



NAFTA Works

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Mexico-Peru FTA Comes into Force

Today, the Free Trade Agreement (FTA) between Mexico and Peru came into force. The agreement is aimed to expand trade between the two countries and encourage higher levels of return on investments. The agreement covers areas such as trade in goods and services, investment, and dispute settlement procedures. In terms of market access, Mexico and Peru agreed to eliminate tariffs within a 10-year period.

The Mexico-Peru FTA was signed on April 6, 2011 and will replace the Economic Cooperation Agreement (ECA No. 8). The new trade agreement is part of the Calderon administration's strategy to diversify exports and enhance the integration of Mexico with Latin America.

Trade between Mexico and Peru grew 13% annually in the last decade, expanding from nearly \$400 million in 2000 to \$1.3 billion in 2010, and has significant growth potential. In terms of investment, Peru currently stands as the second recipient of Mexican direct investment among the Latin American countries with \$12 billion.

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