Peru’s new president, Pedro Pablo Kuczynski, is a former World Bank executive and former prime minister, Minister of Finance, and Minister of Energy for Peru. Kuczynski’s administration wants to set clear environmental standards and improve the country’s water and wastewater infrastructure. This presents an important opportunity for potential suppliers to gain traction in promoting to the incoming administration—potentially for the next five years and longer—new technologies, supplies, investments and services related to the water industry.

Peru is the fastest growing economy in Latin America, over the past decade, with a 6% average annual growth rate coupled with the regions lowest inflation rate (2.9%). A favorable external environment, prudent macroeconomic policies, and effective structural reforms have boosted Peru into middle-income country status and slashed poverty from 56% in 2005 to 22.7% in 2016.

The Government of Peru (GOP) has encouraged integration with the global economy by signing 17 free trade agreements with 52 economies, including the United States-Peru Trade Promotion Agreement (PTPA), which entered into force in February 2009. The TPA eliminated barriers to U.S. services and investment in Peru, including the requirement to hire Peruvian nationals. In addition, Peru has eliminated tariffs on many products, expanding export opportunities for U.S. firms. Today, U.S. suppliers capture roughly one-fourth of all imports into Peru—more than any other country.

In 2015, trade between the United States and Peru totaled USD $14 billion, up from USD 9.1 billion in 2009 the first year of entry into force. From 2009 to 2015, Peruvian exports to the United States jumped from USD 4.2 billion to USD 5.1 billion (a 21 % increase) while U.S. exports to Peru jumped from USD 4.9 billion to USD 8.8 billion (a 79 % increase).

Overall, around 4 million Peruvians lack access to safe water, and 8 million do not have adequate sanitation. There is an urgent need for new solutions in areas of water transfer, reuse of sewage water transfer, reuse of sewage water and water desalination. Sanitation companies in Peru are public entities responsible for water distribution as well as sewage and water treatment. The National Superintendence of Sanitation Services (SUNASS) estimates that more than 90% of Peruvian sewage plants are not adequately treating wastewater. The largest and best organized sanitation company is SEDAPAL, operating in Lima and Callao. Other companies operating in certain large cities are somewhat successful, although there is still a need for infrastructure, technology, and planning for future growth, water use, and conservation throughout Peru. SEDAPAL is the unofficial approving authority that companies must introduce their products to before selling to other municipalities.

For more information on Peru, contact Jorge Prado, Commercial Specialist, Water/Sanitation Jorge.Prado@trade.gov–Lima

To register for the Trade Mission contact Jane Johnson at jjohnson@awwa.org