The National Strategic Export Plan

A COUNTRY PAPER
CONTRIBUTED BY
THE PERUVIAN STRATEGY TEAM
In a context of increasing economic overall, the exporting sector plays an important role as a trigger for the growth of nations. Hence, the Ministry of Foreign Trade and Tourism (MINCETUR), along with public and private entities representatives involved in foreign trade, have furnished for the first time The National Strategic Exports Plan (PENX).

Under the coordination of MINCETUR, the (PENX) began to be elaborated, and in November of 2002, the Permanent Mixed Multi-sectoral Commission of the PENX was established. Representatives from the following public and private institutions compound make up the commission:

- Prime Minister Counselor
- Ministry of Foreign Affairs
- Ministry of Economy and Finances
- Ministry of Production
- Ministry of Transports and Communication
- National Court of Competitiveness
- Peru’s Export Promotion Commission (PROMPEX)
- Association of Exporters (ADEX)
- Society of Foreign Trade (COMEX)
- Chamber of Commerce of Lima (CCL)
- National Society of Industries (SNI)

On March of 2003 the PENX was finally published, aimed to provide a basic plan for the development of the exporting sector. This would serve as a tool to contribute to the process of becoming an export-oriented country, and thus, compete in the offer of merchandise and services with increased value.

Currently, the Second Phase of the PENX is in progress. This includes the development of the Master Plan for the Facilitation of Foreign Trade, Operational and Sectoral Plans of Exportation (POS), (Agricultural - Agro-industry, Textile and Apparel, Forestry for the Wood Industry, Jewelry, the Craft Sector and Hand Made Products, Fishery-Aquaculture and Intensive Services in Human Capital), as well as Export Product Profiles (PP).

It is important to stress that the information set out in the Operational and Sectoral Plan of Exportation (POS) make the institutions responsible for each one of the adopted measures. Such institutions should decide the scope of their functions in accordance with these ones. Since its launching, on March 31 of 2003, the following actions have been prioritized out of a total of 20 measures dealing with Trade Facilitation:

- A Tariff Reduction to Capital Assets from 7% to 4%.
- Creation of the Program of Integral Financing for the Exporting Sector.
- Credit Insurance to the Exporter.
- Creation of the Regime of the good Contributor in Operations of Temporal Import.
- Qualification Lectures in coordination with Sunat – Customs.
- Qualification of the SWAP as exportation.

MASTER PLAN FOR FOREIGN TRADE FACILITATION (MPFTF)

The MPFTF corresponds to the PENX’s third objective, which states “to have a legal framework that allows the application of efficient mechanisms to simplify foreign trade, fosters infrastructure development, and enable access and provision of physical distribution and financial services at better quality and price conditions.”

In that light, the Plan seeks to increase foreign trade competitiveness by portraying several prioritized specific actions to be undertaken by relevant entities of the public and private sectors.
The Plan’s execution will be in charge of the public and private institutions members of the Permanent Mixed Multi-sector Commission of the PENX, in addition to other institutions related with foreign trade. The Plan has been organized in 6 thematic areas to be performed. These are: macroeconomics and tax policy, financing, customs operatively, road, air and maritime transport infrastructure and services.

Guidelines of policy and specific activities of cross-sectional character are considered for each one of the subjects mentioned above. The Master Plan for Foreign Trade Facilitation, contains 6 general strategies, 17 specific policies, 41 objectives and 152 tasks, which need to be implemented by 23 public sector entities, including the Regional Governments and 15 institutions from the private sector linked to foreign trade.

The general strategies are:

- To achieve business competitiveness by macroeconomic stability.
- To develop an integral system of specialized financial services, mainly focused on small and medium-size export companies.
- To develop a leader customs administration in control and trade facilitation matters and also enhance the logistic competitiveness.
- To development the airport by placing the AIJCH in a HUB, based on a transparent market with active participation of the trade community, the private sector and the public authorities.
- To enhance the port services performance and maritime transport competitiveness by decentralizing and modernizing the port infrastructure, gaining transparency in the service market.
- To strengthen and organize the road transport system by enlarging the road network based on multi-modal articulation criteria, and ensuring an optimum maintenance, as well as, encouraging formality, transparency and market institutionalism.

THE AGRICULTURE AND AGRO-INDUSTRY OPERATIVE EXPORT PLAN

The Agricultural Operative Export Plan outlines the accomplishment of a joint, articulated and consistent work in order to carry out an ambitious strategy that accelerates the process of turning the country into a big player in large scale agricultural farming commerce.

The final mission of this Plan is to enhance the competitiveness of the companies and to harness the productive chains of the sector through the growth of its exports, over the growth of its imports. The commitment of a joint and articulated work between the public and private sector is crucial to attain success.

The Agricultural Operative Export Plan includes three Policies, three strategic targets, 11 specific objectives and 62 tasks which need to be implemented by 21 actors of the public sector, including the Regional Government and, 8 agents of the private sector linked to foreign trade.

In order to establish the competitiveness of this sector, three central strategies were devised:

a) Development emergent markets and strengthening dominant markets.
b) To increase the exportable supply by reducing the main sectoral deficiencies.
c) Promotion of the sector competitiveness by strengthening the enterprise’s capacities and leadership in the different steps.

Among the main tasks to be accomplished this year we have the following:

- To extend and fortify the external network of commercial offices.
- To prioritize the elaboration of a business agenda for national exporters and customers in Peru and abroad.
To evaluate the impact of each agenda of business, fairs, object of the sale of the countries that participate.

To spread the comparative advantages of the sector abroad.

To establish groups of agreement between the different agents who conform the productive chains.

To investigate thoroughly in order to know the climatic variability of the country, and thus create prognoses of the anomalies and the creation of the micro special climates in certain zones.

To program qualification in foreign trade.

Concrete Measures

1. A continuous support from the Government to the Sanitary and phytosanitary conditions directed to the land export.
2. Reinforcement of the quarantine programs in the borders
3. Strengthening of the actions to have access to new markets for vegetables products

THE TEXTILE AND APPAREL OPERATIVE EXPORT PLAN

The textile and apparel operative export plan, outlines the accomplishment of a joint, articulated and consistent work, in order to increase the already gained competitiveness of Peru in textiles and apparels commerce.

Moreover, it seeks to fortify the sectoral competitiveness management to involve and to jeopardize indirectly to all the tie excellent actors institutional direct and to the sector. The final mission of this Plan is to increase to the competitiveness of the companies and productive chains of the sector through the growth of its exports, over the growth of its imports.

The textile and apparel operative export plan comprises three policies, seven strategic targets, 17 specific objectives and 46 tasks which need to be implemented by 15 actors of the public sector, including the Regional Government and, 9 agents of the private sector linked to foreign trade.

Such Policies develop three essential factors to increase the sector competitiveness:

a) Penetration in the destiny markets
b) Development of the capacity of enterprise management
c) Development of the exportable offer

Between the main tasks to implement itself in the medium-term

Concrete Measures

1. To promote joint ventures between national and foreign companies.
2. To carry out programs of genetic improvement of the cotton fiber, alpaca and vicuna
3. To consolidate “Peru Moda” like the internal event that causes the arrival of originating commercial missions of potential exporting markets
4. To diversify the offer towards not exploited markets (e.g. United States: Coast the North West and Center)

THE FISHERY AND AQUACULTURE OPERATIVE EXPORT PLAN

The final objective of this Plan is to increase the competitiveness of the companies and the sector’s productive chains through the growth of its exports, over the growth of its imports.

The Fishery and Aquaculture Operative Export Plan includes three strategic Policies, 15 objectives and 69 tasks to be implemented by 25 actors of the public sector, including the Regional Government and, 5 agents of the private sector.
The Policies are based on three essential factors - to increase the competitiveness of the sector:

a) Ordering of the sector, fighting the unmanliness, illegal fishing, promoting stability and transparency in the market rules, as well as fortifying the sectoral scientific institutionalism.

b) Increase, diversify and add value to the exportable offer, under long-term sustainability, assuring the sanitary quality and safety of products, as well as the optimal administration of resources.

c) Development and penetration of markets by an aggressive commercial intelligence plan.

Institutional Consolidation

Among the main tasks to be implemented in the medium-term we have:

1. To transform the Permanent Commission of Fishing into a National Court of Competitivity of the Fishing Sector, with authority to formulate short, medium and long-term plans.

Strengthening of the human capacities, associatively and sectoral participation

2. To create a benchmarking system taking as reference successful countries in the advantage and fishing commerce, to capacitate the business men.

Promotion of the investment in aquaculture

3. To promote joint ventures between national and foreign companies

FORESTRY FOR THE WOOD INDUSTRY OPERATIVE EXPORT PLAN

The final mission of this plan is to increase the competitiveness of the companies and productive chains of the sector to obtain the growth of its exportations.

The Forestry for the wood industry operative export plan, includes four actions of Policies, four strategic targets, 16 specific objectives and 81 tasks to be implemented by 29 actors of the public sector, including the Regional Government and 12 private agents linked to foreign trade.

In order to obtain the competitive of this sector, four central strategies were devised:

a) Investments promotion

b) Increase the exportable offer reducing the main deficiencies of the sector

c) Promotion of the enterprise capacities and clusters between concessionaires, industrialists, designers and exporters.

d) Development of the emergent markets and strengthening dominant markets.

The main tasks to be implemented in the medium-term are:

1. To implement the Forest Strategic Information Center (CIEF) of the INRENA

2. To promote clusters of all the actors of the forest sector

3. To design a prize to the enterprise competitiveness in each one of the links of the productive chain

4. To systematize information taking as it already bases made studies at all level (academic, enterprise, independent, etc.)

THE OPERATIVE EXPORT PLAN FOR THE JEWELLERY SECTOR

The Plan's ultimate goal is to increase the competitiveness and added value of Peruvian jewellery in the international market, by integrating the sector's productive chain and exporting products with our own brand in agreement with international standards in design and quality.
The Operative Export Plan for the Jewellery Sector includes three policies of action, six strategic targets, 10 specific objectives and 36 tasks to be implemented by 15 players in the public sector, including the Regional Governments, and the 9 agents of the private sector involved to this exporting and productive segment.

The Policies consider three essential factors to increase the competitiveness of the sector:

a) Create an effective supply of gold and silver
b) Develop the capacity of design’s creation and innovation in accordance with international demand
c) Strengthen the vertical integration of the sector

In the medium-term the following main tasks are to be implemented:

1. To stimulate the sale of gold through the Product Stock Market of Lima (BPL), favouring the mining companies that trade their products on it (with tax and/or tariff facilities).
2. To create a brand for Peruvian jewellery which would reflect the quality of the exported product (For example “Peru Gold”, “Peru Silver”, etc)
3. To support the certification of companies that produces jewellery and strictly fulfils the Good Practices in Manufactory Manual (MBP) and the Peruvian Technical Norms (NTP).
4. To define areas and/or regions for the creation of CITES (Centres of Technological Innovation), prioritising zones, which concentrate the greatest artisan production.

THE OPERATIVE EXPORT PLAN FOR THE CRAFT SECTOR AND HAND MADE PRODUCTS

The Craft Sector is considered a suitable economic activity to face poverty, mainly in the countryside where the artisan production is associated to household budgets. At the same time, the Plan looks forward to fortify the competitiveness of the sector involving all the relevant institutional players direct or indirectly related to it. The Plan’s ultimate goal is to improve the artisan’s production and the “handmade model” by optimizing its productivity and promoting its exporting growth.

The Operative Export Plan for the Craft Sector and Hand Made Products includes three policies of action, seven strategic targets, 21 specific objectives and 61 tasks to be implemented by 11 players of the public sector, including the Regional Governments, and the 11 agents of the private sector involved to this exporting and productive segment.

The Policies consider three essential factors to increase the competitiveness of the sector:

a) Formalization of the handcraver artisan’s companies
b) Development of the competitiveness of the sector
c) Promotion of the handicraft’s exports

In the medium-term the following main tasks are going to be implemented:

1. To set up a working group related to the PENX’s Permanent Multi sector Commission for the creation of an institution responsible for the promotion and development of Peruvian crafts.
2. To receive the help of private organisations in finding the successful “hand made products” businesses.
3. To develop Training Programs in design through customised factories and work shops (according to products lines).
4. To create a brand for Peruvian crafts which would reflect the quality of the traded and exported product (For example “Peru Crafts).
5. To fortify the presence of hand made products in domestic and international fairs.