

India-Peru Relations

Political

India established diplomatic relations with Peru in March 1963. India-Peru relations have traditionally been cordial and friendly. Since the 1990s, there has been an increasing economic and business content to the relationship. On the Peruvian side, an enhanced interest in the Asian region due to APEC membership, coupled with India's image as a technologically advanced democratic developing country, as well as increased bilateral trade in recent years, has enhanced India's importance. Peru is also a member of NAM and G-77. India and Peru cooperate closely on multilateral matters.

Recent VIP / VVIP visits from India to Peru: President Shri K. R. Narayanan (1998); EAM Shri Yashwant Sinha (2003); MoS Defence Rao Inderjit Singh (2006); MoS External Affairs Dr. Shashi Tharoor (2010); Minister for Housing, Urban Poverty Alleviation & Tourism Kumari Selja (2010); MoS (C&I) Shri Jyotiraditya Scindia (2010); Vice President Shri M. Hamid Ansari (2013); MoS for Railways Shri Adhir Ranjan Chowdhury (2014)

Recent VIP / VVIP visits from Peru to India: President Alan Garcia (1987) - Chief Guest for Republic Day; President Alberto Fujimori (1997); Minister for Foreign Affairs and Tourism Mr. Alfredo Ferrero (2006); Vice Minister for Defence Mr. Rafael Aita Campodonico (2009) to attend "Aero India 2009"; Minister for Trade and Tourism Mr. Eduardo Ferreyros (2011); Vice Minister of Environment Mr. Hugo Cabiese (2011); Vice Minister of Foreign Affairs Ambassador Jose Beraun Aranibar (2012).

Parliamentary contacts: In January 2003, two Vice-Speakers from the Peruvian Congress visited India to participate in the celebrations for the 50th anniversary of the Indian Parliament. On 30 April, 2003, the Peruvian Congress reactivated the Peru-India Parliamentary Friendship League. In the current Congress, a 17-member Peru-India Parliamentary Friendship League was inaugurated on 13th December 2011. In December 2007, the India-Peru Parliamentary Friendship Group was formed in the Indian Parliament. In April 2013, for the first time, an eight-member Peruvian parliamentary delegation led by Ms. Lourdes Alcorta Suero, Congresswoman and the President of the Peru-India Parliamentary Friendship League, paid an official visit to India. Four Indian Members of Parliament accompanied Vice President Ansari on his official visit to Peru in October 2013.

Agreements: Many bilateral agreements have been signed by the two sides over the years, covering a wide range of cooperation areas. Some of the more recent ones include a Defence Cooperation Agreement, Establishment of a Joint Commission, Educational Exchange Programme and an MoU on Cooperation in Geology and Mineral Resources. A number of other agreements such as Bilateral Investment Protection and Promotion Agreement, Customs Cooperation Agreement, Mutual Legal Assistance in Criminal Matters, Air Services Agreement, Agreement for the Exchange of Information and Assistance in Collection with respect of Taxes, and MoUs on Renewable Energy, and Health, are being negotiated. In the light of complementarities of bilateral trade between India and Peru, the Government of India offered to Peru in October 2012 that negotiations for a Free Trade Agreement (FTA) could be started. In July 2013, Peru agreed to the proposal. During the visit of Vice President to Peru, both sides agreed to work towards starting negotiations in the near future.

Institutional Mechanisms: The 4th India-Peru Foreign Office Consultations were held in New Delhi on 13th July 2012 after a gap of seven years. Two MoUs on Co-

operation in the Field of Geology and Mineral Resources and for the Establishment of a Centre of Excellence for Information Technology (CEIT) in Lima were signed.

The first meeting of the newly established Inter-governmental Joint Commission, chaired jointly by the Foreign Ministers of both countries, is planned to be held in 2015.

Assistance to Peru: India offers to Peru regular training courses under its ITEC programme. Peru is fully utilizing the ITEC slots allotted to it. Considering the interest evinced by the Peruvian side, India increased the slots from 30 to 40 for the year 2013-14. Peruvian diplomats have also been attending the PCFD courses at the Foreign Service Institute. For the first time, Peru sent an officer (naval) to attend the 53rd NDC Course in New Delhi in 2013.

India gave an amount of US\$ 500,000 to the Government of Peru as disaster relief assistance in the wake of a severe earthquake which took place on 15 August 2007.

Commercial Trade

Trade between India and Peru since 2012 has crossed the US\$ 1 billion mark. According to Indian statistics, during 2013-14, the total trade was US \$ 1107 million, a slight decline from 2012-13.

Indo-Peruvian Trade (US \$ Million)

	2010-11	2011-12	Growth	2012-13	Growth	2013-14	Growth
Exports from India	417.60	564.29	35.13%	637.82	13.03%	567.17	(-) 11.07%
Imports from India	187.36	470.16	150.94%	530.46	12.83%	540.06	1.81%
Total Trade	604.96	1034.45	70.99%	1168.28	12.94%	1107.23	(-) 5.22%

Source: DGCI&S, Department of Commerce, Government of India

However, according to Peru Customs statistics, trade between India and Peru during the calendar year 2013 (January-December) was US \$ 1.265 billion - exports from India to Peru were US \$ 678.94 million and imports by India from Peru were US \$ 586.25 million. During the first four months of the present calendar year 2014 (Jan – April), the total trade was US \$ 338.55 (exports from India to Peru valued at US \$ 251.80 and imports by India from Peru valued at US \$ 86.75 million). However, trade can be expected to pick up further during remaining eight months of 2014.

India's main exports to Peru are automobiles, motorcycles and three-wheelers, iron and steel products, polyester and cotton yarns, pharmaceuticals, tyres, pipes, etc. Main Indian imports from Peru are gold, silver, copper minerals, phosphates of calcium, zinc and lead minerals, fish flour, synthetic filaments etc.

Investments

Five Indian companies have currently invested in the mining sector in Peru. It is estimated that their present investment is to the tune of US \$ 30 million. This will

continue to grow every year as the mines reach more advanced stages. Many more mining companies are in the process of scouting/finalizing the acquisition of mining assets. In addition, IFFCO has a major stake in a large phosphate mining operation in northern Peru. Similarly, Zuari Agro, partnering with Mitsubishi, has a 30% stake in a large rock phosphate reserve in the same area. Zuari's investment share in the development of this project will be about US \$ 36 million. Tata Consultancy Services, Aegis, Wipro and Mahindra Satyam have opened their offices in Peru. Reliance too has a representation. All the major Indian pharmaceutical companies have their representative offices or local subsidiaries here.

AJE Peru has opened a subsidiary in Maharashtra, AJE India Pvt. Ltd. manufacturing soft beverages. The operations started in December 2010. They have invested US \$ 15 million so far and plan to increase this in the future. Another Peruvian investment has been made by Bembos, a fast food chain, with an outlet in Mumbai. A major Peruvian company, Resemen S.A.C., which specializes in mining machinery, has opened a subsidiary in New Delhi by the name of Reliant Drilling Ltd., following a major contract it has won from Hindustan Zinc Ltd.

Cultural

A Cultural Agreement was signed in 1987 but there have been very few exchanges. ICCR sponsored the visit of renowned Odissi dancer Masako Ono to Peru in April 2012. The 50th anniversary of the establishment of diplomatic relations between India and Peru was celebrated on 25 March 2013. During the ceremony, a special postal stamp depicting Taj Mahal and Machu Picchu was issued. An Exhibition of Documents and Photographs covering 50 years of establishment of diplomatic relations was also opened on the occasion. On 21 June, a Conference on Scientific and Technological Developments in India was organized by the Commission of Science, Innovation and Technology of the Peruvian Congress as part of events marking the 50th anniversary of establishment of bilateral relations. A Mini Festival of India was inaugurated by Vice President on 26 October 2013. In the Festival, Nrityarupa dance was presented by Sangeet Natak Akademi and a Film Festival and a Literary Programme were organised by the Directorate of Film Festivals and the Sahitya Akademi respectively.

Indian Community

The Indian community in Peru is quite small, numbering around 400, mainly engaged in business and trade. More Indian professionals are coming to Peru with the entry of more Indian companies. In addition, there are some Indian nationals with the Missionaries of Charity and other Christian organizations in Lima, Chimbote and Puno.

Useful Resources

For more information and latest updates please visit

Embassy of India, Lima website:

<http://www.indembassy.org.pe/>

Embassy of India, Lima Facebook page:

<https://www.facebook.com/indembassy.peru?ref=hl>

India Global- AIR FM Gold Program featuring India and Peru Relations:

<http://www.youtube.com/watch?v=Poms2g4ROOc>

July 2014