

SERVICIOS AL
EXPORTADOR

DEPARTAMENTO DE
INTELIGENCIA DE MERCADOS

Trade Opportunities

Canada



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Canada

1. Background Data

Official Name	Canada
Capital	Ottawa
Language	English and French
Currency	Canadian Dollar
Population (2016)	36 million

Source: World FactBook. Prepared by: Promperú

2. Macroeconomic Indicators

Year	2014	2015	2016*
GDP Growth (%)	2.4%	1.0%	1.7%
Per Capita GDP (US\$)	44,967	45,489	46,388
Inflation Rate (%)	1.9%	1.0%	1.6%

Source: IMF. Prepared by: Promperú. Note: *Projected

3. Exports Peru - Canada (FOB US\$ million)

Sector	2011	2012	2013	2014	2015	Var. % 15/14	TCP % 15/11
Traditional	1	3	3	8	14	72.7	81.9
Nontraditional	17	23	20	22	23	1.2	7.0
Total	19	26	23	31	37	20.2	18.5

Source: SUNAT. Prepared by: Promperú

4. Preferences Obtained in Trade Agreements

- Free Trade Agreement Peru - Canada (In force): Under the ACE N° 08, put into operation in February 2012, Mexico offers preferential access to over 12 thousand products. In this manner, products of high interest to Peru, such as prawns, flowers, preserved fish, biscuits, sweets and wines enter the Mexican market free of tariff payment. Likewise, some Peruvian exports in the textile and apparel category, whose applicable rate was 15% before the agreement came into effect, may enter Mexico duty-free.

- Trans-Pacific Partnership Agreement (TPP) (About to become effective): Peru and Canada are signatory parties to the Trans-Pacific Partnership Agreement (TPP), which will allow preferential relations between twelve economies of the Pacific Rim. For more information about the tariff reduction applied by Canada to products originating in TPP members see: [List of products for export to Canada.](#)

5. Trade Opportunities¹

Foods

Through ECLAAC (Economic Commission for Latin America) methodology, it has been possible to identify opportunities for products classified into two main groups: "Star" and "Promising". The "Star" products are those that have shown strong dynamism in their respective sales volumes during the last five years and have a significant share of total imports. In other words, they are the products that have the greatest potential for success in the destination market today. On the other hand, the "Promising" products are those whose imports are growing at above-average rates but do not yet have a significant share of the total sales volume. These products are the ones with the best prospects for success in the future should the trend continue, and could be exploited by domestic exporters.

RK	Tariff Item	Description	Class	Imports 2015 Million US\$	Tariff Peru	Participation Supplier
1	'070960	Capsicum genus peppers, fresh	Star	236	0%	Mexico - 57% USA - 27%
2	'080520	Mandarins, clementines and similar hybrids, fresh	Star	207	0%	Morocco - 41% USA - 16%
3	'200899	Fruit, prepared or preserved, fresh or in syrup	Star	169	0%	USA - 45% Mexico - 11%
4	'080440	Avocado, fresh	Star	156	0%	Mexico - 89% USA - 7%
5	'080550	Limes and lemons, fresh	Star	115	0%	USA - 42% Mexico - 23%
6	'200599	Vegetables, prepared or preserved, other	Star	115	0%	USA - 58% Spain - 6%
7	'200799	Fruit compotes, jellies, jams, purees and pastes	Star	89	0%	USA - 73% France - 7%
8	'081110	Strawberries, frozen	Promising	53	0%	Mexico - 46% USA - 18%
9	'071333	Common string bean, dry and/or shelled	Promising	39	0%	USA - 90% China - 5%
10	'070320	Garlic, fresh	Promising	33	0%	China - 59% USA - 24%

Source: Trademap. Prepared by: Promperú

Clothing and Decorations

RK	Tariff Item	Description	Class	Imports 2015 Million US\$	Tariff Peru	Participation Supplier
1	'611030	Sweaters, pullovers, cardigans and similar, of synthetic or artificial fibers	Star	638	0%	China - 47% Cambodia - 12%
2	'621210	Brassieres	Star	231	0%	China - 57% Sri Lanka - 7%
3	'620640	Shirts and blouses, of synthetic or artificial fibers	Star	166	0%	China - 58% India - 9%
4	'611011	Sweaters, pullovers, cardigans and similar, of knitted wool or fine hair	Star	79	0%	China - 62% Italy - 13%
5	'610821	Knitted cotton panties, for women and girls	Star	66	0%	Bangladesh - 23% Sri Lanka - 20%
6	'621600	Gloves and similar	Promising	58	0%	China - 76% Vietnam - 12%

7	'610832	Shirts and pajamas, of synthetic or artificial fibers	Promising	57	0%	China - 54% Cambodia - 28%
8	'620331	Woolen or fine hair jackets, for men and boys	Promising	42	0%	China - 20% Italy - 20%
9	'611710	Shawls, neckerchiefs, ski masks, scarfs and mantillas	Promising	35	0%	China - 82% Indonesia - 5%
10	'621420	Woolen or fine hair shawls, neckerchiefs, and scarves	Promising	19	0%	India - 27% Italy - 22%

Source: Trademap. Prepared by: Promperú

Miscellaneous Manufactured Articles

RK	Tariff Item	Description	Class	Imports 2015 Million US\$	Tariff Peru	Participation Supplier
1	'870899	Motor vehicle parts and accessories, other	Star	3 665	0%	USA - 64% Japan - 14%
2	'848180	Faucets and similar fixtures	Star	2,239	0%	USA - 54% China - 15%
3	'848340	Gears and friction wheels, other than simple cogwheels	Star	1,685	0%	USA - 43% Japan - 40%
4	'401120	Rubber tires for buses and trucks, new	Star	970	0%	USA - 52% China - 17%
5	'732690	Manufactures of iron or steel, other	Star	949	0%	USA - 58% China - 20%
6	'841370	Centrifugal pumps, other	Star	505	0%	USA - 60% Italy - 7%
7	'392321	Sacks, bags and cones of ethylene polymers	Star	442	0%	USA - 66% China - 25%
8	'392410	Plastic dishes and other tableware items	Star	395	0%	China - 49% USA - 38%
9	'701090	Gas cylinders, jugs, bottles, flasks and tubular containers, of glass	Promising	311	0%	USA - 58% China - 17%
10	'392020	Propylene polymer plates, sheets, films, strips and foils	Promising	281	0%	USA - 77% Mexico - 5%

Source: Trademap. Prepared by: Promperú

6. Consumer Trends

- ✓ INCREASED LEVELS OF INCOME AND EXPENSES. Levels of income and expenses in Canada increased at a rate above the average shown by OECD countries during the period 2009 - 2014 as a result of the economic recovery. Thus annual disposable income per household reached US\$74,126 at the end of 2015.
- ✓ AWARENESS REGARDING HEALTH CARE CONTINUES TO GROW AMONG CONSUMERS. Canadian consumers have begun to strongly demand a broader range of natural products, free of artificial ingredients and allergens. In response, the major manufacturers have started to introduce new functional ingredients and seeking to strengthen their offerings to address

specific consumer needs, which explains the popularity gained by the "superjuices" prepared from exotic fruits like pomegranate, mango, papaya, guava and litchi, as well as the success in sales that the ancestral grains like quinoa, chia and buckwheat are showing.

- ✓ **THE DEMAND FOR HANDMADE AND/OR GOURMET PRODUCTS OFFERS OPPORTUNITIES FOR SMALL BRANDS.** The demand for handmade and/or specialty products with a natural approach has encouraged innovation in various categories of consumption. Thus, relatively new products such as natural juices sweetened with sweeteners, organic baby foods, jams prepared from exotic fruits, functional chocolates, among others are enjoying significant welcome in this market.
- ✓ **THE DISCOUNT STORES ARE BECOMING POPULAR.** In recent years, Canadian consumers have begun to care more about the price factor when buying which has been reflected in a massification of discount stores and hypermarkets, which offer better deals and promotions in relation to conventional supermarkets. It is thus that brands such as Walmart Supercenter and The Real Superstore have managed to aggressively expand in 2015
- ✓ **CANADA DEMANDS QUALITY PROTEINS.** Canadian consumers are placing increasing interest in nutrition, which will be reflected in a strong performance in sales of processed fish and seafood, which will increase by more than 8% in the period 2015-2020. In addition, sustainable fisheries certifications are becoming a major purchase motivator.
- ✓ **SPORT FASHION - CASUAL AND FAST FASHION EXPLAIN THE MARKET DYNAMICS.** Clothing sales in Canada remained stable in 2015, experiencing a moderate growth driven by consumer enthusiasm as a result of the economic recovery and changes in market dynamics that have increased the competition among retailers. The average Canadian consumer today is more sensitive to fashion trends, which is reflected in a shift away from traditional patterns and a greater preference for trendy sportswear, commonly referred to as "athleisure."

7. OCEX

Peruvian Trade Office Toronto - Advisor	Jose Luis Peroni Cantuarias
Address	10 St. Mary St., Suite 202, Toronto, Ontario, Canadá
E-Mail	jperoni@mincetur.gob.pe