The biggest competitors from outside of Peru are the US and Colombia.

Distribution: The majority of sales come from traditional grocery retailers which account for 54% of sales while modern grocery outlets account for 45% of sales.

Challenges: Domination of the market by one company. Competing with Peruvian producers which have the capacity to produce unique flavours is a key challenge. The expansion of the dairy market in the country provides supply and pricing pressures.

Opportunities: Take-home ice cream is increasingly popular, which allows for a small avenue of opportunity for EU producers exporting luxury take-home ice cream products.

5.11 Biscuits and cereal bars

5.11.1 SWOT analysis

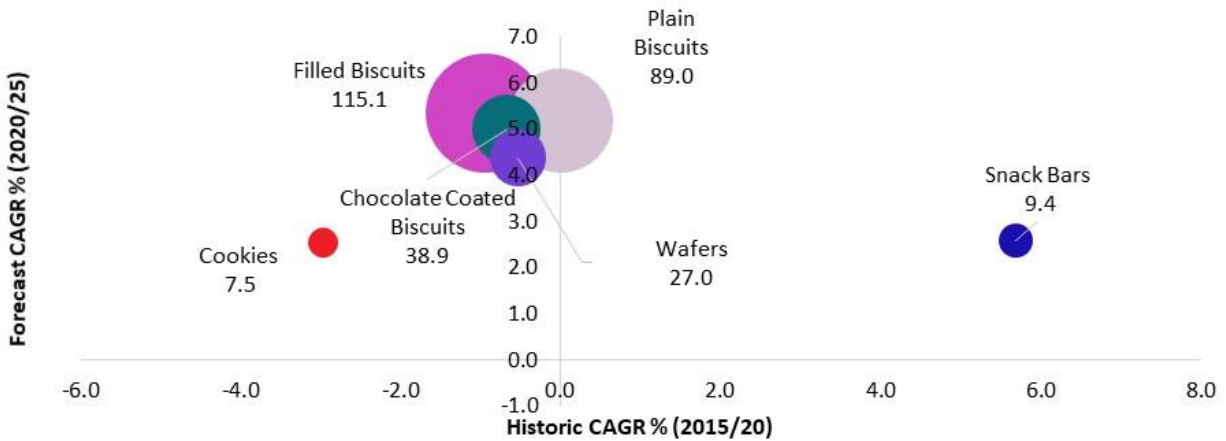
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Consumption of biscuits in Peru is forecasted to grow between 2021 and 2025. ▪ Stay at home orders during COVID-19 increased demand for some indulgent biscuit products. 	<ul style="list-style-type: none"> ▪ Consumption of some products suffered during the COVID-19 pandemic; notably those in demand by consumers seeking on the go products between work or school (e.g. snack bars). ▪ Peru has a surplus of biscuit production compared to domestic demand, and all of the main origins of imports to Peru's are neighbouring countries.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Demand for healthier products is growing, spurred by a new labelling law in 2019 which made Peruvians more aware of the nutritional profile of biscuit and cereal bar products. 	<ul style="list-style-type: none"> ▪ Peru is likely to continue expanding domestic production with the presence of large companies such as Mondelez indicating this in recent years. ▪ A rising health trend is emerging in Peru which dissuaded consumers from the consumption of certain biscuit types including e.g. savoury biscuits.

5.11.2 Consumption

5.11.2.1 Evolution of consumption

The market for sweet biscuits and snack bars in Peru is growing. Currently, filled biscuits are the largest product with a retail value of EUR 115 million. This product type is expected to grow by a CAGR of 5.3% between 2021 and 2025 which is the fastest growth rate across the various products. Plain biscuits have a market value of EUR 89 million and are forecasted to grow at a CAGR of 5.2% between 2021 and 2025. Chocolate coated biscuits have a retail value of EUR 38.9 million and are forecasted to grow at a CAGR of 5 % between 2021 and 2025. Wafers are a smaller market with a retail value of EUR 27 million. This product category is expected to grow at a CAGR of 4.4% (Figure 5-49).

Figure 5-49: Evolution and forecast of the market for sweet biscuits and snack bars in Peru, 2015-2025; EUR million



Source: Euromonitor International: Packaged Food, 2021.

5.11.2.2 Consumer profile and purchase criteria

5.11.2.3 Consumers

Consumers

Consumption of plain biscuits is popular amongst older consumers who will typically consume the product to complement drinks such as coffee, cocoa or tea. Younger consumers present a key demographic for more varied biscuits including imported biscuits and cereal bar products. Snack bar consumption has declined in the past year as many economic activities, which encourage consumption such as schools and commutes were unavailable due to stay at home restrictions; nonetheless, the product shows a good historical and forward growth trajectory.

Drivers and method of consumption

Consumers typically consume these products like snack foods with the product also being offered to household visitors, particularly amongst older consumers. Demand for convenience foods is also a key driver of consumption. However, the outbreak of COVID-19 heavily impacted this driver causing a reduction in consumption of products such as cereal bars. Indulgent products such as filled biscuits on the other hand grew modestly as a result of stay-at-home orders. Health trends have impacted this sector with the introduction of a new labelling law in 2019 requiring producers to highlight high sugar, salt and fat content products (see also section 4.2.3). This pushed consumers concerned about health away from standard variants of biscuit and cereal bar products and towards the consumption of low-fat and overall healthier alternatives.

Purchase criteria

Convenience and flavour are two key purchase criteria for biscuit and snack bar products in Peru with consumers, particularly younger consumers, increasingly seeking biscuits and snack bar products with new flavours and designs. Popular biscuits in Peru include *alfajores* (sandwich biscuits) with many consumers

seeking various variants of *alfajores* biscuits such as coconut *alfajores* and caramel *alfajores*. Health products are increasingly in demand with consumers being somewhat surprised by the high-fat content found in biscuit and cereal bar products after the labelling law was introduced in 2019. As a result, consumers are increasingly examining the nutritional information available on packaging.

5.11.2.4 Recent market trends

Snack bars were the fastest-growing product between 2015 and 2019 with a CAGR of 5.7%. However after rapid growth up until 2019, there was a market contraction in 2020 as schoolchildren and commuters, two key consumers of snack bars were forced to stay at home during the outbreak of COVID-19. The rise in demand for healthier variants of biscuit and snack products and for new flavours have emerged as two new key trends in the sector. Quinoa snack bars and Peruvian shortbread biscuits are two examples of new products on the market as a result of these trends. Going forward, filled biscuits will remain the largest biscuit and cereal bar product in the market and the fastest-growing category in the country. Plain biscuits will remain the second biggest product but will grow slower than filled biscuits as consumers continue to increase demand for unique flavoured products.

5.11.3 Offer

5.11.3.1 Domestic production

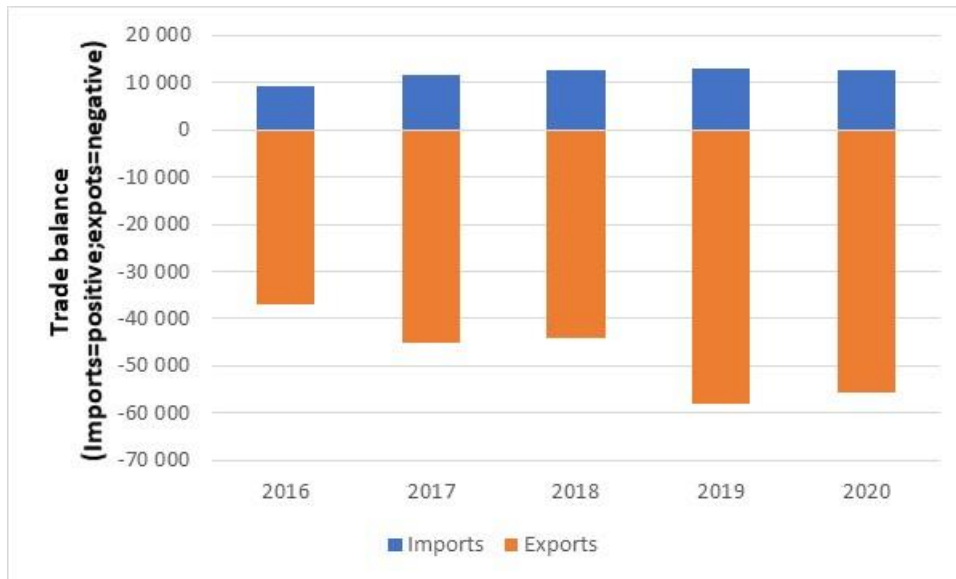
Mondelez Peru SA and Alicorp SAA are the biggest biscuit and snack bar players in Peru; each having a market share of around 30%. Monlitalia is third with a share of half the size of this. The remaining one-fourth of the market is divided up by a number of smaller players. Mondelez operates a number of factories throughout the country with their Lima factory producing around 50 000 tonnes of biscuits (largely Oreos) each year.³⁴ Overall, many of Peru's biscuit factories are located near Lima and the coast which has a larger concentration of consumers nearby compared to the rural Andean region where sourcing materials can prove difficult.

5.11.3.2 Imports and exports

The below chart shows that Peru has a trade surplus concerning the trade of biscuits, waffles and wafers. Peru largely exports sweet biscuits which makes up the majority of exports. In total, Peru exported EUR 55 million worth of biscuits, waffles and wafer products in 2020. This compares to imports of EUR 12 million in 2020, which is consistent with figures in the previous two years which were also around EUR 12 million (Figure 5-50).

³⁴ Peru Tiene la mayor planta de produccion de oreo el en mundo, available at <https://www.mercadonegro.pe/noticias/peru-tiene-la-mejor-planta-de-produccion-de-oreo-en-el-mundo/>

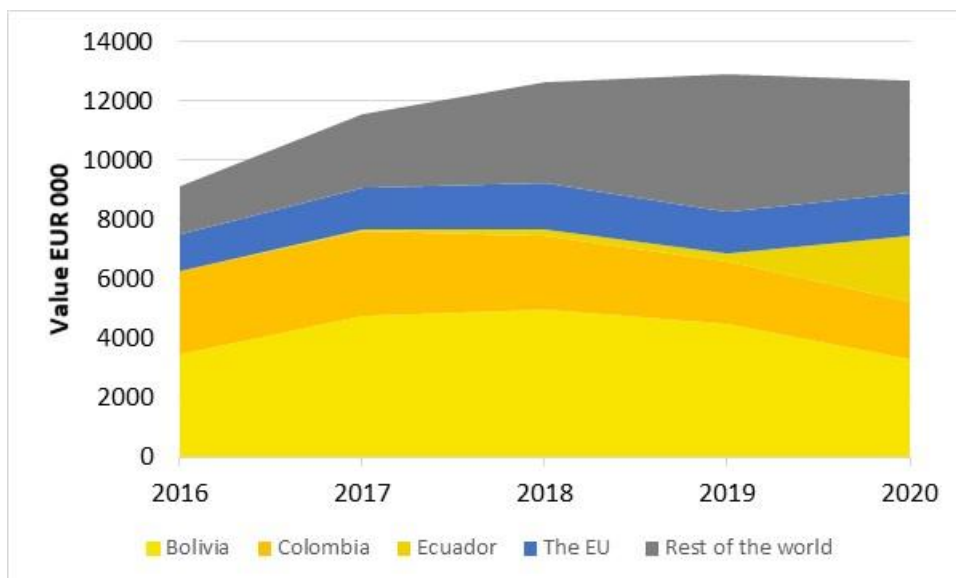
Figure 5-50: Trade balance (imports and exports) of biscuits, waffles and wafers in Peru, 2016-20 value



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN codes 190531 and 190532.

In terms of origin, Bolivia is the largest exporter of biscuit, waffle and wafer products to Peru with a value of EUR 3.2 million. Bolivia is followed by Colombia with a value of EUR 1.9 million and Ecuador with a value of EUR 2.2 million. The largest exporter from the EU is Italy followed by Denmark and Portugal. Overall, exports from the EU as a whole were valued at EUR 1.4 million in 2020 (Figure 5-51).

Figure 5-51: Peruvian imports of biscuits, waffles and wafers by country, 2016-20; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN codes 190531 and 190532.

5.11.3.3 EU GI products

As noted in section 4.2.4, a number of GIs are protected under the EU-Colombia/Peru/Ecuador Trade agreement. However, no biscuit or cereal bar products feature on the list.

5.11.3.4 Main competitors

Overall, Peruvian domestic producers are a key competitor in this market as producers are accustomed to the production of biscuits and cereal bars that appeal to Peruvian consumers such as quinoa snack bars and *alfajores* biscuits; and indeed Peru has a trade surplus in the product. Outside of Peru, neighbouring Ecuador, Colombia and Bolivia are the biggest competitors. Their cultural similarities result in many products from these countries mirroring those produced in Peru.

5.11.4 Specific market entry requirements

Market access and entry; customs procedures; standards, SPS measures

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export is set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements for biscuits include the sanitary registration of foodstuffs and beverages.

In terms of tariffs, no tariffs are imposed on the CN code for sweet biscuits.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – sweet biscuits category (190531) from Italy to Peru

<https://trade.ec.europa.eu/access-to-markets/en/search?product=190531&origin=IT&destination=PE>

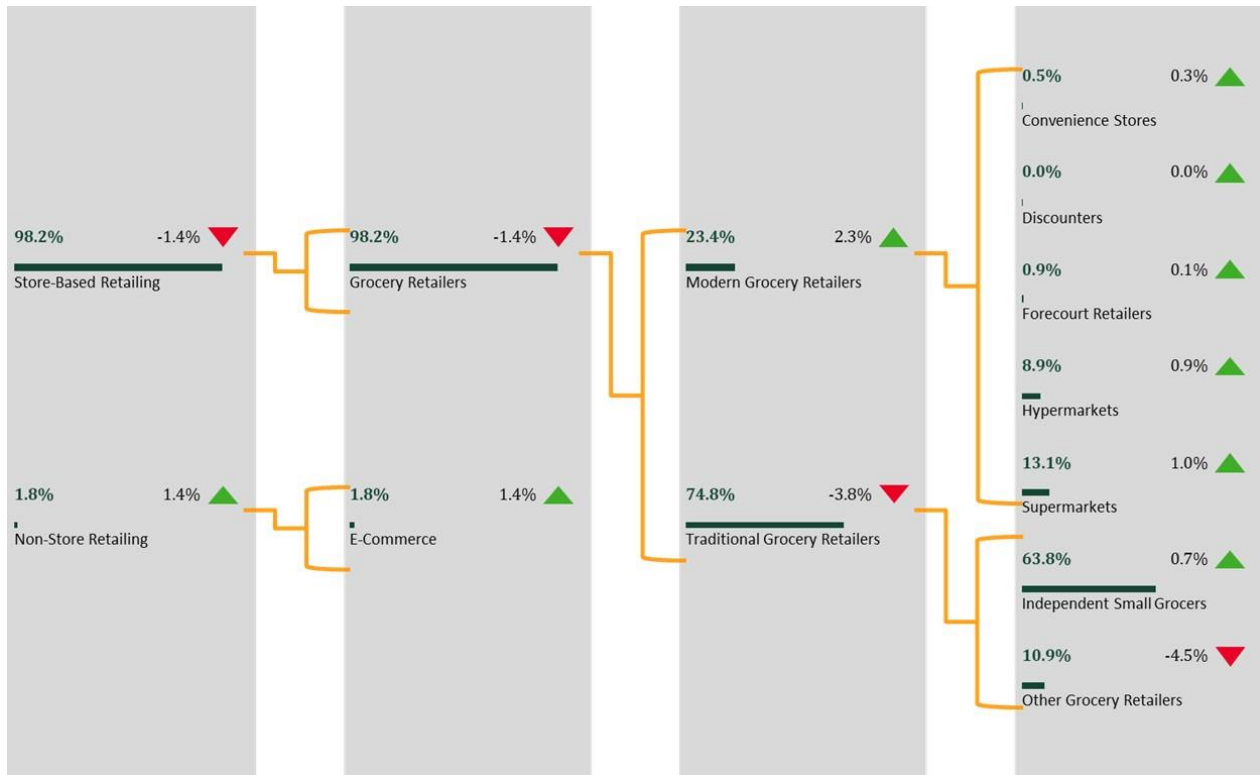
Labelling

Section 4.2.3 contained detailed information on the labelling requirements for packaged foods. These apply to biscuits/cereal bars and hence this section should be consulted for details on labelling. It should be noted that products may well be impacted by the health warning label requirements.

5.11.5 Distribution

The distribution of biscuits and snack bars, varies with traditional grocery retailers being the majority channel for the sale of biscuits, while snack bars are largely distributed by modern grocery retailers; more specifically, supermarkets (Figure 5-52 and Figure 5-53). Independent small grocers are the biggest distribution channel for sweet biscuit products accounting for 63.8% of all sales. However, this figure is declining due in part to the growth of modern grocery retailers which now account for 23% of sales.

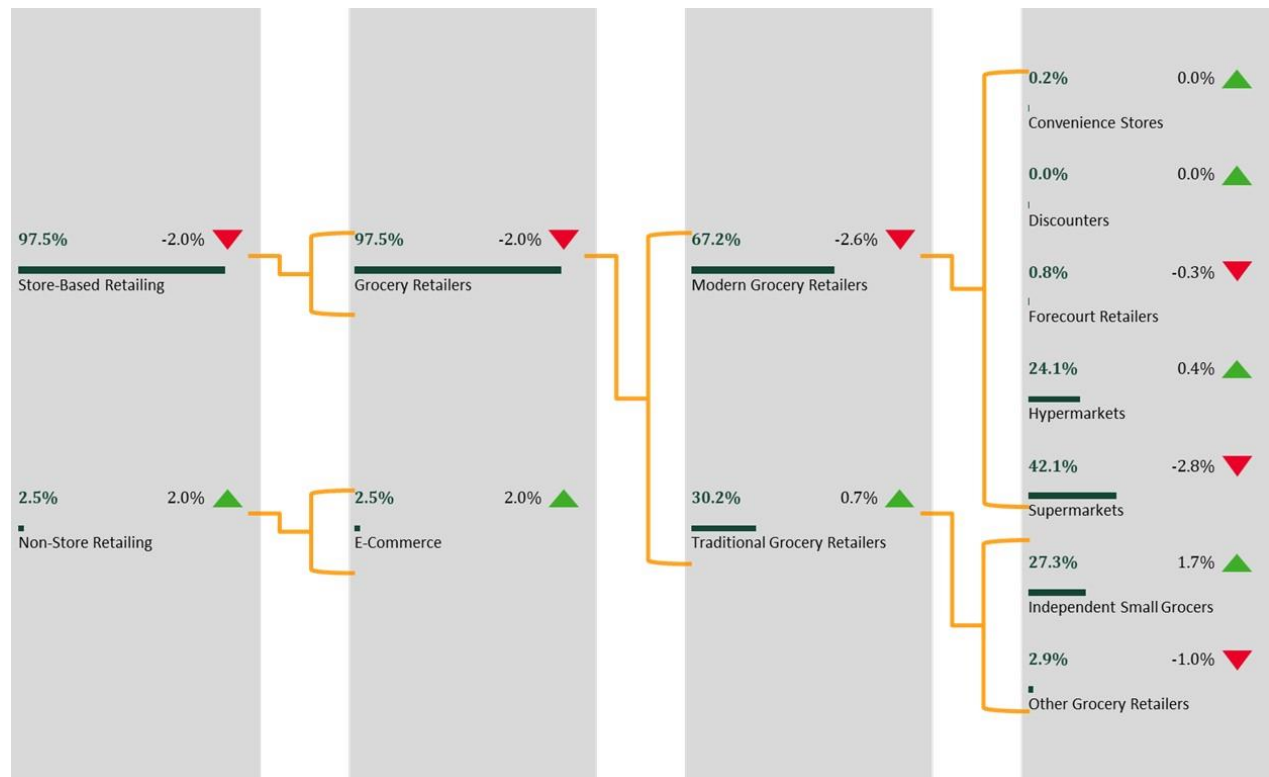
Figure 5-52: Distribution channel overview of sweet biscuits in Peru (2020); retail value



Source: Euromonitor International: Packaged Food, 2021.

Supermarkets are the largest distribution channel for snack bars accounting for 42% of all sales. Traditional grocery retailers are still an important distribution channel with 30% of all sales coming from these retailers, largely from small independent grocers which grew its share in sales in 2020.

Figure 5-53: Distribution channel overview of snack bars (including cereal bars) in Peru (2020); retail value



Source: Euromonitor International: Packaged Food, 2021.

5.11.6 Challenges for EU products

Arguably the biggest challenge that EU products have to face is competition with domestic production (which outstrips demand) and neighbouring country producers which have the capacity to produce biscuits and cereal bar products that appeal to the Peruvian consumer base such as quinoa bars and *alfajores* (though the latter are also produced in Spain within the EU). Rising health consciousness amongst Peruvian consumers has led to increasing interest in the nutritional information available on biscuit and cereal bar packaging products, and indeed products of this category may be impacted by the health warning label system. Demand for snack bar products suffered during the COVID-19 pandemic.

Market Takeaway: Biscuits and Cereal bars

Consumption: Biscuits and cereal bar consumption is growing despite the outbreak of COVID-19 having a generally negative effect on consumption, outside of indulgent products.

Competition: Domestic and neighbouring production is substantial and growing, and these producers can produce biscuit and cereal bar products that appeal to Peruvian consumers through having unique flavours such as alfajores biscuits and quinoa bars.

Distribution: Sweet biscuits are predominantly sold through traditional grocery retailers with small independent grocers accounting for the majority of sales. Cereal bars are largely sold through modern grocery retailers with the largest distributor being supermarkets.

Challenges: Competing with domestic variants of these products which mainly are not produced in the EU; and the generally strong domestic production.

Opportunities: The main current trend is the rising demand for healthier variants of these products which opens a window of opportunities for low-fat biscuit and cereal bar producers; including those from the EU.

5.12 Processed fruit and vegetables

5.12.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Younger Peruvians are increasingly curious about different variations of staple foods which may ultimately extend to processed fruit and vegetables. ▪ The use of processed fruit and vegetables in smoothies and baking grew during the stay at home orders in Peru due to the outbreak of COVID-19. 	<ul style="list-style-type: none"> ▪ Peruvian fresh fruit and vegetable production is high and these products are readily available throughout the country at a cheap price. ▪ Middle-income and lower-income earners are unlikely to switch to processed fruit and vegetable products due to the presence of cheaper fresh fruit and vegetable producers.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ A growing percentage of consumers with access to appliances such as freezers and blenders compliment purchasing processed fruit and vegetables. ▪ The growing consumption of smoothies and canned peaches at Christmas in Peru stand out as the bigger opportunity in the market. 	<ul style="list-style-type: none"> ▪ Competition from fresh fruit and vegetables is already strong, and oversupply at times in the production of fresh fruit and vegetables in Peru can result in falling prices further reducing the incentive for consumers to purchase processed fruit and vegetables. ▪ Peruvians are increasingly health-conscious which limits demand for processed fruit and vegetables with high sugar and salt content, especially with consumers exposed to fresher versions of these products.

5.12.2 Consumption

5.12.2.1 Evolution of consumption

Figure 5-54 shows the retail market size of processed fruit and vegetables. Shelf-stable fruit has the highest retail value at EUR 30 million. However, this category has been declining with a negative CAGR of -0.3% between 2015-2020 and will further decline by a negative CAGR of -0.5% over the next five years. This is followed by the shelf-stable vegetable group which has a much smaller retail value of EUR 4.9 million and is expected to grow by a CAGR of 0.9% between 2021 and 2025. Frozen processed fruit and vegetables have a retail value of EUR 800 000. This category is the fastest-growing product with a predicted CAGR of 1.6% between 2021 and 2025.

Figure 5-54: Evolution and forecast of the market for processed fruit and vegetables (EUR million) in Peru, 2015-2025



Source: Euromonitor International: Packaged Food, 2021.

5.12.2.2 Consumer profile and purchase criteria

Consumers

Consumption of processed fruit and vegetables in Peru is relatively small as the country is a large producer of fresh fruit and vegetable products. Frozen fruit has been growing in popularity in recent years. Frozen fruit was popular during the outbreak of COVID-19 as it reduced the need to go back and forth to stores. Frozen fruit is largely used to make smoothies and prepare desserts but is generally expensive when compared to fresh fruit. This means consumers are most likely to be higher-income earners. Consumers are also more likely to live in urban areas where appliances that complement processed fruit and vegetables such as freezers and blenders are more likely to be found. Rural consumers are also more exposed to local fresh fruit and vegetable products, which reduces the demand for processed fruit and vegetables.

Drivers and method of consumption

Convenience is a key driver of consumption with products such as shelf-stable beans, being a key example. Beans are a staple food in Peru, however as dried beans generally need to be washed overnight which is a time-consuming process demand for shelf-stable beans benefits from the convenience they offer. Smoothies are growing in popularity in urban areas as they are a quick nutritional boost for consumers. Processed frozen fruit complements this trend as consumers can store these products for a prolonged period to be used in smoothies spread out across their week. The use of processed fruit and vegetables in the preparation of deserts is a growing practice but remains largely confined to higher-income earners. This includes the use of processed fruit in baking.

Purchase criteria

Processed fruit and vegetables are generally more expensive than the wide variety of fresh fruit and vegetables available in Peru which means they are largely only consumed by higher-income earners who are likely to be more educated and more health-conscious. This means producers need to further

highlight the benefits of processed fruit and vegetables on their packaging to compete with the more abundant and cheaper fresh fruit and vegetable products.

5.12.2.3 Recent market trends

The total consumption of processed fruit and vegetable products in Peru remains small. This sector will likely remain slow to develop in the country as consumers have access to a wide variety of fresh fruit and vegetable alternatives. Notable trends that benefit consumption include the use of canned peaches, which are increasingly consumed at Christmas in Peru. Further positive factors influencing the market going forward are the growth in demand for convenience products, which benefits products such as shelf-stable beans; and the growth in curiosity among younger consumers who are increasingly seeking out newer variants of standard Peruvian foods. This curiosity may ultimately extend to processed fruit and vegetables.

5.12.3 Offer

5.12.3.1 Domestic production

GW Yichang and CIA is the largest player in this market with a value share of about one-fourth of the market. Negociaciones Horizonte is the second-largest player with 17%. The rest of the market is made up of smaller players. Processed fruit and vegetable production is concentrated in the regions of Piura, Lambayeque and Lima. Common processed fruit and vegetables in these regions are processed mangos and canned beans. Due to the high availability of fresh fruit and vegetable products in Peru coupled with a generally low demand for processed fruit and vegetables, many producers in the country focus on the exportation of these products.³⁵

5.12.3.2 Imports and exports

Identifying data on trade in processed fruit and vegetable product is extremely complicated due to the number of different lines under which such products can be imported. Data on trade in processed fruit and vegetables is ultimately captured under the trade data for fruit and vegetables in section 5.2.3.2.

5.12.3.3 EU GI products

As noted in section 4.2.4, a number of GIs are protected under the EU-Colombia/Peru/Ecuador Trade agreement. As per the list in section 9.1 this includes one processed fruit GI: Pruneaux d'Agen / Pruneaux d'Agen mi-cuits.

5.12.3.4 Main competitors

The main competitor for processed fruit and vegetables comes from the domestic market which has access to a large amount of fresh fruit and vegetable products that can be processed in cases of oversupply or a

³⁵ Peru directs its exportable supply of processed fruit and vegetables to the UK, Fresh plaza, available at <https://www.freshplaza.com/article/9329758/peru-directs-its-exportable-supply-of-processed-fruits-and-vegetables-to-the-united-kingdom/>

rise in demand from abroad. Production is generally low in comparison to the large fresh fruit and vegetable sector which is a further reflection of lower domestic demand rather than a lack of capacity.

5.12.4 Specific market entry requirements

Market access and entry; standards, SPS measures; labelling

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export is set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements depend upon the precise nature and CN code of the product, but may notably include: the sanitary registration of foodstuffs and beverages; a phytosanitary certificate; a permit to import plant and plant products; a registration of importers of plants and plant products subject to quarantine; and a document confirming inspection of pesticides, phytosanitary and animal health products.

In terms of tariffs, processed fruit and vegetable products falling under CN codes 0710 and 0811 generally do not face tariffs. It is recommended that the precise CN code of the exported product be consulted at the link below to determine whether or not tariffs are applied.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – frozen fruit category (0811) from Spain to Peru

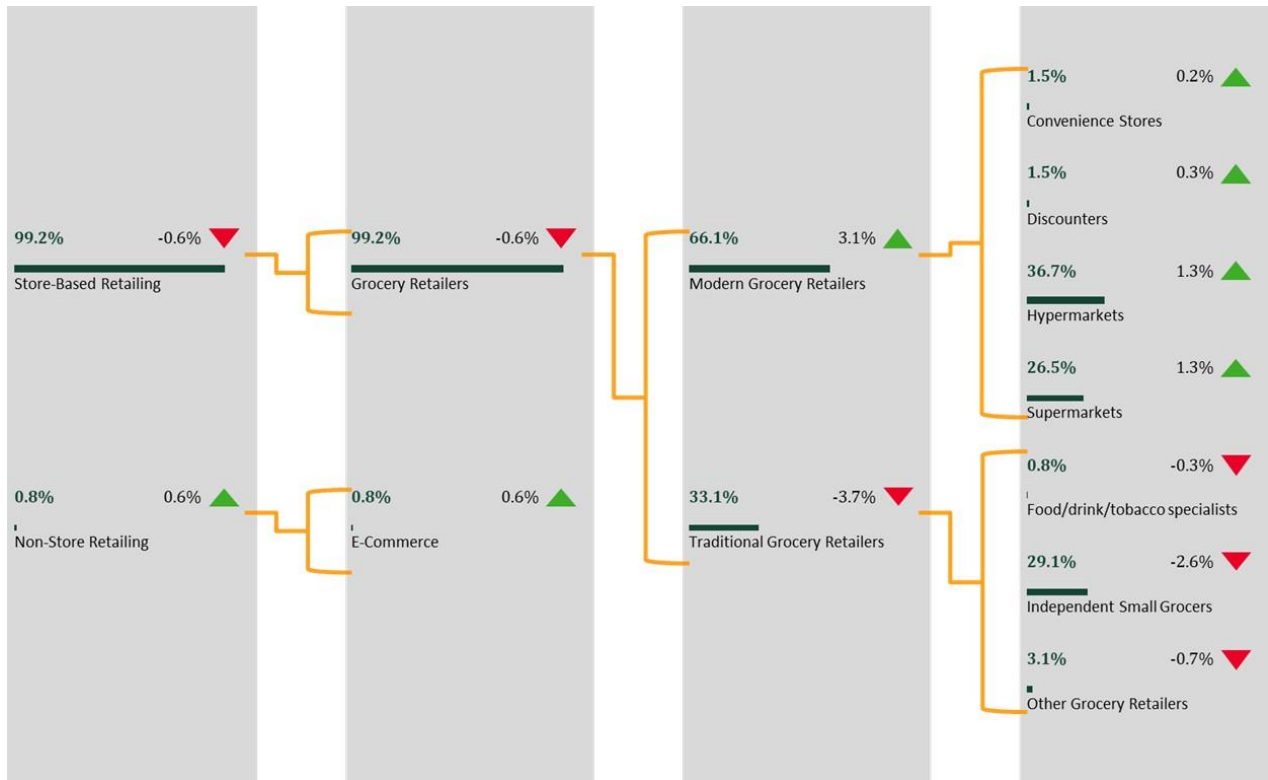
<https://trade.ec.europa.eu/access-to-markets/en/search?product=0811&origin=ES&destination=PE>

Section 4.2.3 contained detailed information on the labelling requirements for packaged foods. These should apply to packaged processed fruit and vegetables; hence this section should be consulted for details on labelling.

5.12.5 Distribution

Figure 5-55 shows that modern grocery retailers account for two-thirds of all processed fruit and vegetable sales. This is both a cause and effect of many consumers of these products being found in urban centres. Hypermarkets account for a bit over a third of sales while supermarkets account for just over a quarter of sales. Independent small grocers are the largest traditional grocery retail distributor with 29% of sales. Products sold via these channels are more likely to be products that do not require prolonged refrigeration such as shelf-stable fruit and vegetable products such as canned beans.

Figure 5-55: Distribution channel overview of processed fruit and vegetables in Peru (2020); retail value



Source: Euromonitor International: Packaged food, 2021.

5.12.6 Challenges for EU products

Challenges for EU producers include the relatively low level of demand for processed fruit and vegetables in Peru with consumers largely being higher-income earners which live in urban areas who can store these products, particularly frozen processed fruit and vegetable products, for a prolonged period. The wide-scale availability of fresh fruit and vegetable products in Peru, which are generally less expensive and available throughout the country, makes it difficult to actively promote processed fruit and vegetables.

Market Takeaway: Processed fruit and vegetables

Consumption: Consumers of processed fruit and vegetables are more likely to be higher-income earners living in urban areas due to these consumers having access to appliances that complement processed fruit and vegetables such as freezers. These consumers also have the financial luxury to purchase processed fruit and vegetables over cheaper and more available fresh fruit and vegetable products.

Competition: Domestic producers can largely fulfil the demand domestically due to wide-scale fresh fruit and vegetable production which often leads to oversupply making these products relatively cheap to process, and fresh fruit and vegetables themselves provide a notable competitor.

Distribution: Distributed largely through modern grocery retailers such as supermarkets and hypermarkets. Independent small grocers account for 29% of sales and are likely to sell products such as shelf-stable fruit and vegetable products.

Challenges: Processed fruit and vegetable demand is generally low and confined to the higher-income consumer base. This is due to the wide availability of fresh fruit and vegetable products in the country.

Opportunities: Growing incomes and access to appliances such as freezers and blenders along with demand for convenience will help gradually raise demand for processed fruit and vegetables in Peru.

5.13 Pasta

5.13.1 SWOT analysis

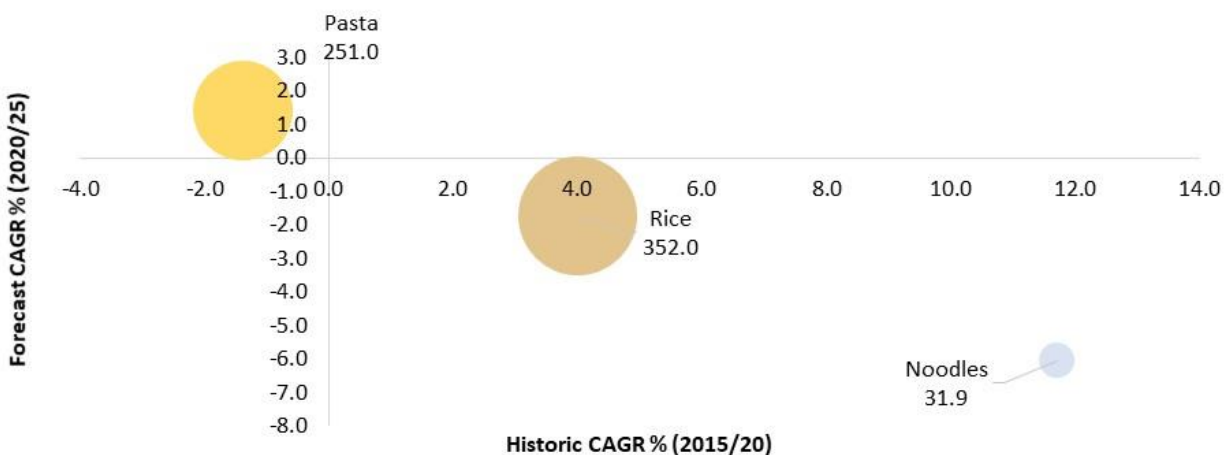
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> While not the most popular staple, pasta is widely consumed. Pasta consumption is forecast to grow while key competitor products such as rice and noodles are forecast to decline. 	<ul style="list-style-type: none"> Rice remains the larger consumed product, although pasta is catching up slowly. Peru has a large surplus of pasta, noodles and couscous.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> Demand for luxury pasta is often related to Italian pasta which explains why this country is the biggest exporter of pasta to Peru. 	<ul style="list-style-type: none"> Production has increased in Peru, leading to market saturation. Following on from the above, there is pricing pressure on mass-market pasta.

5.13.2 Consumption

5.13.2.1 Evolution of consumption

Figure 5-56 shows that rice is the largest product in the market by volume with the product having a market size of 352 000 tonnes. Yet, rice is expected to decline by a negative CAGR of -1.7% between 2021 and 2025. Pasta has a market size of 251 000 tonnes and is the second-largest category. The product category is expected to grow by a CAGR of 1.4% between 2021 and 2025 which will make it the fastest-growing in this sector. The market size of Noodles is considerably lower with a market size of 31 000 tonnes and is forecast to decline by a negative CAGR of 6.1% (Figure 5-56).

Figure 5-56: Evolution and forecast of the market for pasta compared to rice and noodles (000 tonnes) in Peru, 2015-2025



Source: Euromonitor International: Packaged Food, 2021.

5.13.2.2 Consumer profile and purchase criteria

Consumers

The pasta market has matured in Peru with roughly 20 notable brands being available in the country. Consumers forced to stay at home during the outbreak of COVID-19 were drawn to pasta due to the convenience of cooking pasta combined with the capacity to store the product for a prolonged period. Consumers in urban areas are accustomed to eating pasta products for meals throughout their day and the product has come to be associated as a quick on the go option that can be prepared before a busy work week. Rice, a staple food in Peru, is a key competitor to pasta in the country and remains the larger of the two product categories, although pasta is catching up and growing faster. Peruvians consume roughly 12 kg of pasta per capita and year which makes them the second-largest consumer group of pasta in Latin America. Consumption is focused largely in Lima which accounts for half of the pasta consumption in Peru.³⁶

Drivers and method of consumption

Pasta is ultimately a widely consumed staple in Peru, and hence its consumption is driven by this status. A recent key driver for pasta consumption relates to the outbreak of COVID-19 and the increase in home cooking that occurred as a result. The need to store foods for a prolonged period also helped boost the popularity of pasta. Pasta consumption has grown in the country with economic growth being cited as a key driver behind this rise in consumption. While a bit more expensive than rice, pasta is nonetheless relatively inexpensive in Peru with market saturation taking place in the country in recent years requiring producers to innovate and reduce costs to compete.

Purchase criteria

Pasta costs slightly more than rice in Peru as the country is a key producer of rice and the food is a staple food in Peru. This further explains why economic growth in the country is often cited as a key reason behind the growth of pasta consumption as consumers have more disposable income. While price is a common mass-market purchase criterion, Italian pasta is often perceived as luxury pasta that appeals to higher-income earners and further explains why Italy is the largest exporter of Pasta to Peru.

5.13.2.3 Recent market trends

The outbreak of COVID-19 pushed consumers to increase home cooking and purchase more store products that have a prolonged shelf life. This in turn further increased the interest in pasta as a product, due to its long shelf life. While rice and noodles, two products that are key competitors to pasta, are expected to decline in consumption between 2021 and 2025, pasta is expected to grow by a CAGR of 1.4% in volume terms, which indicates a growing percentage of consumers are opting to consume pasta rather than other staples.

³⁶ USDA Gains report, Grain and feed annual Peru, Available at <https://apps.fas.usda.gov/newgainapi>

5.13.3 Offer

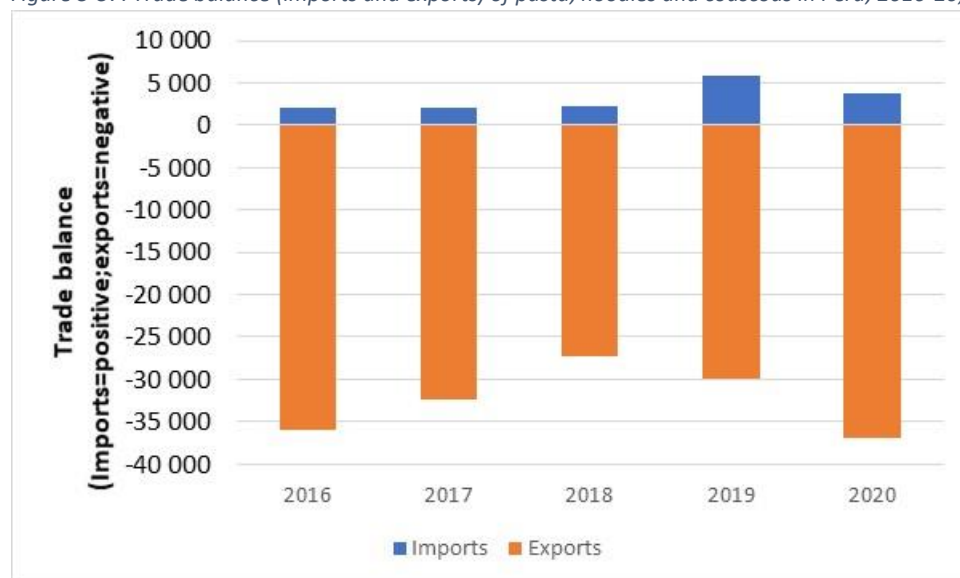
5.13.3.1 Domestic production

Production of pasta in Peru has grown in recent years with some of the more popular brands including Don Vittorio, Molitalia and Lavaggi. Peru produces 1.6 MMT of wheat flour per year. Of this, 20% goes into the production of pasta. Pasta production is concentrated near large urban centres such as Lima and Arequipa.

5.13.3.2 Imports and exports

As shown in Figure 5-57, Peru is a net exporter of pasta, noodles and couscous with the country exporting EUR 36 million worth of it in 2020, with the majority of this going to neighbouring countries such as Chile and Bolivia. The country imported EUR 3.8 million worth of pasta, noodles and couscous in 2020 which is a decline from the 5.8 million worth of pasta, noodles and couscous imported by Peru in 2019.

Figure 5-57: Trade balance (imports and exports) of pasta, noodles and couscous in Peru, 2016-20; value

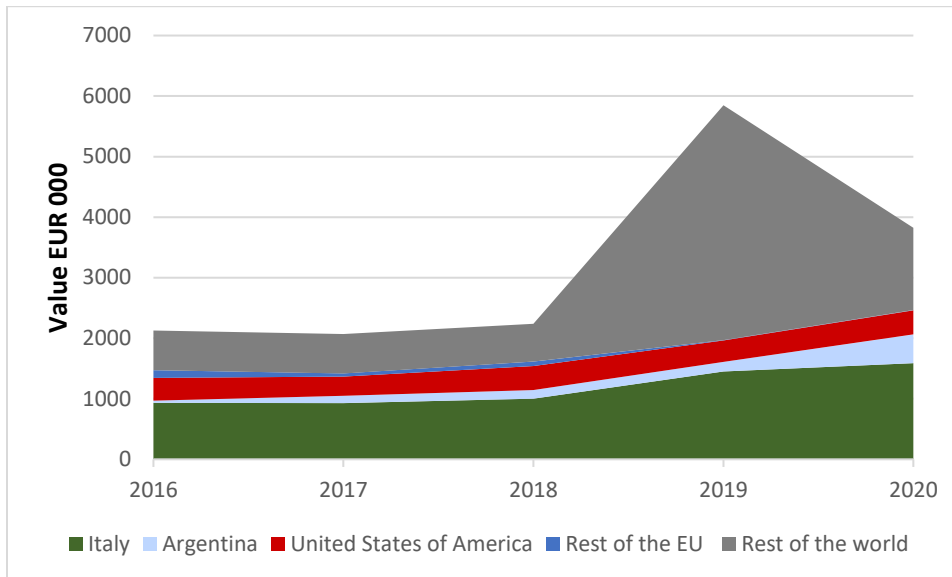


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1902.

The origin of Peruvian pasta, noodle and couscous imports is shown below in Figure 5-58 with Italy being the largest exporter of pasta with a value of EUR 1.5 million which is just under half of all exports in 2020. Argentina exported EUR 474 000 worth of pasta to be the second biggest exporter, while the US is the third-largest exporter with a value of EUR 400 000. Italy stands out as the only major exporter from the EU.

Figure 5-58: Peruvian imports of pasta, noodles and couscous by country, 2016-2020; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 1902.

5.13.3.3 Main competitors

As stated, the domestic Peruvian producers are the biggest competitors to EU pasta as the growing demand for pasta in the country has incentivised a growth in production which has led to a saturated and competitive market within the country. Indeed, Peru is a substantial net exporter of pasta, noodles and couscous combined. The biggest competitors to EU pasta (mainly Italian pasta) from outside of Peru are Argentina and the US. However, Italian pasta benefits from its perception as a luxury product which further explains why Italian exports far exceed these countries despite a further geographical distance.

5.13.4 Specific market entry requirements

Market access and entry; standards, SPS measures

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export is set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements for pasta notably include the sanitary registration of foodstuffs and beverages; authorisation of foreign foodstuffs manufacturers; a certificate of analysis; and a free sale certificate.

In terms of tariffs, pasta under CN code 1902 does not face tariffs.

information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – pasta category (1902) from Italy to Peru

<https://trade.ec.europa.eu/access-to-markets/en/search?product=1902&origin=IT&destination=PE>

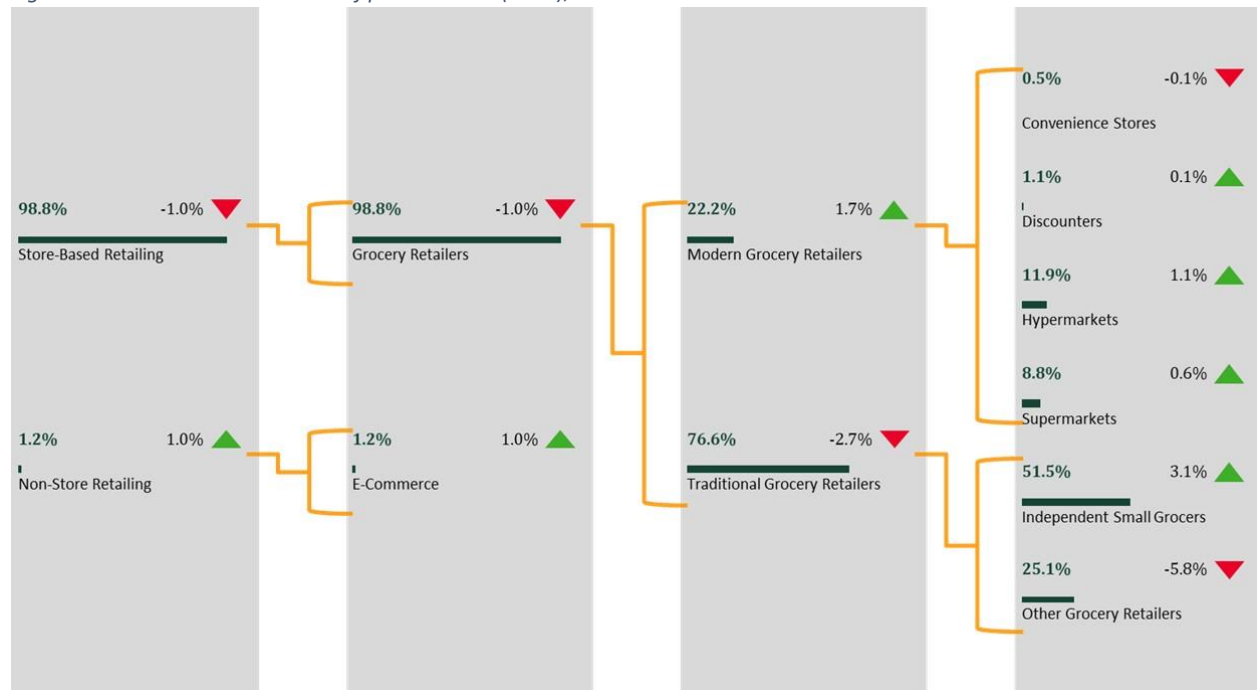
Labelling

Pasta must conform to the labelling requirements for packaged foods set out in section 4.2.3.

5.13.5 Distribution

As shown below in Figure 5-59, pasta in Peru is mainly being distributed through traditional grocery retailers which account for just over three-quarters of all sales. Independent small grocers account for half of all sales. Modern grocery retailers account for 22% of sales which is a figure that has grown in recent years. Hypermarkets account for 11.9% of sales, followed by supermarkets with an 8.8% share.

Figure 5-59: Distribution channels of pasta in Peru (2020); retail value



Source: Euromonitor International: Packaged Food, 2021.

5.13.6 Challenges for EU products

Competing with the abundant Peruvian pasta is a key challenge as the growth of production in recent years has resulted in a saturated market leading to lower prices. Peruvian consumers seeking luxury pasta will often choose Italian pasta with only the US and Argentina offering a notable foreign-based challenge to this product, albeit a small one. The presence of rice in Peru, which remains a product consumed more in the country, is a broad challenge. However, pasta is growing in consumption while rice is forecasted to decline in consumption.

Market Takeaway: Pasta

Consumption: Widely consumed with only rice being more popular. Pasta is forecast to grow in consumption while alternatives such as noodles and rice are declining. Growth compounded by stay-at-home orders in the country in 2020 which encouraged home cooking.

Competition: Rice remains the larger consumed product category, although pasta is catching up. Producers in Peru have expanded production in recent years leading to market saturation. The biggest competitors from outside of Peru are the US and Argentina.

Distribution: Pasta is mainly sold through traditional grocery retailers which account for just over three-quarters of all sales. Modern grocery retailers expanding their share of distribution but remain far behind traditional grocery retailers.

Challenges: Competing with ever-cheaper and abundant Peruvian pasta is a key challenge. Furthermore, rice remains the larger consumed product, although there are signs this may gradually be changing.

Opportunities: Consumers seeking luxury pasta will often choose Italian pasta which explains why the country is the largest exporter of Pasta to Peru, ahead of countries closer to the country such as the US and Argentina.

5.14 Baked goods

5.14.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Demand for bread is expected to continue to grow. ▪ Spain and Italy are among the top ten baked goods exporters to Peru. 	<ul style="list-style-type: none"> ▪ The Peruvian domestic market is competitive and made up of a wide number of smaller producers. ▪ General consumption across most baked good products is expected to decline with only bread being the exception.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Baked goods that effectively market their health benefits may perform well with Peruvian consumers in the current health-focused environment. ▪ Peruvians are increasingly curious about products from abroad which extends to European baked goods across some consumers, likely younger ones. 	<ul style="list-style-type: none"> ▪ In addition to strong domestic production (a surplus), neighbouring countries are the biggest exporters of baked goods to Peru. ▪ Consumers are increasingly concerned about the fat, salt and sugar content of baked goods, which has negatively impacted demand.

5.14.2 Consumption

5.14.2.1 Evolution of consumption

As shown below in Figure 5-60, bread is by quite a distance the largest baked good product by retail value with a value of EUR 1.7 billion. This product category has a forecast CAGR of 2.1% which also makes it the only product that is forecasted to grow between 2021 and 2025. Cakes are the second-largest product by retail value with a value of EUR 439.7 million. The product category is expected to decline by a negative CAGR of -2.1% after having grown well over the last five years. Pastries have a retail value of EUR 128 million with a decline by a negative CAGR of -2.4% predicted between 2021 and 2025. Desert mixes, which was the fastest-growing product category in recent years, have a retail value of EUR 43 million which is expected to decline by a negative CAGR of -2.7%. This is the biggest decline forecasted among baked good products in Peru.

Figure 5-60: Evolution and forecast of baked goods market in Peru (million EUR), 2015-2025; retail value



Source: Euromonitor International: Packaged Food, 2021.

5.14.2.2 Consumer profile and purchase criteria

Consumers

Per capita consumption of bread in Peru is lower than the Latin American average, which does leave room for growth in the consumption of this product; however, the product is fairly universally consumed. Peruvians facing COVID-19 restrictions in 2020 were drawn to purchase dessert mixes as home baking increased. This led to a spike in demand for dessert mixes which is forecasted to decline once the economy reopens. Consumers have been increasingly attracted to baked goods which incorporate native seeds in bread with notable examples being quinoa, kiwicha and chia bread. Flatbread is generally not too popular with only pita bread standing out as a product largely consumed in Peru. Unpackaged bread remains popular. However, packaged bread is catching up in popularity as consumers seek out products that can be stored for a prolonged period.

Drivers and method of consumption

Consumption of baked goods has been influenced by a wider demand for healthier products with low carb content. Bread with high carbohydrate content has dissuaded some consumers. An increasing number of consumers are now consuming desserts and pastries only at the weekend or on special occasions. Demand for convenience foods is growing and has alleviated some of the declines in baked goods products. However, the majority of products are expected to decline in consumption between 2021 and 2025.

Purchase criteria

Bread is generally not expensive in Peru with a standard loaf of fresh bread costing around EUR 0.80. Pastries are largely viewed as an indulgent product in the country which results in them costing slightly more than bread. Consumers are increasingly health-conscious and will be attracted to baked goods with a low carb, sugar and salt content. Imported baked goods will generally cost more than domestic baked goods which come with a perception that these products are of a higher quality compared to domestic products.

5.14.2.3 Recent market trends

COVID-19 resulted in demand for desert mixes experiencing a rare spike as home baking increased. However, this demand is forecasted to decline as the country's economy reopens. Bread will remain the largest baked good in Peru by a considerable distance and is forecasted to be the only baked good to experience a growth of consumption in the country between 2021 and 2025. Other baked goods are declining in consumption due in part to a rise in demand for healthier products with many consumers associating baked goods such as pastries and cakes with being unhealthy. Producers have adapted to this trend by introducing low-fat pastry and cake products in recent years, yet, a decline is still forecasted to take place.

5.14.3 Offer

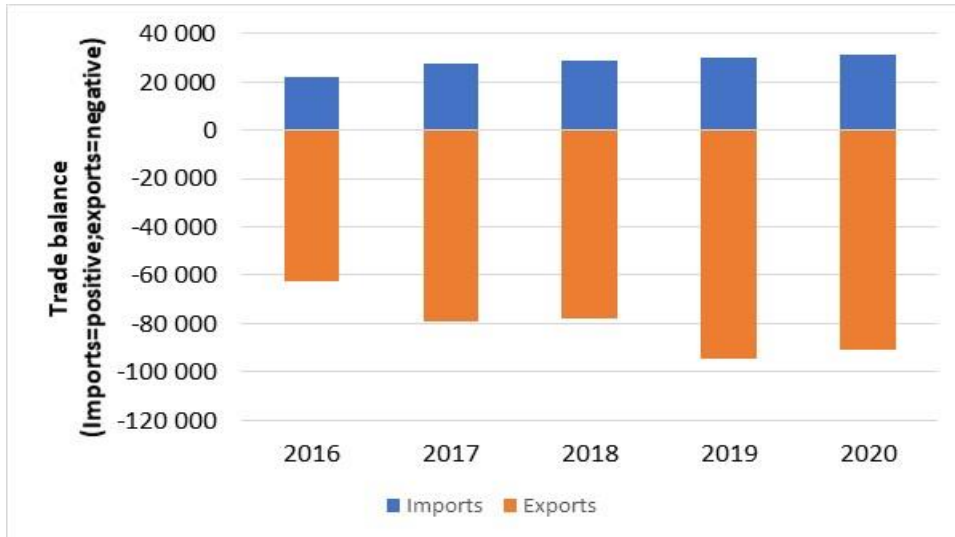
5.14.3.1 Domestic production

Domestic production of baked goods in Peru is highly fragmented and competitive with no player emerging as a key leader of the market. Panificadora has a share of 6.3% making it the biggest player while the rest of the market is made up of smaller players, the largest of which have between a 1-2% share of the market. Bakeries are concentrated in urban centres of the country due to access to materials to produce baked goods and access to consumers. Many bakeries have shifted production towards packaged baked goods in 2020 due to consumers being unable to enter the premises and demand for take-home products increasing.

5.14.3.2 Imports and exports

The trade levels of baked goods are shown below in Figure 5-61 which further shows that Peru is a net exporter of baked goods with the country exporting EUR 90 million. Most of Peru's baked goods exports go to neighbouring countries. Total imports came to a value of EUR 31 million in 2020, which is a slight increase from the EUR 29 million figure of 2019.

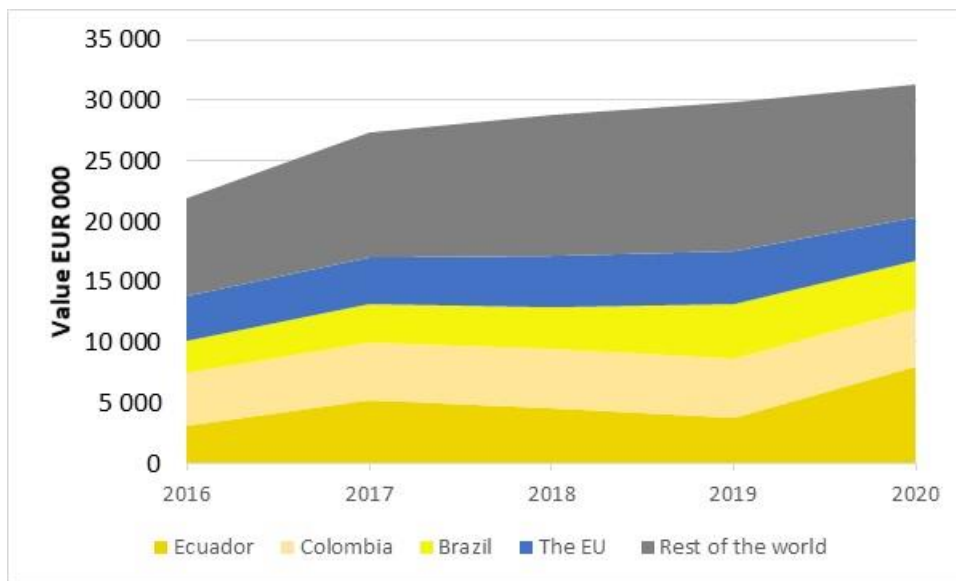
Figure 5-61: Trade balance (imports and exports) of baked goods in Peru, 2016-20; value



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 190590.

Figure 5-62 further shows the largest exporters of baked goods to Peru with Ecuador being the largest exporter and benefiting from its proximity to Peru. The country exported EUR 7.9 million worth of baked goods in 2020. Colombia exported EUR 4.7 million worth of baked goods followed by Brazil which exported EUR 3.9 million. The biggest exporter from the EU is Spain with a trade value of EUR 1 million. Italy also exported EUR 1 million worth of baked goods to Peru.

Figure 5-62: Peruvian imports of baked goods by country, 2016-20; value



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 190590.

5.14.3.3 EU GI products

As noted in section 4.2.4, a number of GIs are protected under the EU-Colombia/Peru/Ecuador Trade agreement. However, no baked goods were featured on the list.

5.14.3.4 Main competitors

The biggest competitors come first and foremost from domestic producers with the Peruvian market being highly competitive and made up of smaller players. Outside of Peru, neighbouring Ecuador, Colombia and Brazil are the biggest competitors in the import space with Bolivia also being a significant competitor.

5.14.4 Specific market entry requirements

Market access and entry; customs procedures; standards, SPS measures

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export is set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements for baked goods include the sanitary registration of foodstuffs and beverages.

In terms of tariffs, no tariffs are imposed on the CN code for baked goods.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – sweet biscuits category (190590) from Italy to Peru

<https://trade.ec.europa.eu/access-to-markets/en/search?product=190590&origin=IT&destination=PE>

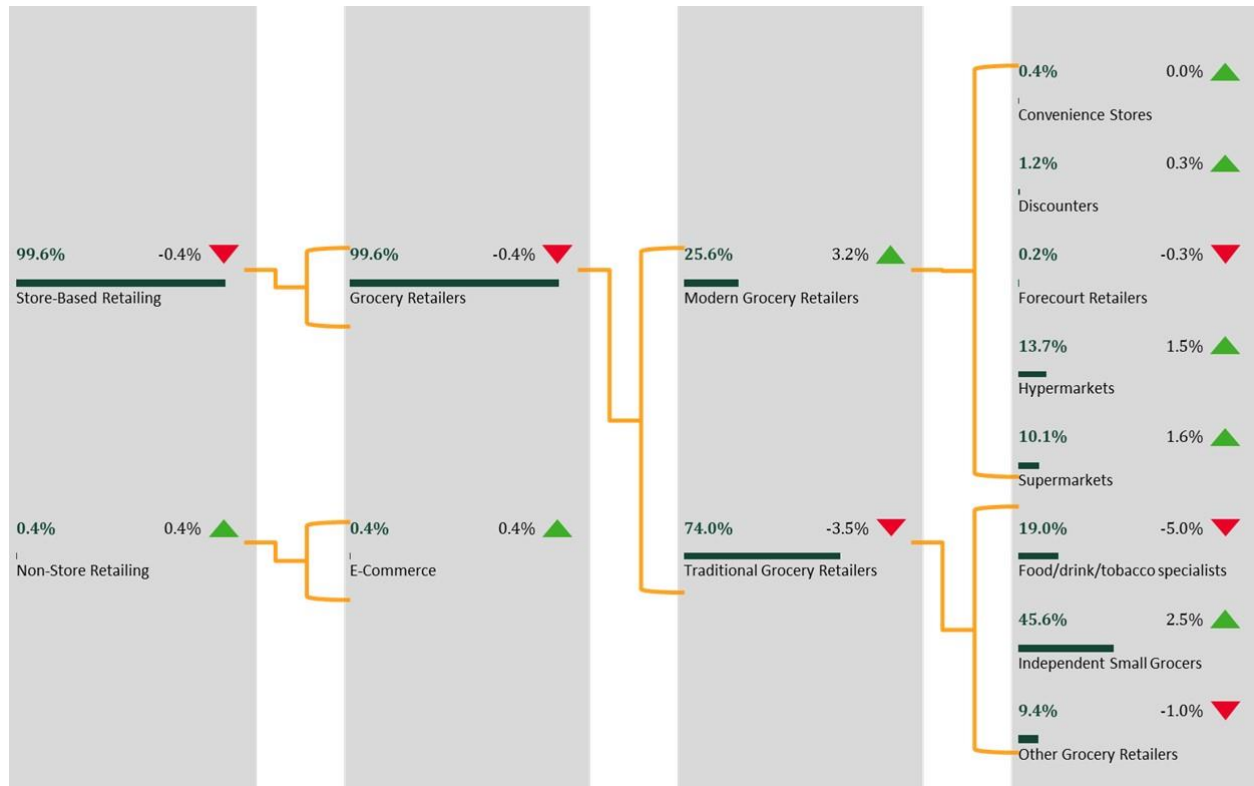
Labelling

Section 4.2.3 contained detailed information on the labelling requirements for packaged foods. These apply to baked goods and hence this section should be consulted for details on labelling.

5.14.5 Distribution

As shown below in Figure 5-63, traditional grocery retailers account for just under three-quarters of all baked good sales with independent small grocers accounting for 45.6% of all sales. Food and drink specialists account for 19% of all sales making it the second-largest traditional grocery retailer. Modern grocery retailers are expanding their sale of baked goods, now accounting for 24% of all sales with hypermarkets accounting for almost 14% of all sales.

Figure 5-63: Distribution channel overview of baked goods in Peru (2020); retail value



Source: Euromonitor International: Packaged Food, 2021.

5.14.6 Challenges for EU products

The challenge for EU products comes from a combination of strong domestic production and a market that is forecast to experience a general decline in consumption across most products except for bread. The general perception of baked good products as being unhealthy is a key reason for the forecast fall in demand and a marketing challenge. The Peruvian market is highly competitive and made up of smaller players making it an additionally difficult market to enter. Demonstrating effectively the health benefits combined with unique flavours may help make products more attractive to consumers.

Market Takeaway: Baked goods

Consumption: Consumption of baked goods in Peru is forecast to decline amongst most products except for bread. This is largely due to the increasing perception of these products as being unhealthy.

Competition: Domestic producers in this market are highly competitive, combined with competition from neighbouring countries that are the largest exporters of baked goods to Peru.

Distribution: Largely sold through traditional grocery retailers with small independent grocers accounting for 42% of all sales. Modern grocery retailers are growing their presence with hypermarkets accounting for 13% of sales and supermarkets accounting for 10% of sales. Both of these figures are growing.

Challenges: Domestic producers are the largest challenge for EU producers in the Peruvian market combined with the need to overcome a general perception in the country of baked goods being unhealthy, requiring innovation in the field of low fat, low salt and low carb baked goods production.

Opportunities: Demand for healthier variants of baked goods products is the main area of opportunity that stands out in this market.

5.15 Prepared baby food

5.15.1 SWOT analysis

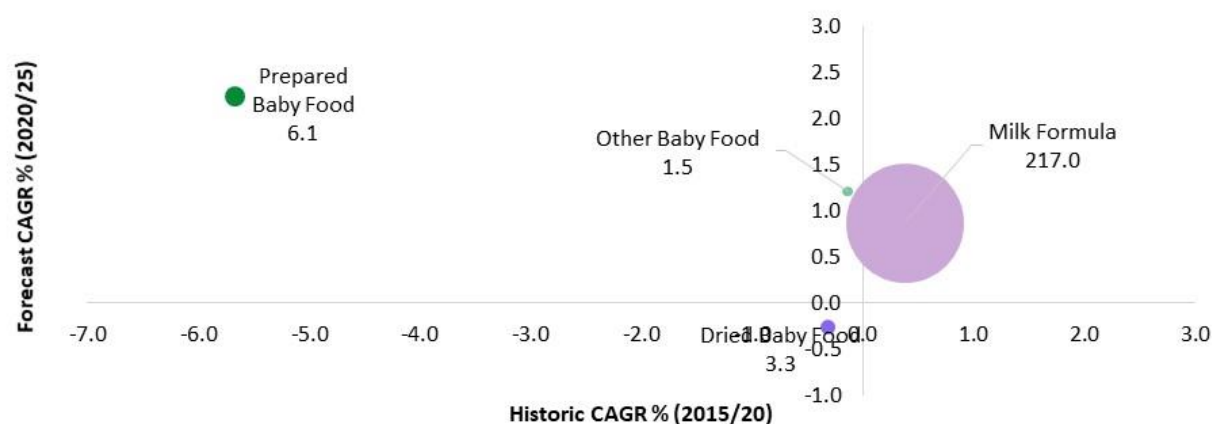
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> The Netherlands and Ireland are among the top three exporters of prepared baby food to Peru. The infant population of Peru is quite large, and the birth rate is currently 2.2 per woman. 	<ul style="list-style-type: none"> Perception of breastfeeding and at-home food preparation as being healthier for children is strong in Peru. Consumption of dried baby food and baby food preparations is small. Milk formula is the biggest product consumed.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> A large structural deficit means that imports are necessary to meet demand. Growing demand for convenience products when the economy reopens may ultimately benefit prepared baby food products. 	<ul style="list-style-type: none"> Mexico is the largest exporter of prepared baby foods to Peru. In addition to the general reluctance to use prepared baby food, there is government encouragement of breastfeeding up until the age of 6 months.

5.15.2 Consumption

5.15.2.1 Evolution of consumption

Figure 5-64 shows that milk formula is the preferred baby food product in Peru with a market value of EUR 217 million. This category is expected to grow between 2021 and 2025 by a CAGR of 0.9%. Prepared baby food has a far smaller market value of EUR 6.1 million and is expected to rebound from a decline of a negative CAGR of -5.7% between 2015-2020 to a growth CAGR of 2.2% between 2021 and 2025, the fastest-growing category. The other baby food product category has a retail value of EUR 1.5 million and is expected to grow by a CAGR of 1.2%.

Figure 5-64: Evolution and forecast of the market for prepared baby food products in Peru, 2015-2025; EUR million



Source: Euromonitor International: Packaged Food, 2021.

5.15.2.2 Consumer profile and purchase criteria

Consumers

Peru has a relatively large infant population by western standards, which creates a large potential market for prepared baby food in the country as the birth rate is currently around 2.2 per woman. However, Peruvians generally choose to feed their babies of six months and older with hot cereals, natural fruit and homemade food. Many consumers traditionally perceive homemade foods as healthier as they contain fresher ingredients. Breastfeeding is a common practice in Peru with roughly 60% of mothers choosing to breastfeed their children, one of the highest rates in Latin America. Homemade foods combined with high breastfeeding rates make it difficult at times to market specialised products such as dried baby food and prepared baby food in Peru which explains why these products have a small retail value in Peru despite the otherwise attractive demographics.

Drivers and method of consumption

A key driver of prepared baby food consumption in Peru comes from parents that perceive the products as a healthier alternative to other methods of feeding with roughly a quarter of parents receiving a prescription from a doctor to obtain milk formula. The standard advice given by the Peruvian government and doctors in the country is to breastfeed children up until six months old with the government discouraging doctors from promoting the formulas. Due to these factors, most children consuming prepared baby food products will be older than six months old. Although growing-up milk formula will remain the dominant category in baby food in 2020, it is likely to continue to witness moderate retail volume declines over the forecast period. Consumption has been declining for a couple of years as more families began to feed small children with regular cow's milk instead of specific milk formula. This is partly for budgeting reasons as many parents prefer to purchase only one type of milk and use it for the entire family.

Purchase criteria

Peruvians will examine the contents of prepared baby food products meticulously, often a single ingredient that causes concern will push consumers away from purchasing prepared baby food. Organic baby foods have yet to garner a significant following in Peru as consumers continue to perceive home-prepared foods as being more attractive and of a higher quality. Price sensitivity plays a large role too in consumer decisions, as baby foods, particularly organic baby foods, are often viewed as being too expensive.

5.15.2.3 Recent market trends

Growing up milk and infant formula sales shrank in 2020 due to a rise in unemployment and stay-at-home orders which encouraged home food preparation for baby foods. Peruvians anyhow have a tradition behind home food preparation and breastfeeding with breastfeeding being encouraged by the government for babies younger than six-month-old. This creates further barriers to the promotion of baby foods in Peru. Peruvian birth rates are declining, which in the long run will lead to smaller volumes of consumption for Peruvian baby food products although rising incomes may alleviate this decline to an extent if producers can effectively tackle some of the negative perceptions among many Peruvians.

5.15.3 Offer

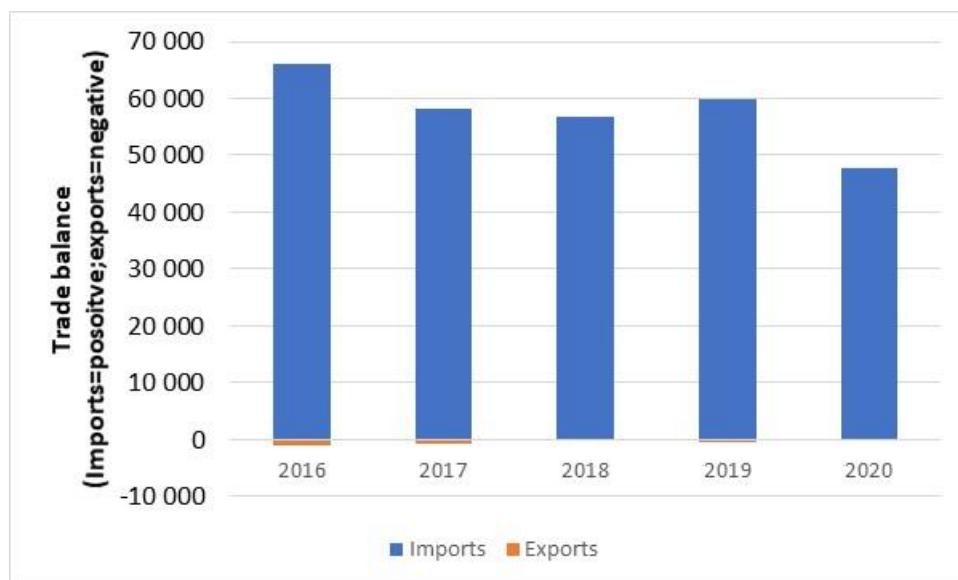
5.15.3.1 Domestic production

Production of baby food in Peru is small as demand in the country is likewise fairly small. Producers mainly focus on the production of milk formula which has been aided by the growth of the dairy industry in the country. Perceptions of prepared baby food as being of lower quality when compared to breastfeeding and at-home food preparation further disincentivises producers from expanding in the country. The outbreak of COVID-19 is likely to further put pressure on production expansion as producers focus on more profitable products and consumption of prepared baby foods declines due to parents staying at home longer and having more time to prepare foods.

5.15.3.2 Imports and exports

The trade balance Figure 5-65 shows that Peru is by far a net importer of baby food products with the country importing EUR 47 million worth of baby food products in 2020. This is a decline from the EUR 59 million figure recorded in 2019. Exports from the country are extremely small which reflects the aforementioned small production base in the country concerning prepared baby food production.

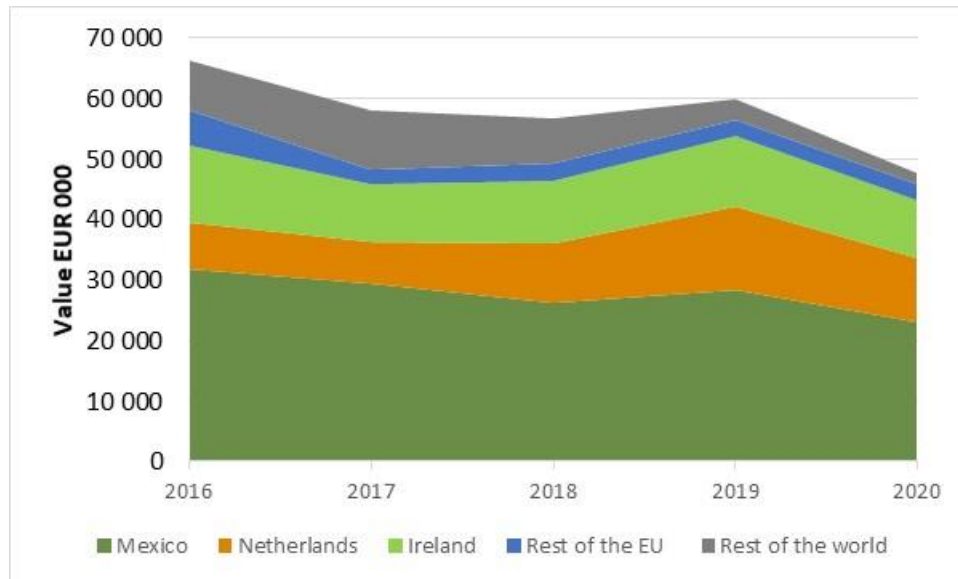
Figure 5-65: Trade balance (imports and exports) of prepared baby food in Peru, 2016-20; value EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN codes 190110

The origin of prepared baby food exported to Peru is shown below in Figure 5-66. Mexico is the largest exporter of prepared baby food products to Peru with the country exporting EUR 23 million worth of the product in 2020. The Netherlands is the second-largest exporter with the country exporting EUR 10.6 million worth of baby foods, the largest amount from the EU. Ireland is the third-largest exporter of prepared baby foods with the country exporting EUR 9.4 million worth of prepared baby foods in 2020. Other notable baby food exporters from the EU include Germany and France.

Figure 5-66: Peru imports of prepared baby foods by country, 2016-20; value EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN codes 190110

5.15.3.3 Main competitors

Domestic competition is limited as the country is not a large producer of prepared baby food products. The main competition in this market comes from Mexico, which is the largest exporter of baby foods to Peru, twice as big as the second-largest exporter, the Netherlands.

5.15.4 Specific market entry requirements

Market access and entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export is set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements for baby food notably include the sanitary registration of foodstuffs and beverages; authorisation of foreign foodstuffs manufacturers; a certificate of analysis; and a free sale certificate.

In terms of tariffs, baby food under CN code 190110 does not face tariffs.

information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – baby food category (190110) from France to Peru

<https://trade.ec.europa.eu/access-to-markets/en/search?product=190110&origin=FR&destination=PE>

Standards, SPS measures

The Supreme Decree 009-2006-SA is a key piece of legislation for regulating infant nutrition and baby food in Peru. The Ministry of Health published a comprehensive, illustrated version of the decree in November 2019. It can be found (in Spanish) at the following link:

<https://cdn.www.gob.pe/uploads/document/file/471232/62318886956050665320191231-7797-anj6na.pdf>.

Labelling

Baby food must conform to the labelling requirements for packaged foods set out in section 4.2.3, as well as those of Chapter II of Supreme Decree 009-2006 (link above).

5.15.5 Distribution

Figure 5-67 shows that health and beauty specialist stores are the largest distributors of prepared baby food products in Peru with these distributors accounting for 58% of all sales. Modern grocery retailers are growing in importance and now account for 28% of all sales. Hypermarkets and supermarkets are the biggest distributors within this channel. E-commerce has grown to represent 2.1% of all sales and will likely continue this growth in the future.

Figure 5-67: Distribution channel overview of prepared baby food in Peru (2020); retail value



Source: Euromonitor International: Packaged Food, 2021.

5.15.6 Challenges for EU products

Challenges for EU products in Peru include the perception of breastfeeding and at-home food preparation as being healthier for babies by many consumers in the country. Peruvians forced to stay at home during the outbreak of COVID-19 had more time to undergo at-home food preparations which further encourages this practice over purchasing prepared baby food products. Price sensitive Peruvians are even less likely to purchase imported prepared baby foods which make this a product more likely to appeal to higher-income earners. With high attention to ingredients by some consumers, careful consideration must be paid to the composition of products.

Market Takeaway: Prepared baby foods

Consumption: *Breastfeeding and at-home preparation of baby food are more popular with the government which encourages breastfeeding of children up until the age of 6 months. Consumption of prepared baby food focuses mainly on non-price sensitive consumers which typically have a higher income.*

Competition: *Competition largely from Mexico which is the largest exporter of prepared baby food.*

Distribution: *Mainly distributed via health and beauty specialist stores which account for 58% of sales. Modern grocery retailers such as supermarkets and hypermarkets are increasingly important for the distribution of prepared baby food products.*

Challenges: *The perception of breastfeeding and at-home preparation as being healthier for babies is a key challenge to overcome. The government promotion of breastfeeding further dissuades consumers from purchasing prepared baby food.*

Opportunities: *A re-opening economy will reduce the ability of consumers to undergo at-home food preparation for baby food which may subsequently encourage the sale of prepared baby food products.*

6 Communication

6.1 Communication strategy

Communication with consumers in Peru requires several key considerations with regard to the area of interest. Advertising in Lima and other major urban centres requires the extensive usage of more modern forms of advertising in the social media and online digital media space while other sparsely populated areas of Peru will have consumers more accustomed to traditional forms of advertising such as newspapers and radio. This section is therefore aimed at introducing the main communication channels (new and traditional media, as well as fairs) available in Peru, as well as key regulations for the advertisement of F&B.

6.1.1 Online & digital media

Internet penetration in Peru is generally accepted to be around 73% in 2020 which makes around 24 million internet users in the country. Internet availability is better in the populated coastal regions of the country compared to populations living in the Andes mountain range and eastern regions of Peru. The average internet speed in Peru is 22mbps, which is slightly lower than in neighbouring countries such as Colombia. The most popular website visited in Peru is Google, followed by Facebook and YouTube. There are a total of roughly 23 million social media users in Peru with most users being between 18-44 years old. Social media is a growing and important advertising channel for producers seeking to target the younger generation of users.

Notable Peruvian Digital Advertising Agencies:³⁷

Digixonic Studios <https://digixonicstudios.com/>

Punto Rojo <https://puntorojo.com/>

Latam Digital Marketing <https://www.latamdigitalmarketing.com/peru-en.html>

DataTrust Pe <https://www.datatrust.pe/>

Instituto Peruano de Marketing <https://ipm.com.pe/>

6.1.1.1 Social media platforms

As noted above, social media plays a key role in digital marketing in Peru, in particular, amongst the younger generation. There are 23 million Facebook users in the country who make it the most popular social media platform followed by 5.7 million Instagram users, 5.5 million LinkedIn users, 1.7 million Snapchat users and 1.2 million Twitter users.³⁸ A further breakdown of these social media platforms is discussed below.

³⁸ Datareportal, Digital 2020 Peru, available at <https://datareportal.com/reports/digital-2020-peru>

Facebook

Facebook is the most popular social media platform in Peru and was one of the first social media platforms to develop a presence amongst consumers in the country. It is estimated that 52% of Facebook users in the country are males and 48% are female. 97% of Facebook users in Peru most commonly have access to social media platforms via their mobile phones. The Facebook marketplace has emerged as a new and growing channel for producers to advertise their goods and services to the wider Peruvian consumer base in recent years. Peru ranks as the 30th highest country in the world by Facebook users, ahead of Chile but behind Colombia.

Instagram

Instagram is a relatively new social media platform in Peru but has still grown to 5.7 million users in the country. Instagram users are predominantly female; women account for 54% of all users of Instagram in Peru. Instagram advertising via influencers has been a common practice in the west and is slowly also becoming a normal practice in Peru with notable influencers on Peruvian Instagram having followers of around 4-5 million.

Twitter

There are an estimated 1.2 million Twitter users in Peru with males accounting for 61% of them. Twitter lags behind Facebook and Instagram in terms of total users but remains a growing and ever-important platform for the marketing of products in Peru. Twitter usage has grown in recent years and now many major outlets and organisations within Peru will use the site to advertise their goods and services to Peruvians.

Other platforms

Other platforms with a notable following in Peru include WhatsApp, LinkedIn and Snapchat which are all growing in popularity in Peru. In particular, WhatsApp requires less data usage and appeals to internet users in Peru with slower internet speeds. YouTube is the third most searched website in Peru and advertisers are increasingly utilising the site to advertise their services.

6.1.2 Traditional media

Despite the increasing popularity of digital and online media, traditional media still plays an important role; in particular among certain demographics such as older groups and citizens outside the heavily populated areas of Peru. More information on different traditional media by type is set out below:

- **Television:** Peru has a history of television for over 60 years and today there are roughly 105 television broadcasters in the country, with 22 being focused on the capital city of Lima. There are three major cable providers in Peru: Telefonica, DirecTV and Claro TV. Television as a whole is Peru's most consumed media as it is watched in 87% of homes and even by 99% of people in metropolitan Lima. Due to this, advertising on television is particularly important in Peru. Average television consumption is estimated to be around 3 hours per day. American television has the highest share of the television market space followed by Latina and ATV.

- **Print media:** Peruvian print media is concentrated within the city of Lima with a large and competitive marketplace existing in the city. Yet, newspaper usage is declining in Lima due to the rise of the internet which is causing newspaper outlets to shift their business practices into the online space. Some of the larger newspapers in Peru include Expresso Peru (Lima), El Popular (Lima) and Los Andes (Nationwide). Some of the bigger newspapers outside of Lima include El Tiempo (Chiclayo), Hoy (Huanuco) and Diario del Cusco (Cusco).
- **Radio:** In Peru, each region and city have their own radio stations. For many areas of the country with a low population such as within the Andes mountain range and the east of the country, the radio is one of the key outlets to receive news and information about events happening throughout Peru and the world. The Radio Nacional del Peru is the national radio station and is a source of pride for Peruvians as the station is associated with the announcement of many historical events in the country during the 20th century. The radio market for many urban centres including Lima is highly competitive. The use of advertising through the radio appeals to both traditional media users and modern ones as internet radio usage is popular in Peru.

6.1.3 Fairs and exhibitions

In addition to the digital approach, some companies decide to advertise their products at various trade fairs, the presence of trade fairs on the Peruvian market is still limited but on the rise. Exhibitions constitute a promising opportunity to develop better brand recognition and initiate market interest. Exhibitions within the city of Lima provide an excellent opportunity to reach a significant amount of the Peruvian consumer base with 30% of the population living in the city. Exhibitions in other major urban centres need to take into account certain regional and ethnic changes away from Lima in their marketing of exhibitions.

Notable food and beverage fair and exhibitions in Peru include The Lima Mistura festival (*The largest food festival in Peru and one of the largest in Latin America*) and the Expoalimentaria Peru food exhibition.

6.2 Advertising regulations

The regulation of the advertising of food and beverage is performed by the organisation of INDECOPI (The National Institute for the Defence of Competition and the Protection of Intellectual Property). The principal legal instrument in the area of consumer protection is **Act No. 29571** which adopted the consumer protection code of Peru. The code has been modified since its inception to incorporate new changes aimed at promoting a healthier lifestyle, with a recent example being amendment **law no 30021**, which is known as the law on the promotion of healthy eating for children and teenagers.

The advertising which is aimed at children and teenagers under the age of 16 and which is spread by any social mass media should be in line with the policies on health promotion. Therefore, it should not:

- Encourage excessive consumption of food and non-alcoholic drinks with trans fats, high sugar, sodium and saturated fats content.

- Show inappropriate portions of food to the situation that appears on it, nor to the age of the audience at whom it is aimed.
- Use techniques that take advantage of the ingenuity of children and teenagers so that they can be confused or misunderstand the nutritional benefits of that advertised product.
- Raise expectations about a sense of superiority due to its consumption, or about a sense of inferiority resulting from not consuming it.
- Point out as benefits of its consumption any of being stronger, gaining or losing weight or becoming popular.
- Represent social stereotypes that may cause prejudices or any kind of discrimination related to its consumption.
- Create a sense of urgency or dependence for buying food or soft drinks, nor generate a feeling of exclusivity.
- Suggest that parents or adults are more intelligent or generous if they buy such food or beverage than those who do not do so.
- Refer to parents' feelings of affection towards their children based on whether they purchase the product or not.
- Promote/offer gifts, rewards or any other benefit which is aimed at fostering the purchase or consumption of such food or soft drinks.
- Use testimonies of real or fictional characters who are known and acclaimed by children and teenagers in order to induce consumption.
- Set out suggestions referred to the dietary or nutritional substitution of main meals, such as breakfast, lunch or dinner.
- Encourage or justify the fact of eating or drinking immoderately, excessively or compulsively.
- Show pictures of natural products when the product is not in fact natural.³⁹

Due to these requirements, Peru can be considered to have some of the stricter requirements in relation to advertising to children within Latin America. In general, all advertising in Peru should be done in Spanish, though it can be combined with an indigenous language such as Aymara. Nonetheless, advertising must not deceive consumers or show a specific group in a negative light.

³⁹ Regulation is not the same as prohibition: The major challenge of regulation the food industry in Peru, D+I, Available at https://ideas.llorenteycuencia.com/wp-content/uploads/sites/5/2015/06/150609_report

7 Peruvian Etiquette

7.1 Quick facts

It is important to remember that Peru has a number of ethnicities which each will have its own expectations with regards to etiquette. However, generally, Peruvians are quite religious and proud of their nation's independence. As such, any offensive comments against Peruvian independence and religion will not be well received. There are a number of business etiquette norms in Peru that differ from standard practises in the west, these include:

- Punctuality is moderately respected; it is common in Peru to arrive late with waits expecting to be longer based on the seniority of the person in question.
- Titles are important to Peruvians and the use of correct professional titles such as doctor and lawyer is appreciated. If the person does not have a professional title, then the use of señor, señora or señorita is sufficient.
- Final decisions are usually made by the highest-ranking person involved, even if they are not present for meetings.
- The use of English varies throughout Peru. The need to have an interpreter that speaks Spanish is not uncommon.
- There are no specific practices in regard to giving and receiving business cards, however, be prepared to give business cards anyways, and a translation into Spanish will be appreciated.

7.2 Key Dos and DON'Ts

Being aware of the cultural and business etiquette in Peru might ensure better odds of success as well as avoid any confusion when meeting with Peruvian trade partners. The sections below summarise the main positive and negative points that should be taken into consideration.⁴⁰

Dos	Don'ts
<ul style="list-style-type: none"> • If you do not speak Spanish, have a Spanish interpreter available in case a meeting is not conducted in English. • Bring business cards that have a Spanish translation. • Speak softly. Peruvians are generally soft speakers and talking in this tone will be appreciated. • Having a local intermediary who can help develop a relationship with Peruvian businesses can be a huge aid. • Plan in advance. Most meetings in Peru are scheduled two weeks in advance, avoid scheduling meetings around Easter or Christmas when most Peruvians are on vacation. • Make an effort to develop a personal relationship with a potential business partner as this is appreciated by Peruvians. • Speaking a little Spanish will be appreciated by most Peruvians. 	<ul style="list-style-type: none"> • Beckon someone with a single finger or fist, this will be considered rude. • Forget to take appropriate medicines to combat the effects of altitude sickness if conducting business in Peru's mountainous regions. • Insult or offend a person of seniority during a meeting will almost certainly lead to business negotiations failing. • Complain about shortfalls in internet access and water access, the fact that Peru is a developing country needs to be respected. • Forget to greet store owners when entering the premises as this will be perceived as rude.

⁴⁰ <https://www.cnbc.com/2017/06/27/etiquette-tips-for-doing-business-in-china.html>; <https://www.techinasia.com/talk/8-business-china>; https://www.forbes.com/2007/03/30/travel-china-tips-forbeslife-cx_ee_0330chinatips.html#4f58c918541b

8 Directory of Trade Support Projects, Organisations, and Service Providers

There is a variety of services available, both within the EU and in Peru, for producers wishing to export to Peru. These service providers include EU-funded projects, services provided by the Member States and their embassies, other organisations and service providers, as well as buyers, importers, and distributors.

- Section 8.1 contains the project profiles for EU-funded initiatives operating in Peru.
- Section 0 contains the contact information for Member State embassies within Peru.
- Section 8.4 contains a listing of service providers including some information on the services available.
- Section 8.2 provides a calendar of exhibitions, trade shows, and other events to be held in Peru in 2021.
- Section 8.5 contains a database of professionals' contacts (buyers, importers, and distributors).

8.1 European Union Organisations

Certain EU-funded, or co-funded, projects within Peru offer a range of business-enabling services and information providing important insights into the Peruvian market. Depending on your company profile these services can be free or fee-based and are available for companies from any EU Member State.




EU-LAC

The European Union – Latin America and Caribbean Foundation (EU-LAC) is an international organisation that was founded in 2010. The organisation aims to promote and strengthen relations between the EU and the Latin American – Caribbean region. The organisation offers support for SMEs and large companies seeking to enter prospective markets and regularly hosts events involving the strengthening of trade between the EU and the Latin America-Caribbean region.

Contacts

 Grosse Bleichen 35, 20354 Hamburg, Germany

 (+49) 40 80 60 11 45


 info@eulacfoundation.org


 <https://eulacfoundation.org/>

**Euro Chambres, the Association of European Chambers of Commerce and Industry**

The EuroChambres Latin American team works within Argentina, Brazil, Colombia, Chile and Peru to facilitate the growth in trade between the EU and these Latin American countries. The organisation is involved in the development of trade policy concerning FTA negotiations and investment relations between the EU and Latin American countries such as Peru.

Contacts

 Avenue Des Arts 19/A-D Brussels


 (+32) 02 282 08 50


 <https://www.eurochambres.eu/>


**Delegation of the European Union to Peru**

Established in 1990, the EU delegation in Peru represents the common interests of the Union in Peru and works on enhancing and developing trade relations between the two markets. Except for consular tasks, the delegation in Lima functions like an embassy. It is a diplomatic mission to represent the European Union in Peru.

Contacts

 Victor Andres Belaunde 332

 (+51) 1 4150800

 delegation-peru@eeas.europa.eu

 <https://eeas.europa.eu/>

8.2 Calendar of trade events and exhibitions 2022

Note: the ongoing issues with COVID-19 at the time of writing both resulted in various cancellations/delays without fixed rescheduling dates and may result in further changes to the calendar outlined below. In view of this:

- 1. Scheduled fairs which did not take place have been included with their original date, as it is generally not clear when they will be rescheduled for, and most events are anyhow recurring. It is recommended that the links provided be monitored for news on when the event or the next edition is being scheduled for.**
- 2. It is strongly recommended to monitor the links provided for any future events to check whether they are still going ahead, and if not whether a new date has been decided.**

Event	Date	Recurrence	Venue	Organiser Details
January 2022				
International Conference on soil, plant and water science	3 rd	Annual	Aloft Miroflores, Av.28 Julio, Lima.	☎ +91 876 3630 140 ✉ info@conferencefora.org 🌐 http://conferencefora.org/
February 2022				
The world of the Latino cuisine expo	27 th -March 1 st	Annual	Caesars fórum convention centre, Las Vegas, Nevada, USA	☎ +1 201 401 0291 ✉ Latinofoodshow2@gmail.com 🌐 https://www.latinofoodshow.com/
April 2021				
Alimentec Bogota	7 th -10 th	Annual	Carrera 37, Corferias, Bogotá, Colombia	✉ Serviciocliente@corferias.com 🌐 https://feriaalimentec.com/
Food Ingredients South America	9 th -11 th	Annual	TBD, Sau Paulo, Brasil	☎ +31 76 205 0501 ✉ Contact through website 🌐 https://www.figlobal.com/
July 2022				
Free from functional food expo South America	22 nd -23 rd	Annual	Centro De Convencoes – Frei Caneca, Sau Paulo Brasil	☎ +31 76 205 0501 ✉ chris@ebcexpo.com 🌐 https://saopaulo.freefromfoodexpo.com/
September 2022				
Expoalimentaria 2022	TBD	Annual	Jockey Plaza, Javier Prado Este 4200 Lima	☎ (+51) 1 618 3333 ✉ Contact through website 🌐 http://www.adexperu.org.pe/

Event	Date	Recurrence	Venue	Organiser Details
October 2022				
LCA Foods	12 th -14 th	Annual	Universitaria avenue 1801, San Miguel , Lima	✉ Contact through website 🌐 https://agriexpoperu.com.pe/
AgriExpo 2022	20 th -22 nd	Annual	Circulo Militar del Peru , Sede Salaverry , Lima	✉ info.lcafoods2022@pucp.edu.pe 🌐 https://perulca.com/

8.3 Directory of EU Member State Embassies

Individual Member States offer commercial support and services for companies from their country of origin. Make enquiries to see what services are available and if there are any upcoming events you can participate in.

EU Member State	Address	Contact Information
Austria	Av Republica de Colombia, Cercado de Lima 15046	☎ +51 442 0503 ✉ Lima-ob@bmeia.at 🌐 https://www.bmeia.gv.at/es/ea-lima/
Belgium	Avenida Angamos Oeste, Lima 380	☎ +51 1 241 75 66 ✉ lima@diplobel.fed.be 🌐 https://peru.diplomatie.belgium.be/
Bulgaria	The embassy of Bulgaria in Brazil represents Bulgaria in Peru	☎ +55 6132 236193 ✉ Embassy.Brasilia@mfa.bg 🌐 https://www.mfa.bg/embassies/brazil
Croatia	Embassy of Croatia in Chile represents Croatia in Peru	☎ (+56) 22 269 6141 ✉ croemb.santiago@mvep.hr 🌐 http://www.mvep.hr
Cyprus (Honorary Consulate)	Avenida Arequipa 2450, Edificio el Dorado, Lima	☎ +51 4428 292 ✉ ibl@tpsac.com.pe
Czech Republic	Baltazar La Torre 398, San Isidro, Lima	☎ +55 2643381 ✉ lima@embassy.mzv.cz 🌐 http://www.mzv.cz/lima
Denmark (Honorary Consulate)	Bernado Monteagudo 201, San Isidro, Lima	☎ +51 1 264 4050 ✉ mpoac@esola.com.pe
Estonia (Honorary Consulate)	Av. Paseo de la Republica 3832, San Isidro, Lima	☎ +51 1 440 99 55 ✉ consuladoestoniaperu@gmail.com
Finland	Calle la Santa Maria 15073 San Isidro, Lima	☎ +51 122 244 80 ✉ Contact through website

EU Member State	Address	Contact Information
		 https://um.fi/
France	Avenue Arequipa 3415 San Isidro, Lima	 +51 1215 84 00  France.consulat@ambafrance-pe.org  https://pe.ambafrance.org/
Germany	Av. Dionisio Derteano 144 Lima	 +51 1 203 59 40  Contact through website  https://www.auswaertiges-amt.de/
Greece	Av. El Rosario 234, San Isidro Lima	 +51 221 32 74  gremb.lim@mfa.gr  https://www.mfa.gr/lima
Hungary (Honorary consulate)	Javier Prado Este, No 1520, Lima	 +51 1 225 0973  consulhungria@scanperu.com
Ireland	Embassy of Ireland in Chile represents Ireland in Peru	 +56 2 24024949  Contact through Website  https://www.dfa.ie/
Italy	Av. Guiseppe Garibadi 298 Santa Maria, Lima	 +51 14632727  ambasciata.lima@esteri.it  https://amblima.esteri.it/
Latvia (Honorary consulate)	Jiron Junin No 165 Lima	 +51 1 444 7903  rlozano@consuladoletonialima.com  mfa.gov.lv
Lithuania (Honorary consulate)	Calle Sevilla 166, Higuiereta Surco Lima	 +51 1 449 4273  consul@consuladodelituaniaenperu.com  mfa.lt
Luxembourg (Honorary consulate)	Avenida Aurelio Miro, Quesada 164 Pisco	 +51 144 52596  ivandibos@hotmail.com
Malta (Honorary consulate)	Av. Comandante Espinar, Miraflores, Lima	 +51 1 440 1331  consuladomaltaiperu@gmail.com
Netherlands	Torre parque mar – Av jose Larco 1301, Lima	 +51 1 213 9800  lima@minbuza.nl  https://www.netherlandsworldwide.nl/
Poland	Av. Salaverry No 1978, Jesus Maria, Lima	 +51 1 471 3925  lima.amb.sekretariat@msz.gov.pl  http://www.gov.pl/web/peru
Portugal	Avenida Pardo y Aliaga 640, San Isidro, Lima	 +51 1 6287164  https://pequim.embaixadaportugal.mne.gov.pt/
Romania		 +51 1 422 45 87

EU Member State	Address	Contact Information
	Avenida Jorge Basadre nr 690, San Isidro, Lima	✉ limae@mae.ro 🌐 http://lima.mae.ro/
Slovakia (Honorary Consulate)	General Borgono 528, Miraflores, Lima	☎ (+51) 997 207 252 ✉ victorandres@bna.pe 🌐 https://www.mzv.sk/
Slovenia (Honorary consulate)	Marconi 210, San Isidro, Lima	☎ +51 1 202 5018 ✉ konzul.slovenija@gmail.com
Spain	Av. Jorge Basadre 498, San Isidro, Lima	☎ (+51) 1 212 51 55 ✉ emb.lima@maec.es
Sweden	Calle La Santa Maria 120, San Isidro, Lima	☎ (+51) 1 566 9240 ✉ ambassaden.lime@gov.se 🌐 www.swedenabroad.se

8.4 Other organisations and service providers

8.4.1 Trade promotion organisations (TPOs) and agri food promotion organisations (APOs)

EU MS	Address	Contact information
Austria Agrarmarkt Austria Marketing (APO)	Austria	https://www.ama.at/Home
Belgium (Flanders) FIT (TPO)	Lima, Peru	<p>(+51) 1 241 75 66</p> <p>esthefani.lopez@fitagency.com; lima@fitagency.com</p> <p>https://www.flandersinvestmentandtrade.com/language_selection?destination=%3Cfront%3E</p>
Belgium (Flanders) Flanders' Agricultural Marketing Board (APO)	Koning Albert II-laan 35 box 50 - 1030 Brussels Belgium	<p>+32 491861700</p> <p>gert.vancausenbroeck@vlam.be; export@vlam.be</p> <p>https://www.vlaanderen.be/vlam/</p>
Belgium (Wallonia) AWEX / Wallonia-Brussels, Jakarta Trade Office (TPO)	Belgium	http://wallonia.be/fr/investir
Belgium (Brussels) (TPO)	Belgium	https://hub.brussels/en/
Bulgaria Bulgarian Small and Medium Enterprises Promotion Agency (TPO)	Bulgaria	https://www.sme.government.bg/en/
Cyprus Trade Service of the Ministry of Energy, Commerce and Industry (TPO)	Cyprus	http://www.mcit.gov.cy/mcit/mcit.nsf/index_en/index_en
France Business France in Indonesia (TPO)	Paris / Lima	<p>+33 1 40 73 33 94</p> <p>pascale.thieffry@businessfrance.fr; agroalimentaire@businessfrance.fr</p> <p>https://www.tresor.economie.gouv.fr/Contact/bureau/82</p>
France SOPEXA (APO)	France	<p>(+33) 01 55 37 50 00</p> <p>mybusiness@sopexa.com</p>
Estonia Enterprise Estonia (TPO)	Estonia	<p>(+372)6279421</p> <p>info@eas.ee</p> <p>https://www.eas.ee/?lang=en</p>
Finland	Porkkalantaku 1	+358 29 50 55000

EU MS	Address	Contact information
Business Finland (TPO)	Helsinki	✉ harry.dhavilla@businessfinland.fi
Germany Federation of German Food and Drink (APO)	Germany	☎ (+49) 30 200786-157 ✉ bve@bve-online.de 🌐 https://www.bve-online.de/english
Greece Enterprise Greece / Office of Economic and Commercial Affairs (TPO)	Greece	🌐 https://www.enterprisegreece.gov.gr/en/
Hungary Hungarian Export Promotion Agency (TPO)	Hungary	☎ (+36) 1 922 2600 ✉ info@hepa.hu 🌐 https://hepa.hu/en
Ireland Enterprise Ireland (TPO)	Ireland	🌐 https://www.enterprise-ireland.com/en/
Ireland BoardBia (APO)	Ireland	🌐 https://www.bordbia.ie/
Italy Italian Trade Agency (TPO)	Italy / Chile	☎ (+56) 223039330 ✉ santiago@ice.it ; agro.alimentari@ice.it 🌐 https://www.ice.it/en/
Lithuania Enterprise Lithuania (TPO)	Lithuania	🌐 https://www.verslii Lietuva.lt/en/
Malta Trade Malta (TPO)	Malta	🌐 https://www.trademalta.org/
Netherlands Netherlands Enterprise Agency (TPO)	Netherlands	🌐 https://english.rvo.nl/
Portugal Portuguese Trade & Investment Agency – AICEP (TPO)	Portugal	🌐 https://www.portugalglobal.pt/EN/Pages/Index.aspx
Slovenia Spirit Slovenia (TPO)	Slovenia	✉ sonja.demsar@spiritslovenia.si ; info@spiritslovenia.si 🌐 https://www.sloveniabusiness.eu/
Spain FIAB (APO)	Spain	☎ 34 91 411 72 11 ✉ internacionalizacion@fiab.es
Spain ICEX / Economic and commercial office of Spain in Indonesia (TPO)	Avenida Jorge Basadre, 405 - Lima	☎ (+51) 1 4421788/89/9 ✉ lima@comercio.mineco.es
Spain (Catalunya)		

EU MS	Address	Contact information
Catalonia Trade and Investment Office (TPO)		

8.4.2 Other service providers

Service provider	Address	Contact information
Services for EU MEMBER STATES		
Eurocamaras	Av. Republica de Panama 3591, San Isidro Peru	☎ +51 1 399 4790 ✉ info@eurocamaras.org.pe 🌐 https://eurocamaras.org.pe/
SERVICES FOR AUSTRIAN COMPANIES		
Advantage Austria in Peru and Chile	Isidora Goyenecha 2934, Las Condes, Santiago	☎ +56 2 2233 0557 ✉ santiago@advantageaustria.org 🌐 https://www.advantageaustria.org/
SERVICES FOR BELGIAN COMPANIES		
Peru-Belgo Chamber of Commerce	Rue Hobbema 75 Brussels 1000	☎ + 32 475 920 974 ✉ info@belgoperu.com 🌐 https://www.belgoperu.com/
SERVICES FOR BULGARIAN COMPANIES		
Bulgarian Chamber of commerce	Sofia 1058, 9 Iskar Street	☎ + 359 28117 400 ✉ bcci@bcci.bg 🌐 https://bccoli.net/
SERVICES FOR CROATIAN COMPANIES		
Croatian Chamber of Economy	Rooseveltovo trg 2, 10000 Zagreb, Croatia	✉ investicije@hgk.hr ; hgk@hgk.hr 🌐 www.investincroatia.hr
SERVICES FOR CZECH COMPANIES		
Czech Chamber of Commerce	Florentinum, Na Florenci 2116/15, Prague	☎ +420 266 721 300 ✉ office@komora.cz 🌐 https://www.komora.cz/en/
SERVICES FOR CYPRIOT COMPANIES		
Cyprus Chamber of Commerce and Industry	38, Grivas Dhigenis Ave. & 3, Deligiorgis Str., P.O.Box 21455, 1509 Nicosia	☎ +357 22889800 ✉ chamber@ccci.org.cy
SERVICES FOR DANISH COMPANIES		
Danish-Peru and Chile Business Council	Jacques Cazotte 5531 Vitacura, Santiago	☎ +56 2 2941 5100 ✉ sclamb@um.dk 🌐 https://chile.um.dk/
SERVICES FOR DUTCH COMPANIES		

Service provider	Address	Contact information
Netherlands Chamber of Commerce	De Ruijterkade 5 1013 Amsterdam	+31 088 585 2222 Contact through website https://www.kvk.nl/
SERVICES FOR ESTONIAN COMPANIES		
Estonian Chamber of Commerce & Industry	Toom-Kooli 17, 10130 Tallinn	+372 604 0060 koda@koda.ee
SERVICES FOR FINNISH COMPANIES		
Business Finland in Peru	Pasaje La Santa Maria 130 San Isidro, Lima	+ 51 1 680 2305 manuel.ramirez@businessfinland.fi https://www.businessfinland.fi/
SERVICES FOR FRENCH COMPANIES		
CCI France- Perou	Avenida Camino Real 479, Office 201, San Isidro, Lima	Contact through website https://www.cciopf.com/es.html
SERVICES FOR GERMAN COMPANIES		
German-Peru chamber of commerce	Av. Camino Real 348, Office 1503, San Isidro, Lima	+51 1 441 8616 Contact through website https://peru.ahk.de/
SERVICES FOR GREEK COMPANIES		
Greece International chamber of commerce	27, Kaningos street, 10682 Athens	+ 210 4179 065 Contact through website https://www.iccwbo.gr/
SERVICES FOR HUNGARIAN COMPANIES		
Hungarian chamber of commerce	Szabadsag ter 7, Budapest	+36 1 474 5100 mkik@mkik.hu https://mkik.hu/en
SERVICES FOR IRISH COMPANIES		
Irish Peruvian chamber of commerce	Case Miraflores, Lima	+51 996 818 440 Gestion@ipcc.pe https://www.ipcc.org.pe/
SERVICES FOR ITALIAN COMPANIES		
Italian Peruvian chamber of commerce	Baranco Lima 15047	+51 997 552 803 info@cciperu.it https://www.cciperu.it/
SERVICES FOR LATVIAN COMPANIES		
Latvian Chamber of commerce and industry	35 Krisjana Valdemara str., Riga, LV-1010, Latvia	+371 67225592 info@chamber.lv
SERVICES FOR LITHUANIAN COMPANIES		
Lithuanian Chamber of commerce and industry	Vašingtono sq. 1-63a, LT- 01108 Vilnius	+370 2613 102 info@chambers.lt https://chambers.lt/en/

Service provider	Address	Contact information
SERVICES FOR LUXEMBURG COMPANIES		
Chamber of commerce and tourism of Peru in Luxembourg	1B Rue des Romains, 8284 Kehlen, Luxembourg	+352 20 40 36 30 Contact through website http://ccperu.lu/
SERVICES FOR MALTESE COMPANIES		
The Malta Chamber of Commerce, Enterprise and Industry	64, Republic Street, Valletta, Malta	+ 356 2203 2000 https://www.maltachamber.org.mt/
SERVICES FOR POLISH COMPANIES		
Polish chamber of commerce	Palac Wolnosci 18, Poznan	+ 48 61 851 78 48 izba@pcc.org.pl http://www.pcc.org.pl/
SERVICES FOR PORTUGUESE COMPANIES		
Camara de Comercio	Rua Das Portas De Santo Antao 89	+ 351 213 224 050 geral@ccip.pt https://www.ccip.pt/
SERVICES FOR ROMANIAN COMPANIES		
Chamber of Commerce and Industry of Romania	Address: 2, Octavian Goga Blvd, sector 3, 030982 Bucharest	+40 21 3117534 narcis.pirnauc@ccir.ro www.ccir.ro
SERVICES FOR SLOVAK COMPANIES		
Slovak Chamber of Commerce & Industry	Gorkého 9, 81603 Bratislava, Slovakia	+421 2 54433272
SERVICES FOR SLOVENIAN COMPANIES		
Chamber of Commerce and Industry of Slovenia	Dimičeva 13, SI-1504 Ljubljana	+386 1 5898 000 info@gzs.si
SERVICES FOR SPANISH COMPANIES		
Camara	C/Ribera De Loira 12, 28042 Madrid	+34 91 590 69 00 Contact through website https://www.camara.es/en
SERVICES FOR SWEDISH COMPANIES		
Sweden Chamber of Commerce	Brunnsgatan 2, 111 38 Stockholm, Sweden	(+46) 8 555 100 00 https://www.chamber.se/

8.5 ANNEX II Database of professional buyers

The Database of professional buyers reflects the contact information as of July 2021

8.5.1 List of relevant buyers, importers, and distributors

Company name	Type	Area of interest	Contact information
Heirs Food	Import/Distribution	F&B	+51 987 52 78 91 Comercial@heirsfood.com https://heirsfood.com/
Origin Peru	Import/Distribution	F&B	+51 711 90 18 origin@originpartner.com.pe http://www.originpartner.com.pe/
Agricola Andrea Sac	Import/Distribution	F&B	+51 1314 6955 Contact through website http://www.agricolaandrea.com/
Cencosud	Import/Distribution	F&B	+51 01 6170 900 Contact through website https://www.tarjetacencosud.pe/
Tottus	Import/Distribution	F&B	+51 513 33 55 Contact through website https://www.tottus.com.pe/
Supermercados Peruanos	Import/Distribution	F&B	+51 1 618 8000 contacto@spsa.pe http://www.sostenibilidadspsa.pe/
Wong	Import/Distribution	F&B	+51 1 613 8888 Susana.coloma@cencosud.com.pe https://www.wong.pe/
Vivanda	Import/Distribution	F&B	+51 01 620 3000 Servicioalcliente@vivanda.pe https://www.vivanda.com.pe/
La Canastreaia	Import/Distribution	Italian products	+51 1 715 1530 ventas@lacanasteria.com https://www.lacanasteria.com/
Oechsle	Import/Distribution	F&B	+51 01 619 4801 Contact through website https://www.oechsle.pe/
Paddys Irish bar chain	Import/Distribution	Irish bar chain in Peru	+51 8422 5361 Contact through website http://www.paddysirishbarcusco.com/

Company name	Type	Area of interest	Contact information
Makro	Import/Distribution	F&B	✉ Contact through website 🌐 https://www.makro.com.pe/
Metro	Import/Distribution	F&B	☎ +51 1 613 8888 ✉ Contact through website 🌐 https://www.metro.pe/
Best Brands	Import/Distribution	F&B	☎ +51 637 7016 ✉ pedidos@bestbrands.pe 🌐 https://bestbrands.com.pe/
Iberica gold	Import/Distribution	F&B	☎ +51 999 456 627 ✉ Contact through website 🌐 https://www.ibericagold.com/
Gourmet177	Import/Distribution	F&B	☎ +51 01 409 7770 ✉ Ventasonline@gourmet177.net 🌐 https://www.gourmet177.com/
Inter Andina JGBL	Import	Various packaged F&B	☎ + 51 987 654 321 ✉ jmunoz@interandina.com.pe 🌐 https://interandina.com.pe/
Food for Life	Import	Various F&B inc beer	☎ + 51 917 925 215 ✉ gerenciacomercial@foodforlife.pe 🌐 www.foodforlife.pe
Danilza	Import/Distribution	Various packaged F&B	☎ +51 (1) 278 1619 ✉ daniel.zorrilla@danilza.com.pe 🌐 https://danilza.com.pe/
Oregon foods	Import/Distribution	Various gourmet F&B inc meat	☎ +51 (1) 615 6610 ✉ acastillo@oregonfoodscorp.com 🌐 www.oregonfoodscorp.com
Mistrosanti	Import/Distribution	F&B	☎ +51 98 1445 113 ✉ rnunez@mistrosanti.com 🌐 https://www.mistrosanti.com/
Rasovia	Import/Distribution	F&B	✉ info@rasovaiimport.com 🌐 https://rasovaiimport.com/
Elite food Peru	Import/Distribution	F&B	☎ +51 1 999 884 656 ✉ Ventas@elitefoodperu.com 🌐 http://www.elitefoodperu.com/
Cosavalo	Import/Distribution	F&B	☎ +51 983 465 250 ✉ Administracion@cosavalo.com 🌐 https://cosaval.com/
S&M Foods	Import/Distribution	F&B	☎ +51 958 972 145 ✉ asantiago@smfoods.com.pe

Company name	Type	Area of interest	Contact information
			https://smfoods.com.pe/contact-us/
Rapid foods	Import/Distribution	F&B	✉ Contact through website https://rapidfoodla.com/
Plaza vea	Import/Distribution	F&B	☎ +51 1 625 8000 ✉ Contact through website https://www.plazavea.com.pe/
Picky foods	Import/Distribution	F&B	☎ +51 16555 381 ✉ info@pickyfoods.com https://www.pickyfoods.com/
Trans eagle Peru	Import/Distribution	F&B	☎ +51 1 952 321 334 ✉ jrivera@transeagleperu.com http://transeagleperu.com/
Agromar Industrial	Import/Distribution	F&B	☎ +51 1 4410647 ✉ Agromar@agromarindustrial.com.pe https://www.agromarindustrial.com.pe/
Le Cerveteca	Import/Distribution	Beer	☎ +51 992 957 345 ✉ Contact through website lacerveteca.mitienda.pe
Panuts	Import/Distribution	Alcoholic beverages	✉ ventas@panuts.com https://panuts.com/
Cervesia	Import/Distribution	Beer	✉ ventaonline@cervesia.pe https://cervesia.pe/
Cien X Ciento Sur	Import/Distribution	Alcoholic beverages	✉ ventas@cienxcientosur.com https://cienxcientosur.com/
Yichang	Import/Distribution	Various F&B	☎ +51 1 6112868 ✉ Contact through website https://www.yichang.com.pe

9 European products registered as GIs under the Peru and Colombia Trade agreement

9.1 EU agricultural products and foodstuffs (33)

Trademark Name	Product Category
CZECHIA	
Českobudějovické pivo (<i>but <u>only</u> protected in Colombia; <u>not</u> in Peru</i>)	Beer
DENMARK	
Danablu	Cheese
FRANCE	
Brie de Meaux	Cheese
Camembert de Normandie	Cheese
Canard à foie gras du Sud-Ouest	Processed meat (Duck fatty liver)
Comté	Cheese
Emmental de Savoie	Cheese
Huile d'olive de Haute-Provence	Olive oil
Huile essentielle de lavande de Haute-Provence	Oil (Lavender essential oil)
Huîtres de Marennes-Oléron	Fresh fish, molluscs, and crustaceans (Oyster)
Jambon de Bayonne	Processed meat (Ham)
Pruneaux d'Agen / Pruneaux d'Agen mi-cuits	Processed F&V (Dried cooked plums)
Reblochon	Cheese
Roquefort	Cheese
GERMANY	
Bayerisches Bier	Beer
Münchener Bier	Beer
GREECE	
Ελιά Καλαμάτας (Elia Kalamatas)	Olives
Φέτα (Feta)	Cheese
Μαστίχα Χίου (Masticha Chiou)	Gum
ITALY	
Aceto balsamico Tradizionale di Modena	Other products – Sauce
Gorgonzola	Cheese
Grana Padano	Cheese
Mortadella Bologna	Processed meat
Prosciutto di Parma	Processed meat (Ham)
Prosciutto di San Daniele	Processed meat (Ham)
Prosciutto Toscano	Processed meat (Ham)
Provolone Valpadana	Cheese
Parmigiano Reggiano	Cheese
Taleggio	Cheese

Trademark Name	Product Category
Zampone Modena	Processed meat
PORTUGAL	
Queijo de São Jorge	Cheese
SPAIN	
Idiazábal	Cheese
Priego de Córdoba	Olive oil

Source: Annex XIII of the EU-Colombia and Peru Trade Agreement.

9.2 EU wines and spirits (82)

Trademark Name	Product Category
AUSTRIA	
Inländerrum	Spirits
Jägertee / Jagertee / Jagatee	Spirits
CYPRUS	
Κουμανδάρια (Commandaria)	Wines
Ζιβανία / Τζιβανία / Ζιβάνα / Zivania	Spirits
FINLAND	
Finnish berry liqueur / Finnish fruit liqueur	Spirits
Vodka of Finland	Spirits
FRANCE	
Alsace	Wines
Anjou	Wines
Armagnac	Spirits
Beaujolais	Wines
Bordeaux	Wines
Bourgogne	Wines
Cadillac	Wines
Calvados	Spirits
Chablis	Wines
Champagne	Wines
Châteauneuf-du-Pape	Wines
Cognac	Spirits
Côtes de Provence	Wines
Côtes du Rhône	Wines
Côtes du Roussillon	Wines
Fronton	Wines
Graves (Graves de Vayres)	Wines
Haut-Médoc	Wines
Languedoc (Coteaux du Languedoc)	Wines

Trademark Name	Product Category
Rhum de la Martinique	Spirits
Margaux	Wines
Maury	Wines
Médoc	Wines
Moselle	Wines
Pommard	Wines
Romanée Saint-Vivant	Wines
Saint-Emilion	Wines
Saint-Julien	Wines
Sauternes	Wines
Touraine	Wines
Val de Loire	Wines
GERMANY	
Korn/Kornbrand	Spirits
GREECE	
Oύζο (Ouzo)* <i>Product of CYPRUS/GREECE*</i>	Spirits
HUNGARY	
Tokaj	Wines
IRELAND	
Irish Cream	Spirits
Irish whiskey / Uisce Beatha Éireannach / Irish whisky	Spirits
ITALY	
Asti	Wines
Bardolino (Superiore)	Wines
Brunello di Montalcino	Wines
Chianti	Wines
Conegliano - Valdobbiadene - Prosecco	Wines
Franciacorta	Wines
Grappa	Spirits
Lambrusco di Sorbara	Wines
Lambrusco Grasparossa di Castelvetro	Wines
Montepulciano d'Abruzzo	Wines
Soave	Wines
Toscano/a	Wines
Vernaccia di San Gimignano	Wines
Vino nobile di Montepulciano	Wines
LITHUANIA	
Originali lietuviška degtinė / Original Lithuanian vodka	Spirits
POLAND	

Trademark Name	Product Category
Polska Wódka / Polish Vodka	Spirits
PORTUGAL	
Douro	Wines
Porto, Port or Oporto	Wines
Vinho Verde	Wines
SLOVAKIA	
Vinohradnícka oblasť Tokaj	Wines
SPAIN	
Alicante	Wines
Brandy de Jerez	Spirits
Cataluña	Wines
Cava	Wines
Empordà	Wines
Jerez – Xérès – Sherry	Wines
La Mancha	Wines
Málaga	Wines
Navarra	Wines
Priorat	Wines
Rías Baixas	Wines
Ribera del Duero	Wines
Rioja	Wines
Rueda	Wines
Somontano	Wines
Utiel-Requena	Wines
Valdepeñas	Wines
Valencia	Wines
SWEDEN	
Svensk Vodka / Swedish Vodka	Spirits

Source: Annex XIII of the EU-Colombia and Peru Trade Agreement.

