

# China Exporters May Gain From Trade Deal With Peru

**Move to Help Offset Impact of Slowdown in the Months Ahead**

**By TERENCE POON  
THE WALL STREET JOURNAL  
NOVEMBER 20, 2008**

BEIJING -- China and Peru reached a trade deal that could help Chinese exporters by removing tariffs on more than 90% of goods.

China's Ministry of Commerce said the agreement, which requires final approval from both sides, could take effect in the second half of next year. Chinese President Hu Jintao was in Peru, where he met with President Alan Garcia. The two countries concluded their final round of trade talks Wednesday.

Chinese exporters are being hurt by weakening global demand, and government officials are worried that the global slowdown could fuel protectionism. Some world leaders have called for a resumption of the Doha Round of trade talks, which broke down in late July, to lower trade barriers.

Speaking in Lima, where the Asia-Pacific Economic Cooperation meeting is being held this weekend, China's commerce minister, Chen Deming, said Beijing is "closely watching and very worried about a possible reduction in world trade, disorder in global trade, and a worsening of international trading conditions" resulting from the financial crisis.

Beijing has been trying to cultivate closer ties with emerging markets, many of which sell commodities to China and buy manufactured goods from it. The ministry said China exported \$1.68 billion of goods to Peru in 2007, while imports from Peru totaled \$4.34 billion.

China signed trade deals this year with New Zealand and Singapore. Peru aggressively pursued the trade pact with China, which last year became its second-largest trading partner after the U.S.

If the deal is approved, Peru will become the second country in South America, after Chile, to sign a free-trade pact with China.

Peru says it plans to start talks for trade agreements with Japan and South Korea next year.

**Write to** Terence Poon at [terence.poon@dowjones.com](mailto:terence.poon@dowjones.com)