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REGAINING STRENGTH ON THE GLOBAL STAGE



While the road might have been bumpy at times, Peru is committed to achieving economic progress through market openness and free trade.

For more than a decade, Peru distinguished itself as one of the fastest-growing economies in Latin America as it boasted an average annual gross domestic product growth of 6.1 percent from 2002 to 2013. However, from 2014 to 2017, its GDP growth slowed to an average of 3 percent, mainly because of a slump in global commodity prices, particularly copper, which is Peru's leading export commodity.

Realizing it had to reduce the country's dependency on the mining industry, historically the main pillar of the economy, the Peruvian government sought investments into other key industries, such as manufacturing, energy, tourism, nontraditional agro-exports and textiles. Such products have started gaining a larger foothold in Japan.

In 2018, Peru's economy showed signs of renewed strength with GDP growing 4 percent as investor confidence grew following the passing of a new fiscal and tax framework aimed at improving the business environment.

To complement efforts to revive the economy, Foreign Trade and Tourism Minister Edgar Manuel Vasquez is promoting Peru's products, as well as its cultural and tourist attractions around the world.

Given its long, shared history, Peru has put more focus on Japan, with which Vasquez hopes to form closer partnerships and generate new business.

"We will always receive Japanese people with open arms. From our perspective, our relations are very positive. We have a very good relationship and good momentum. I want to send an important message that Peru is a land of opportunities," Vasquez said.

Meanwhile, Ambassador and former foreign minister Nestor Popolizio remains convinced that Peru will benefit from its membership in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

"It is an excellent signal to the world that these 11 countries are strengthening free trade, opening their markets and supporting this

multilateral organization for trade," Popolizio said.

Aside from its traditional industries, Peru's agro-export industry has also grown significantly ever since the government opened the industry to international players in the early 1990s. At the start, local farmers had difficulty reaching overseas markets. Today, such birth pains are long gone, as producers and exporters formed into groups and cooperatives to better connect with foreign customers and negotiate better terms of trade, while driving down costs and prices.

"Our organization is committed to ensure that our members are getting the best terms of trade for their world-class products and further improve our produce and procedures for the world stage. We did it when we first exported satsumas to Japan this year and we will do the same for other types of citrus fruits that Peruvian producers and exporters proudly offer," ProCitrus General Manager Sergio del Castillo said.

"One of our main goals is to continue supporting both the Japanese and Peruvian economies even in times of difficulty. What is important is that we remain steadfast in our efforts and find a way to make things work," said Kazuhiko Yamanaka, president of Santa Luisa Mining, a subsidiary of Mitsui Kinzoku.

The Japanese Peruvian Chamber of Commerce and Industry (CCIJ) maintains the same optimism. "There are many areas for further collaboration. Currently, the strongest areas are in mining, motor vehicles, heavy machinery and food and agriculture. But in the future, we can collaborate in advanced technologies in many areas such as fintech and start-ups," CCIJ President Makoto Nakamura said.

During a visit to Peru, Japan International Cooperation Agency (JICA) Executive Vice President Kazuhiko Koshikawa announced plans to introduce and match Japanese SMEs to potential partners in Peru: "These companies have the technology, products and know-how that could potentially disappear if they stay in Japan. Likewise, Peruvian companies could acquire Japanese technologies in order to diversify development. So, Japanese companies would expand internationally and Peruvian organizations would benefit from Japanese technologies to improve their productivity,"

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Peruvian Foreign Trade and Tourism Minister Edgar Manuel Vasquez



Ambassador and former foreign minister Nestor Popolizio



Japanese Peruvian Chamber of Commerce and Industry President Makoto Nakamura

THE KOMATSU WAY IN LATIN AMERICA



KMMP CEO Takaaki Kitabayashi

Recognizing long-term prospects in Peru, two Japanese global giants — Komatsu Ltd. and Mitsui & Co. Ltd. — formed a partnership to offer heavy machinery and services to the mining and construction industries in the country.

Overseen by its headquarters in neighboring Chile, Komatsu Mitsui Maquinarias Peru (KMMP) boasts 2,000 employees, has 14 offices and provides technical support to 12 mining operations in the country.

KMMP CEO Takaaki Kitabayashi attributes the company's strong performance in the country to its exercise of the Japanese work ethic and its efforts to preserve the local environment. It also confirmed its

intention to investing more in the country by setting up production facilities in Ica and Huancayo, which will subsequently increase productivity.

"Our plans are on-track. We have to look for more opportunities in this process, which will be through application of data processing and artificial intelligence," he said.

Kitabayashi believes KMMP will experience continued success in the country because of its policy of giving back to the host country and contributing to its economic development.

"We are proud that we are contributing to the Peruvian economy by showing that we care about safety of the environment and its social institutions," he said.

In line with that policy, KMMP's corporate social responsibility programs in Peru are mostly focused on education and social justice.

Apart from providing technical training to prospective employees, the company also supports local communities by trading with them and providing skills and management training. ■ www.kmmp.com.pe



TOYOTA DEL PERU: 27 YEARS ON TOP

Toyota has been in Peru for 52 years and has become the preferred car brand in the country. Over the last 27 years, despite the entry of other multinational automotive brands, it has maintained its dominance in the country by providing high performance gasoline-powered models.

But recently, Toyota revised its strategy by introducing the hybrid versions of its most popular models, like the RAV4 and the Corolla hatchback.

Toyota del Peru President and CEO Toshiro Hayashi is determined to further strengthen its market position through better customer care and aftersales service.

"Toyota's success is anchored on after-sales services. The trust of our customers in our products and services differentiates us from the competition. These days, it is no longer just about the product, which is why we provide a nationwide dealer network to support our customers with the after-sales services," Hayashi said.

With the company's success in Peru, Hayashi believes Toyota also

contributes to strengthening relations between Japan and Peru. The company also supports the activities of the Asociacion Peruano-Japonesa, according to the philosophy of giving back to the society of their operations.

To complement that objective and Toyota's global commitment to sports, the Japanese subsidiary sponsored the Pan American Games held in the capital Lima this year.

"Our new slogan, 'Start Your Impossible,' is right in line with our commitment to go beyond just sales of products and really show support to our national athletes," he said.

Looking to the future, Hayashi is confident that Toyota del Peru will continue to be first-choice among Peruvians as the company remains committed to supplying suitable vehicles to the market and customer care. ■

→ www.toyotaperu.com.pe



Toyota del Peru President and CEO Toshiro Hayashi



Inca Tops is making another kind of statement through its program to revive the black alpaca as a source for its yarns.

INCA TOPS: COMMITTED TO SUSTAINABLE FASHION

Already renowned around the world for its rich tradition, Peru's textile industry is experiencing a renaissance as a cultural icon and as a sustainable, fashionable material. Inca Tops, which has been in business for more than 50 years, is making a name around the world for its high quality industrial and knitting yarn.

To achieve long-term growth, CEO Roberto Fioretto wants to focus the company's efforts on sustainability and traceability, while improving operations and modernizing in-house technology.

"We are focused on buying directly from producers. We want to obtain what the final consumer wants to know, which is where the product comes from," he said.

Inca Tops is spearheading innovation with the revival of the black alpaca through its Yanapaco program. The project aims to breed pure black alpacas, which have become rare because of a high demand for pure white

wool. Today, the Pacamarca farm has the world's largest black alpaca population and provides 100 percent natural and undyed black yarns.

Across the Pacific, alpaca wool is growing more popular in Japan, where Inca Tops has had business ties over the last 35 years. Having caught the interest of innovative Japanese designers, Inca Tops, together with AMAX, unveiled its Fall-Winter 2019-20 collection and Hand Knitting 2019-20 collection in Tokyo, Japan.

"Every year, we go to Japan with new products, colors and textures. Ever since the beginning, the Japanese market has valued sustainability and traceability, which is now the only way to move forward in this world," said Fioretto. ■

→ www.incatops.com



PERUVIAN-JAPANESE ASSOCIATION: 120 YEARS OF FRIENDSHIP

Established in 1917, the Asociacion Peruano-Japonesa (APJ) or Peruvian-Japanese Association promotes cultural and educational exchanges between Peru and Japan, which have a shared history that goes back to the arrival of the first Japanese immigrants in the late 1890s.

Headed by President Abel Fukumoto, APJ continues to strengthen this relationship through activities, such as festivals, exhibitions, workshops, publications, concerts and other cultural events, held in the capital Lima.

This year, APJ celebrated the 120th anniversary of the arrival of the first Japanese immigrants to Peru, whose highlight was a visit to the country by Japan's Princess Mako in July.

"Beyond being a celebration, we want the event to convey the contribution of the Peruvian-Japanese community to the country," Fukumoto said.

Among the main thrusts of the APJ is to promote Nikkei identity, value Peruvian citizenship, and support individuals in the community, which includes not only Nikkei in Peru, but also Nikkei in Japan and other countries.

With more than 1,000 employees overseeing day-to-day operations, APJ regularly recognizes Peruvians of Japanese descent who have made valuable contributions to the country's development.

"Our first priority is highlighting the image of the Nikkei community through its service in the fields of culture, education, welfare and social support services and health. The work of each individual Nikkei in our community is part of this effort. Wherever they may be, they must help preserve this image," he said.

APJ has also established cultural, scientific and technological exchange programs between Peru and Japan.

"Our message is that we are grateful for our ancestry and our country. History has shown us that with the right attitude and offering, you will succeed," he said. ■ www.apj.org.pe



APJ President Abel Fukumoto



PeruPetro remains committed to the sustainable development of its oil reserves.

PERUPETRO LOOKS TO ASIAN COMPANIES FOR PARTNERS

Peru's history as an oil producer goes back to the late 19th century, when it drilled its first well in the north of the country more than 150 years ago. Peru has significant hydrocarbon potential areas for development, specifically in Marañon, Ucayali and offshore basins.

Because of Peru's great potential in oil and natural gas, the country formed PeruPetro in the early '90s in order to sustainably manage this valuable resource and attract outside investment for its exploration activities and oversee third-party contractors.

"Peru has enormous potential. We have 18 hydrocarbon basins and only five are under development. We understand that the challenge is not underground but on the surface; that's why PeruPetro seeks the sustainable development of communities, respect for the environment

and the harmonious coexistence with other activities, such as fishery and agriculture," CEO Daniel Hokama said.

Embracing the Japanese concept of *ishshokenmei* — devotion to the proper completion of a task — PeruPetro has spent more than 25 years paving the way for the sustainable development of the country's energy sector and infrastructure by securing foreign investment.

"We have a competitive legal framework and amazing natural resources. There are so many opportunities to develop here, especially offshore. We welcome new partners from Asia. Their knowledge and prowess in technology could make the difference in helping our hydrocarbon sector grow to achieve its fullest potential in the years to come," Hokama said. ■

→ www.perupetro.com.pe



Toyota del Perú,
proud to support the courage of Peruvians and to promote the premise that when we are free to move, everything is possible.

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