

**Josemari Janathiel P. Borla\***

*Center for International Relations and Strategic Studies (CIRSS), Foreign Service Institute, Republic of the Philippines.*

## Enhancing Philippines-Peru Bilateral Relations: Key Development Priorities and Prospects for Strengthening Diplomatic Ties

Fortalecimiento de las relaciones bilaterales Filipinas-Perú: Prioridades clave de desarrollo y perspectivas de mejora de los lazos diplomáticos

### ABSTRACT

On 17 November 2023, Philippine President Ferdinand R. Marcos Jr. and Peruvian President Dina Boluarte held a bilateral meeting on the sidelines of the Asia-Pacific Economic Cooperation (APEC) Leaders' Economic Meeting in San Francisco. Both leaders expressed a strong interest in enhancing Philippines-Peru ties as they marked 50 years of formal diplomatic relations, established on 30

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*\*Mr. Josemari Janathiel P. Borla is an Assistant Chief Research Officer currently assigned under the Blue Economy Studies Section at the Center for International Relations and Strategic Studies (CIRSS) of the Foreign Service Institute (FSI) Philippines, the research and training arm of the Department of Foreign Affairs. He earned his Bachelor of Arts in Political Science, with a minor in Economic Studies from De La Salle University-Manila, where he graduated Magna Cum Laude in 2022. His other research interests encompass areas such as corruption, elections, democratic institutions, political disinformation, blue economy, and maritime governance.*

November 1974 (Presidential Communications Office, 2023). Over the decades, Philippines-Peru bilateral relations have flourished evidenced by trade and multiple agreements and memorandums of understanding (MOUs) covering cultural, scientific, and administrative areas.

In pursuing strengthened economic, political, and cultural ties between the two nations, this paper identified development priority alignments between the Philippines and Peru and provided actionable recommendations on bilateral cooperation in climate change, labor formalization, digitalization and MSMEs.

## RESUMEN

El 17 de noviembre de 2023, el Presidente de Filipinas Ferdinand R. Marcos Jr. y la Presidente de Perú Dina Boluarte mantuvieron una reunión bilateral al margen de la Reunión Económica de Líderes del Foro de Cooperación Económica Asia-Pacífico (APEC) en San Francisco. Ambos líderes expresaron un gran interés en mejorar los lazos entre Filipinas y Perú al cumplirse 50 años de relaciones diplomáticas formales, establecidas el 30 de noviembre de 1974 (Oficina de Comunicaciones de la Presidencia, 2023). A lo largo de las décadas, las relaciones bilaterales entre Filipinas y Perú han florecido, como demuestran los acuerdos comerciales y múltiples acuerdos y memorandos de entendimiento (MOU) que abarcan áreas culturales, científicas y administrativas.

En la búsqueda del fortalecimiento de los lazos económicos, políticos y culturales entre ambas naciones, este artículo identifica alineamientos de prioridades de desarrollo entre Filipinas y Perú, y ofrece recomendaciones prácticas sobre la cooperación bilateral en materia de cambio climático, formalización laboral, digitalización y MIPYME.

## Keywords:

Philippines, Peru, Philippines-Peru bilateral relations, Philippine bilateral relations, Philippines-Peru cooperation, development priorities, trade relations, political relations, cultural relations

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Filipinas, Perú, relaciones bilaterales Filipinas-Perú, relaciones bilaterales Filipinas, cooperación Filipinas-Perú, prioridades de desarrollo, relaciones comerciales, relaciones políticas, relaciones culturales

In commemoration of the 50 years of establishment of formal relations between the Republic of the Philippines and the Republic of Peru, Philippine President Ferdinand R. Marcos Jr. expressed an interest in expanding Philippines-Peru diplomatic relations during a bilateral meeting with Peruvian President Dina Boluarte on the sidelines of the Asia Pacific Economic Cooperation (APEC) Summit in San Francisco, California on 17 November 2023 (Presidential Communications Office, 2023). The two leaders agreed on the importance of forging partnerships in transforming the Philippine and Peruvian economies given the economic shocks induced by geopolitical issues and the COVID-19 pandemic. In good faith, President Boluarte expressed her interest in introducing Peruvian agricultural products to the Philippine market and formally invited President Marcos to an official State Visit to Peru, a convenient timing given Peru's hosting of the APEC Summit in 2024.

In pursuing strengthened economic, political, and cultural ties between the two countries, this paper aims to identify development priority alignments between the Philippines and Peru in formulating forward looking strategies in deepening Philippines-Peru relations.

## 1. Early Trade Relations: The Philippines, Peru, and the Acapulco-Manila Galleon Trade

Driven by the two countries' shared history of colonial rule under the Spanish empire, Philippines-Peru trade has existed since the 16th century driven in part by the intercolonial trade that existed between the then-vice-royalties of Peru, New Spain, and the Philippines (Schurz, 1918).

In 1565, the Acapulco-Manila Galleon Trade was established. This not only marked the beginning of commercial ties between Mexico and the Philippines, but also created a trade route between the Americas, Europe, and Asia, directly connecting colonial American markets with the well-developed commercial networks of the Philippines (Peterson, 2014). Thus, the Philippines became Peru's gateway for Asiatic goods. Chinese silk, textiles, ceramics, and pottery were introduced to Spanish colonies in the Americas through the Acapulco-Manila Galleon Trade (La Follete et al., 2018). A rich assortment of products which were not sold in the markets at Acapulco were then redirected to Peru. On 14 April 1579, a Spanish royal sanction was issued that permitted trade between China and the Philippines with Spanish-controlled territories in the Americas such as New Spain, Peru, Guatemala, and Tierra Firme, thus creating much demand in

these areas (La Follete et al.; 2018; Schurz, 1918). According to Schurz (1918), it was Spanish Governor-General Francisco de Sande who initially planned direct trade from Manila to Peru. However, it was Spanish Governor-General Gonzalo Ronquillo who initiated the plan by sending ships to the port city of Callao in 1581 and another in 1582 (Tremml-Werner, 2015; [www.gutenberg.org](http://www.gutenberg.org), n.d.).<sup>1</sup> Ronquillo reportedly sent goods such as ceramics, pottery, iron, an assortment of spices including pepper and cinnamon to Peru.

Despite positive outcomes of trade between the Philippines and Peru, a 1581 Spanish royal order caused the cessation of direct trade as the port of Acapulco was the only port allowed to trade between the Americas and Asia, creating a monopoly (Fisher, 1997). A flurry of prohibitory trade legislations followed in 1591, 1593, 1595, and 1604 (Schurz, 1918). Despite these prohibitions, direct trade continued secretly as merchants and politicians smuggled silk to Lima due to its prestige status symbol among the upper social classes (Fisher, 1997). Legal direct trade between Peru and the Philippines was eventually resumed in 1779 following a failed attempt to do so by Governor-General Juan Niño de Tabora in 1626 (Schurz, 1918; Tremml-Werner, 2015).

With Manila having existing maritime trade with China, the Philippines became a critical trade linkage between China and Peru, establishing its important role in trans-Pacific trade particularly in China's acquisition of Peruvian silver via Manila (Reid, 1988; Schottenhammer, 2019). Peru annually shipped an estimated 500,000 pesos of silver through Acapulco to China in exchange for Chinese and Asian goods in 1659, amounting to an estimated 33 to 40 percent of the silver output of Mexico and Peru (Schottenhammer, 2019). To put this into perspective, this was 85 percent of the global production of silver between 1500 and 1800 (Schulz, 1918). In exchange, Peru gained highly valued silk, porcelain, and other Asian spices, commodities that were prized in American and European markets (Schottenhammer, 2019).

## 2. Philippine-South American Trade Performance in Perspective

In 2023, the trade between the Philippines and South America was recorded to be USD2.38 billion, with an overall Philippine export value of USD413 million and an import value of USD 1.9 billion (Department of Trade and Industry Tradeline, 2023). Among South American countries, Peru ranks as the 4th largest trading partner of the Philippines with a USD 96.22 million total trade value, holding a 4.1 percent share of Philippines-South American trade. As of 2023, Brazil remains the largest trading partner of the Philippines in South America, garnering

USD1.58 billion in total trade value (66.6 percent trade share). It is followed by Argentina with USD 469 million in total trade value (19.8 percent trade share), and Chile with USD 141 million in total trade value (6.0 percent trade share). Table 1 summarizes Philippine trade with South American countries as compiled from the Department of Trade and Industry (DTI) Tradeline.

**Table 1**

*Philippine-South American Trade, 2023 (in US\$ mil.)*

Country	Export Value	Import Value	Total Trade Value	% SHARE	RANK
Brazil	207,484,925	1,372,745,048	1,580,229,973	66.6	1
Argentina	86,438,489	383,331,308	469,769,797	19.8	2
Chile	37,836,412	103,407,946	141,244,358	6	3
Peru	31,868,971	64,351,425	96,220,396	4.1	4
Colombia	24,009,130	13,034,821	37,043,951	1.6	5
Uruguay	16,054,955	9,811,555	25,866,510	1.1	6
Ecuador	4,102,053	8,284,701	12,386,754	0.5	7
Venezuela	798,863	2,603,141	3,402,004	0.1	8
Paraguay	2,354,630	484,915	2,839,545	0.1	9
Bolivia	2,145,233	193,777	2,339,010	0.1	10
Suriname	597	73,616	74,213	0	11
Guyana	28,893	157	29,050	0	12
<b>Total PH Trade</b>	<b>413,123,151</b>	<b>1,958,322,410</b>	<b>2,371,445,561</b>		

*Note.* Philippine-South American trade data was collected from the Department of Trade and Industry (DTI) Tradeline. Search fields are manually inputted, which is then automatically collected and displayed. For more information and data, see <http://www.tradelinephilippines.dti.gov.ph:8080/total-trade>

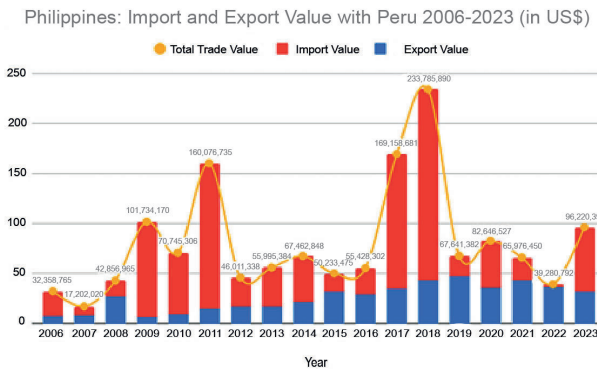
### 3. Overview of Philippines-Peru Bilateral Trade and Economic Activities

A review of the Philippines-Peru bilateral trade data<sup>2</sup> from 2006 to 2023 reveals that commercial relations between the two countries experience frequent shifts

in trade volume, rendering bilateral trade vulnerable to high fluctuations. From 2006 to 2023, Philippines-Peru total trade value fluctuated to as much as 205.18 percent annual growth rate (AGR) from 2016 to 2017, to extreme reversals of -71.26 percent AGR in 2011 to 2012.<sup>3</sup> Despite these frequent fluctuations, a total trade compound annual growth rate (CAGR) of 6.62 percent was recorded from 2006 to 2023.<sup>4</sup> Further, a 9.0 percent CAGR was recorded for Philippine imports from Peru while a 5.7 percent CAGR was recorded for Philippine exports to Peru. In a ten-year period, Philippines-Peru bilateral trade garnered a substantial level of trade represented by a 4.02 percent CAGR.<sup>5</sup> While modest, trading levels between the Philippines and Peru reveal space for further growth.

**Figure 1**

*Philippines-Peru Import and Export Value with Peru from 2006-2023 (in US\$ mil.)*



Note. The Philippines-Peru trade data was collected from the Department of Trade and Industry (DTI) Tradeline. Search fields are manually inputted, which is then automatically collected and displayed. For more information and data, see <http://www.tradelinephilippines.dti.gov.ph:8080/total-trade>

In 2023, Peru was ranked as the Philippines' 55th trading partner out of 230 countries with total trade amounting to USD 96.22 million, a substantial increase of 145.17 percent from USD 39 million in 2022.<sup>6</sup> In terms of export destination, Peru ranked 53rd out of 205 countries with total Philippine exports amounting to USD 31.86 million.<sup>7</sup> On the other hand, Peru is the Philippines' 55th import source out of 220 countries with total imports amounting to USD 64.35 million.<sup>8</sup>

Philippine exports to Peru, while generally determined to have an increasing trend when compared to 2006 levels, decreased by 12.4 percent from USD 36.38 million in 2022 to USD 31.87 million in 2023.<sup>9</sup> The Philippines mainly exports nuclear reactors, boilers, machinery and mechanical appliances (53 percent total exports share), electrical machinery and equipment, sound recorders and reproducers, television image and sound recorders and reproducers (20 percent total exports share), miscellaneous chemical products (20 percent total exports

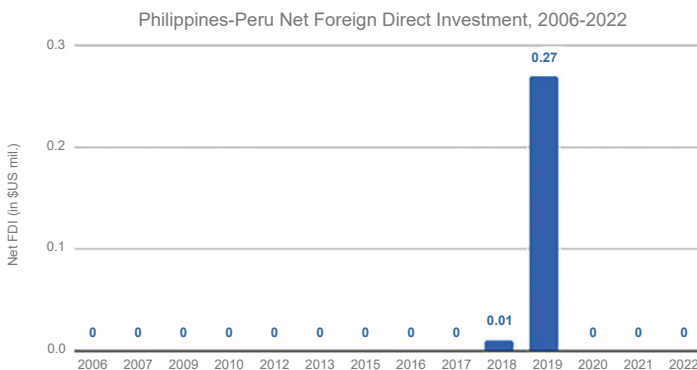
share), commodities and transactions not classified elsewhere (reserved for special uses by contracting parties) (6.9 percent total exports share), and articles of stone, plaster, cement, asbestos, mica, or similar materials (2.9 percent total exports share).<sup>10</sup>

On the other hand, Philippine imports from Peru have risen by a significant margin of 2,119 percent from USD 2.9 million in 2022 to USD 64.35 million in 2023, the highest increase of imports from Peru since 2009.<sup>11</sup> The Philippines mainly imports ores, slag & ash (89.4 percent total imports share), mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes (3.8 percent total imports share), tin and articles thereof (3.0 percent total imports share), vehicles other than railway or tramway rolling-stock, and parts and accessories thereof (0.9 percent total imports share), and lastly, inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radio-active elements or of isotopes (0.6 percent total imports share).

The Philippines recorded a trade balance of USD 32.48 million in favor of Peru in 2023, indicating that the Philippines has higher import trade than exports with Peru. However, this trade balance may reverse as seen with previous trade data.

### Figure 2

*Philippines-Peru Net Foreign Direct Investment, 2006-2022 (in USD mil.)*



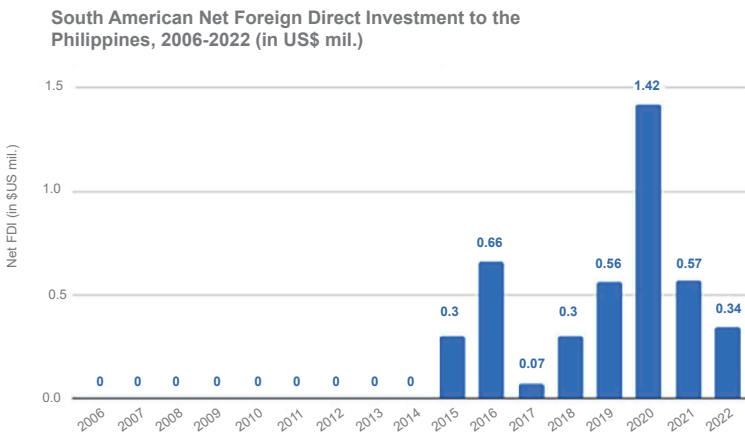
Note. Data for Peruvian investments to the Philippines are from “Direct Investments By Country (BPM6 Concept)” by the *Bangko Sentral ng Pilipinas* (Central Bank of the Philippines). For more information and data, see: <https://www.bsp.gov.ph/SitePages/Statistics/External.aspx?TabId=7>

On Peruvian foreign direct investments (FDI) in the Philippines, data from the *Bangko Sentral ng Pilipinas* show that the net FDI in the Philippines amounted to USD 0.03 million from 2013 to 2022.<sup>12</sup> No Peruvian FDIs were recorded prior to 2017. As of 2023, there was no Peruvian company registered by the Philippine Securities and Exchange Commission as a foreign stock corporation in the Philippines.

According to data gathered from the *Bangko Sentral ng Pilipinas* (n.d.), FDIs from South American countries remain low, garnering a collective USD 0.34 million in 2022 with the highest being USD 0.56 million in 2019.<sup>13</sup>

On the tourism front, data from the Department of Tourism (2023) reveal that the Philippines recorded a significant 43.96 percent increase of tourist arrivals from Peru from 512 tourist arrivals in 2022 to 737 tourist arrivals in 2023, ranking 88th among Top Tourism Arrivals in the Philippines. Among South American countries, it falls behind Brazil with 4,275 tourist arrivals (47th), Colombia with 1,843 (64th), Argentina with 1,809 (65th), Uruguay with 1,725 (67th), and Chile with 1,547 (68th). However, Peruvian tourist arrivals in the Philippines are higher than Ecuador with 374 (97th), Bolivia with 157 (133th), Venezuela with 151 (135th), Paraguay with 130 (143rd), Suriname with 42 (171st), and Guyana with 28 (180th).

**Figure 3**  
South American Net Foreign Direct Investments to the Philippines, 2006-2022 (in USD mil.)



Note. Data for South American Net Foreign Direct Investments to the Philippines were gathered from “Direct Investments By Country (BPM6 Concept)” by the *Bangko Sentral ng Pilipinas* (Central Bank of the Philippines). For more information and data, see: <https://www.bsp.gov.ph/SitePages/Statistics/External.aspx?TabId=7>

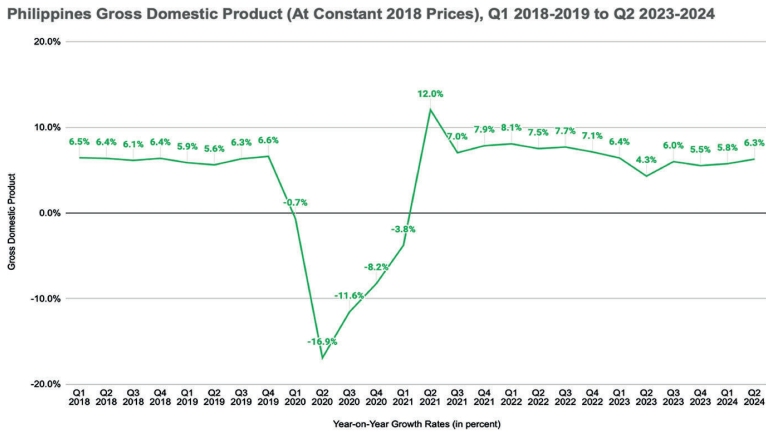
## 4. Philippine Development Priorities

In 2022, the Marcos Administration assumed a Philippine economy battered by the effects of the COVID-19 pandemic, natural calamities, and geopolitical shocks. In Q1 of 2019-2020, the Philippine Statistics Authority (2024) reported that the Philippine economy posted a sharp contraction, posting a year-on-year growth rate of -0.7 percent.



**Figure 4**

*Philippines Gross Domestic Product Year-on-Year Growth Rates (At Constant 2018 Prices, Q1 2018-2019 to Q2 2023-2024)*



Note. The data for the Philippines Gross Domestic Product was gathered from “Quarterly National Accounts Linked Series (Q1 2000 to Q2 2024) at Current and Constant 2018 Prices,” by the Philippine Statistics Authority. For more information and data, see: [https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fpsa.gov.ph%2Fsites%2Fdefault%2Ffiles%2Fnap%2Fo1Summary\\_2018PSNA\\_Qrt\\_4.xlsx&wdOrigin=BROSELINK](https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fpsa.gov.ph%2Fsites%2Fdefault%2Ffiles%2Fnap%2Fo1Summary_2018PSNA_Qrt_4.xlsx&wdOrigin=BROSELINK)

This further declined to -16.9 percent in the following quarter as a result of emergency policy responses and the tightening of security protocols in Philippine borders (Philippine Statistics Authority, 2024). In 2021, it was estimated that the long-run total cost of the COVID-19 pandemic was PHP 41.4 trillion, costing the Philippines a 9.5 percent GDP increase from 2019 to 2020 - a PHP 3.4 trillion gap (Chua, 2021).<sup>14</sup>

As a response to challenges presented by the pandemic, natural calamities, and geopolitical shocks, the Philippines crafted its National Development Plan titled the Philippine Development Plan 2023-2028 (PDP)<sup>15</sup> to (a) reinvigorate job creation and accelerate poverty reduction; (b) steer the economy toward a high-growth path; and (c) effect economic transformation for a prosperous, inclusive, and resilient society (Daway-Ducanes, n.d.).<sup>16</sup> It targets sustaining economic recovery in achieving the country’s vision outlined in *AmBisyon Natin 2040* aided by *PAGTANAW 2050*, the Philippines’ science, technology, and innovation foresight study as it moves further toward a prosperous, archipelagic, and maritime nation.

The PDP places a deep emphasis on economic and social transformation based on President Ferdinand R. Marcos Jr.’s 8-point socioeconomic agenda namely:

1. Protect purchasing power of families;
2. Reduce vulnerability and mitigating scarring from the COVID-19 pandemic;
3. Ensure sound macroeconomic fundamentals and government processes;
4. Create more jobs by promoting investments, improving infrastructure, and ensuring energy security;
5. Create quality jobs by increasing employability, encouraging research and development and innovation, and enhancing the digital economy;
6. Create green jobs by pursuing a green and blue economy;
7. Ensure a level playing field by strengthening market competition and reducing barriers to entry and limits to entrepreneurship; and
8. Uphold public order and safety, peace and security.

At a glance, the Philippine development priorities are focused on modernizing the agricultural sector, expanding and supporting the agri-business environment of the country, promoting private-public partnerships in infrastructure development, promoting digitalization, and bolstering local industry competitiveness.

The Philippine Development Plan has developed the following headline socioeconomic targets<sup>7</sup> that aim to reduce poverty and promote inclusive growth amid external headwinds:

- Maintain high levels of economic growth in the medium term, rising from 6.0 to 7.0 percent in 2023, and to 6.5 to 8 percent from 2024 to 2028.
- Transform the production sectors toward generating more and better-quality jobs, and enabling the competitiveness of enterprises in domestic and international markets. The Philippines aims to be ranked among the top 33 percent in the Global Competitiveness Index by 2028 from a baseline ranking of 59th out of 132 countries in 2022.
- Create more, better, and more resilient jobs. By 2028, the unemployment rate shall be within 4.0 to 5.0 percent, and the percentage of wage and salary workers in private establishments to total employed shall be within 53 to 55 percent.
- Keep food and overall prices low and stable. Expanding the opportunities available to Filipinos must be complemented by efforts to protect people's

purchasing power. Food and overall inflation will be kept within 2.5 to 4.5 percent in 2023 and within 2.0 to 4.0 percent from 2024 to 2028.

- Enforce fiscal discipline. To ensure the sustainability of growth, the national government deficit to GDP ratio will be gradually reduced from 6.5 percent during the first half of 2022 to 3.0 percent in 2028. Outstanding government debt GDP ratio will also be reduced from 63.7 as of September 2022 to 48 to 53 percent by end of 2028.
- Reduce poverty incidence to 9 percent by 2028.

On the economic and production side, the Philippines plans to modernize agriculture and agri-business to strengthen the productivity of the sector to increase the global competitiveness of Philippine agricultural products and ensure food security. Further, the government has pursued efforts to innovate, adopt new technologies, business-match, and servicification to revitalize industries. The Philippine services sector is also a vital area for further development, prioritizing the Philippine tourism sector as a driver for inclusive growth. Lastly, creative industries, the Information Technology-Business Process Management (IT-BPM) sector, and business process management sectors will be further strengthened to enable their participation in global value chains.

On the social and human development sector, the Philippines aims to promote and improve lifelong learning and education through providing access to high-quality learning opportunities, establishing livable communities, ensure food security and nutrition through effective supply management and enhancing production, strengthening the social protection system, and increasing the income-earning ability of the workforce through skills upgrading and updating.

The Philippines has utilized a whole-of-government and whole-of-society approach to develop and implement key transformation strategies to achieve the above-mentioned development targets. Six cross-cutting strategies are currently being implemented by the Philippines to achieve its goals: (a) digitalization; (b) public-private partnerships; (c) servicification; (d) dynamic innovation ecosystem; (e) enhanced connectivity; and (f) greater collaboration between local and national government.

It is important to note that the PDP integrates various green, blue, and circular economy concepts as it places a high premium on inclusive, climate, and environmentally-conscious development, stating that the Philippines will ensure the optimal utilization of natural resources without compromising healthful ecology for present and future generations amid environmental threats and climate change risks. Chapter 14 of the PDP titled “Accelerate Climate Action and Strengthen Disaster Resilience” emphasizes the intersection of climate change, natural disasters, and the need to transition to a low carbon economy. Further,

this climate-oriented development is exemplified through President Marcos' statements on climate change during State of the Nation Addresses, describing the Philippines as "proactive advocates for heightened climate responsibility and justice on the global stage," mentioning the country's seat on the Board of the Loss and Damage Fund.

*"The building blocks of progressive, livable and sustainable communities will never be complete without appropriate and responsible action to mitigate and to adapt to the effects of climate change. We can never lose sight of our responsibility to the future. The economic agenda cannot and will not ever be incompatible with our climate change agenda. Climate change is now an important criterion in our integral national policies, in planning, decision-making, up to the implementation of programs. The potential advantages of such enlightened policies extend to jobs and livelihood, with the unlocking of the development of the green and blue economies."*

*President Ferdinand R. Marcos Jr.  
State of the Nation Address, 24 July 2023*

This climate-oriented nature of the Philippines is further exemplified through the Philippines' rich climate-gear policy environment as seen with Republic Act No. 9729 titled the Climate Change Act, a law establishing the Climate Change Commission and the creation of the National Climate Change Action Plan. It has likewise moved forward with crafting more climate and environment-related legislation at the national level with the passage of Republic Act No. 11995 titled the Philippine Ecosystem and Natural Capital Accounting System (PENCAS) Act in 2024 as well as the potential passage of the Blue Economy Act (Climate Change Commission, 2024; Senate of the Philippines, 2024). It has also committed to the increased utilization of renewable energy with the passage of the Renewable Energy Act of 2008 to increase the share of renewable energy to 35 percent by 2030 and 50 percent by 2040 (Philippine Development Plan, 2023).

At the international level, the Philippines, as a party to the United Nations Framework Convention on Climate Change, the Kyoto Protocol, and the Paris Agreement, has committed to reduce greenhouse gas emissions by 75 percent by 2030 (United Nations Development Programme, 2023). The Philippines submitted its first nationally determined contribution (NDC) in 2021 (United Nations Development Programme, 2023). Related to these climate-oriented policies is the Philippines' investment-led growth through the establishment and implementation of "green lanes", a government-wide response to eliminate

bureaucratic red tape and enhance the Ease of Doing Business through the establishment of a One-Stop-Action-Center for Strategic Investments, specifically for investments in clean energy, green metals, electric vehicles, and the like (*Bangko Sentral ng Pilipinas, 2023*).

Related to its responses to climate change and efforts to improve disaster resilience are its priorities to modernize agriculture and agribusiness as it is tied to the food security, nutrition, and livelihood of Filipinos. Addressing systemic gaps of the agriculture, forestry, and fisheries (AFF) sectors, the PDP aims to increase the efficiency of the agricultural sector's production, expand access to markets through developing infrastructure and developing the blue economy, and improve the resilience of the AFF value chain. It aims to adopt improved technologies to agricultural processes, the creation of innovation hubs, the full implementation of the Fisheries Management Act, and the creation of greater value-adding business partnerships between primary producers and other entrepreneurs.

Consequently, digitization and innovation efforts are considered to be the main cornerstone strategies of the Philippine government to streamline bureaucratic processes and eliminate corruption. This is evidenced by the presence of funding for the improvement of digital infrastructure in the Build Better More Program. To this extent, the National Government Data Center Infrastructure will receive PhP 1.7 billion to develop a secure data infrastructure to ensure efficient government services (Department of Budget and Management, 2024). It also aims to promote the Philippines' capability to support the rise of the digital economy which has contributed 8.4 percent (PhP 2.05 trillion) to Philippine GDP from a 9.68 million workforce in 2023, marking the significant contribution of digital transactions, digital media and services, and e-commerce to economic development (Philippine Statistics Authority, 2024). The Philippine government has earmarked PhP 38.8 billion for digitalization in 2024, an increase of 60.6 percent from the 2023 budget allocation of PhP 24.1 billion (Department of Budget and Management, 2024). Further, PhP 1.5 billion has been allocated for the National Broadband Plan to provide reliable and affordable internet across the country through fiber optic cables and wireless technologies (Department of Budget and Management, 2024).

## 5. Peruvian Development Priorities

With a GDP of USD267.6 billion in 2023, Peru has successfully become an upper middle income economy due to its sound macroeconomic policies, trade openness, and a reliable financial system which has led to a substantial decrease in poverty rates in the past two decades (World Bank, 2024). While the

country recorded continuous GDP growth from 1999 to 2014, growth slowed in the following years due to a decline in mining prices further exacerbated by the COVID-19 pandemic (World Bank, n.d.). Peru remains vulnerable to natural disasters and climate change, which may affect its infrastructure, supply chain resilience, and inflation (OECD, 2024). Its strong fiscal management, trade openness, and macroeconomic stability have collectively contributed to its resilience to economic shocks, with more opportunities for growth through inclusive and sustainable development (World Bank, 2024).

Peru's national development plan titled "*Plan Estratégico De Desarrollo Nacional*" (PEDN) outlines its strategic objectives, goals, and actions to pursue inclusive development.<sup>18</sup> The PEDN proposes four national objectives:

- *Development of People.* The full development of people and their capabilities, ensuring educational and health services with quality and cultural relevance; decent housing with access to basic services; and an integrated and sustainable transportation system that allows them to raise their quality of life throughout the territory.
- *Sustainable Territory.* The proper management of the territory, in a sustainable manner, in such a way that orderly access to resources is guaranteed for preventive management of possible events, damages, dangers or nuisances that cause harm to the rights, property or interests of people, their environment and their livelihoods.
- *Competitiveness and Innovation.* The promotion of the competitiveness and productivity of the country's economy, which should allow for the generation of well-being for people, based on sustainable economic growth with decent employment, quality physical infrastructure, productive diversification, technological innovation processes and digital transformation, within all sectors and for all services.
- *Democracy and Peace.* The consolidation of a democratic, fair and peaceful society, which is achieved with solid institutions; state capacity that guarantees access to justice; respect for rights and liberties; the strengthening of the political system; and the achievement of full democracy in a context of cultural diversity and internal order.

It is worth noting that these objectives are guided by a set of international global commitments and agreements such as the Framework for Measuring Well-being and Framework for Action for Investment of the OECD, Agenda 2030 for Sustainable Development of the United Nations, United Nations Framework Convention on Climate Change and the Paris Agreement, Sendai Framework for Disaster Risk Reduction 2015-2030, Addis Ababa Action Agenda, and New Urban Agenda Habitat II.

The PEDN places strong emphasis on sustainable and inclusive development featuring multiple declarations on sustainably managing its resources and protecting its biodiversity to tackle its climate change challenges and vulnerabilities to natural disasters. It also emphasized its current plans to promote clean and sustainable production in increasing its exports and services sector productivity, positioning itself as a green investment destination characterized by an attempt to strengthen its regulatory environment and formalization of work as these remain to be structural barriers to development.

Issues relating to climate change and environmental degradation are crosscutting among three of the four national objectives. For National Objective 1, climate change and environmental degradation is seen as a barrier to the reduction of poverty negatively affecting Peruvian production chains and lowering national income. It is also seen as a driver of poor academic performance in rural and peri-urban areas. National Objective 2 focusing on the sustainable management of territory is directly related to climate change and environmental degradation, emphasizing the interconnected nature of natural disasters, climate change, and its effect on the Peruvian economy. To this end, environmental governance and territorial planning, especially in fields related to the utilization of water resources and biological diversity, are key to Peruvian national security. Further, the need to strengthen comprehensive management of climate change efforts and applying a sustainability scheme which utilizes the Peruvian environmental impact assessment system is necessary for incoming investment projects.

Consequently, National Objective 3 focusing on strengthening competitiveness and productivity of the Peruvian economy includes the utilization of not just digital transformation and technological innovation, but also a goal to move from traditional business-as-usual brown development to a low carbon, green and circular economy, emphasizing the need for high quality technological infrastructure to ensure its macroeconomic foundations and long-term economic growth. The agricultural sector is a primary concern in this regard due to low levels of competitiveness as climate change, extreme weather, and remnants of the hacienda system prevail. With the majority of Peruvian exports with potential in international trade classified as agricultural products, the development and resilience of its agricultural sector is key to poverty reduction especially in the rural areas.

The importance of digital transformation to the provision of public services and public management was highlighted in the PEDN with the rise of the fourth industrial revolution. Peru has pursued numerous policies and projects to further its digitization efforts, namely the creation of the National Digital Transformation System, the promulgation of the Digital Government Law, the approval of the Digital Trust Framework, the implementation of the Government and Digital Transformation Laboratory, the National Center for Digital Innovation and Artificial Intelligence, and a National Center for Digital Security (PEDN, 2023).

Taken together, the digitization and digitalization efforts of Peru encourages digital citizenship and may contribute positively to the Peruvian digital economy and digital entrepreneurship, particularly aiding Peruvian micro-, small-, and medium enterprises (MSMEs) and the formalization of employment.

These development priorities are aptly reflected in the Peruvian hosting of the Asia-Pacific Economic Cooperation (APEC) 2024 annual meeting with three main priorities namely (i) trade and investment for inclusive and interconnected growth; (ii) innovation and digitalization to promote transition to the formal and global economy; and (iv) sustainable growth for resilient development (APEC Peru 2024, n.d.).

## 6. A Shared Vision for the Future: Philippines-Peru Development Priorities Alignment

An analysis of the respective development priorities of the Philippines and Peru reveal parallelisms in national development priorities which may guide future bilateral partnerships and cooperation opportunities and indicate potential harmonization in future engagements in multilateral fora. While numerous similarities were found between the two countries, significant alignments were found on climate change and its impact on the agricultural sector, labor formalization, and digitalization with a focus on strengthening micro-, small-, and medium-sized enterprises (MSMEs).

### *6.1 Shared Concerns for Climate Change and its Impact on the Agricultural Sector*

With a shared commitment to sustainable development, both the Philippines and Peru integrated environmentally conscious development concepts as the two countries view climate change as a vital barrier to further economic development. The interconnected nature of the agricultural sector, food security, and the general health of its respective population are highlighted in both development plans.

The Philippines places the climate agenda as one of its key development priorities as it is one of the world's most typhoon impacted countries due to increased sea surface temperatures caused by anthropogenic greenhouse gas emissions that



create stronger typhoons (Holden & Marshall, 2018). If not typhoons and severe flooding, the El Niño phenomenon in the Philippines is also severely devastating to its agricultural sector, recording a total damage reaching PhP15.30 billion, with over 784,344 MT damaged crops in 270,855 hectares of agricultural land, affecting 333,195 farmers and fisherfolk in 15 regions nationwide in 2024 alone (Sevillano, 2024). Climate change impacts have affected Philippine agriculture significantly from 2010 to 2019 with a recorded PhP244.6 billion in losses despite only contributing 0.49 percent of global greenhouse gas emissions (Galang & Briones, 2024). This is of significant concern for the Philippines as its main agricultural exports are tropical fruits (bananas, pineapple, coconuts), seaweed, and tuna, with its fisheries being among the top in the world ranking 11th in total capture fisheries production of aquatic animals in the world in 2022 (DTI Tradeline, 2023; FAO, 2024).

The World Bank and Asian Development Bank (ADB) have also determined that in the next 50 years, the Philippines may incur PhP177 billion per year in losses as a result of typhoons and earthquakes, with a 40 percent chance of facing losses upwards of PhP1.73 trillion in the next 50 years, and 20 percent chance of losses exceeding PhP274 trillion (World Bank & Asian Development Bank, 2021). ADB also estimated that the damages may increase up to 35 percent by 2050. Worse, the Philippines has consistently been ranked 1 out of 193 countries in the World Risk Index 2024 for the past 16 years, garnering the most at-risk country globally for 2024. This significantly affects the Philippine economy as the agricultural sector contributes 8 percent of the GDP, with fisherfolks and farmers having the highest poverty incidences among the basic sectors in 2021 (Philippine Statistics Authority, 2023). Further, this may negatively impact agricultural product prices due to supply irregularities ultimately contributing to inflation.

On the other hand, Peru ranks 11th in the World Risk Index 2024 and is considered to be the most vulnerable country to climate change among the Latin America 5 group<sup>19</sup> and third most vulnerable in Latin America, with almost 46 percent of Peru categorized as highly to very highly vulnerable to natural disasters and climate change (International Monetary Fund, 2024; World Bank, 2023; World Risk Index, 2024). Recurring natural disasters and exposure to El Niño has negatively impacted Peru's economy, with the International Monetary Fund (2024) attributing a 70 percent and 11 percent drop in fish production and agricultural output to extreme El Niño Costero events, causing sharp increases in overall food price levels. This is an area of significant concern for Peru as its fisheries sector is a key component of its economy, functioning as a source of foreign currency. It was ranked 5th in overall fisheries production in 2021 by the World Bank, accounting for 6.6 percent of total capture fisheries production of aquatic animals (FAO, 2024). This makes it a global source of anchovy, jack mackerel, and chub mackerel among others (FAO, 2010; FAO, 2023; World Bank, n.d.). In this regard, Peru ranks 83rd among 180 countries in the Environmental Performance Index (EPI) 2024 while the Philippines ranks 168th.

On the other extremes, an Intergovernmental Panel on Climate Change (2022) report determined that Peru is vulnerable to wet extremes and is estimated to be at least 1.5 times more likely to occur when compared to pre-industrial times (Castellanos et al., 2022). Further, it is expected that extreme precipitation events which cause floods, landslides, and droughts may intensify in magnitude up to 400 percent at medium confidence level for Peru. Water scarcity is also an issue for Peru as water is a key driver of economic and social development in the country, with water-intensive sectors such as mining and agriculture accounting for two-fifths of the Peruvian GDP (World Bank, 2023). These competing uses have contributed to challenges in access to water, with only 50 percent of the population having access to safely managed water, and 43 percent to safely managed sanitation. Further, an estimated 2 million Peruvians also lack basic drinking water services (World Bank, 2023). In summary, these severe weather events could affect Peru's irrigation systems, drinking water supply, and public infrastructure, potentially undermining agricultural output and power generation (Castellanos et al., 2022). Thus, competing uses for water and water security remain challenges in the country costing Peru between 1.3 to 3.5 percent of GDP annually (World Bank, 2023).

## 6.2 Labor Formalization

An important part of the Philippine economy, the informal sector accounts for more than 70 percent of total employment, representing one-third of Philippine GDP (Cabegin, 2022). In fact, estimates indicate that 4 out of 5 Filipino workers were informally employed from 2008 to 2020, with the nature of employment being characterized as poor-quality wage employment in formal enterprises (Cabegin, 2020). These workers are not covered by social security, contracts, and worker representation. Cabegin noted that the majority of the informal workers were said to be male-dominated industries, namely construction, transport and storage, mining and quarrying, and agriculture.

Peru is considered to be a country with high informality characterized by an informal employment rate of 74 percent in 2022 (Instituto Nacional de Estadística e Informática, 2022). The productivity of the informal sector is said to be low, with the formal sector having an overall average labor productivity 4.8 times higher than the informal sector (Chacaltana et al., 2021). Further, it was estimated by the *Instituto Nacional de Estadística e Informática* that labor informality from 2010 and 2019 in Peru was only reduced by 4.4 percentage points from 77.1 percent to 72.7 percent, with the highest informal employment rate recorded at 96.1 percent in rural areas and 68.4 percent in urban areas. Most of these informal workers are found in commerce, construction, and agriculture (PEDN, 2023). The informal nature of work in Peru was further exacerbated by the COVID-19 pandemic, as Chacaltana et al. (2021) noted that the Peruvian labor market became highly volatile and informal employment usually transitioned

to inactivity during the pandemic. Thus, formalization of the informal sectors had been a long-term priority for Peru as reflected in its APEC priorities on innovation and digitalization to promote transition to the formal and global economy. The Philippines supports the APEC 2024 priority on innovation to promote the transition of the global labor force to the formal and global economy given its alignment with the PDP.

### *6.3 Strengthening micro-, small-, and medium enterprises (MSMEs) through the Digital Economy*

The Philippines is home to one of the world's flourishing MSMEs environments, with 99.59 percent of business enterprises operating in the country being MSMEs (Department of Trade and Industry, 2022). Micro enterprises account for 90.49 percent of these business establishments, with small enterprises following at 8.69 percent, and medium enterprises comprising just 0.40 percent. Majority of the MSMEs industries are found in (a) Wholesale and Retail Trade; (b) Repair of Motor Vehicles and Motorcycles (546,863); (c) Accommodation and Food Service Activities (158,113); (d) Manufacturing (133,504); (e) Other Service Activities (71,145); and (f) Financial and Insurance Activities (50,782). MSMEs in the Philippines have collectively generated a total of 5,607,748 jobs accounting for 65.10 percent of the Philippines' total employment.

Consequently, the Philippines' digital economy contributed 8.4 percent (PHP 2.05 trillion) to GDP, a 7.7 percent increase from 2022. As one of the fastest-growing digital economies among major ASEAN member states with a 93 percent expansion from 2020 to 2021, the Philippines has supported the growth of the digital economy through digitization, infrastructure development, and skill upscaling to form a dynamic innovation ecosystem (Tech for Good Institute, n.d.). Policies and initiatives such as the Electronic Commerce Act of 2000, the Internet Transactions Act (ITA) of 2023, the National Payment Systems Act, and the Philippine Central Bank's Digital Payments Transformation Roadmap 2020-2023. Specifically, the newly created E-Commerce Philippines 2024-2028 Roadmap aims to further strengthen the digital economy by expanding the international presence of Philippine products and services by prioritizing tourism, creatives, food and agribusiness, transportation, and logistics (Department of Trade and Industry, 2024). Collectively, these initiatives accelerate MSME digital adoption as it is vital in building resilience to economic shocks and avoiding disruptions in business operations. Given the role of MSMEs as the backbone of the Philippine economy, full participation and integration of MSMEs in the digital economy becomes tantamount to economic growth in the Philippines through increased domestic and international market penetration.

Similar to the Philippines, 99.5 percent of Peruvian enterprises are MSMEs, employing 89.4 percent of the private sector workforce in 2020 (OECD, 2022). Further, the Peruvian digital economy has also been experiencing a rapid growth in its digital economy, with estimates of the digital economy percent share of Peruvian GDP increasing from 5.1 percent in 2017 to 6.8 percent in 2021 (Bagsic & Venugopal, 2023). Thus, the PEDN places emphasis and importance on fostering digital transformation across all sectors. To strengthen digital transformation and promote e-commerce among its MSMEs, Peru has created the National Digital Economy Platform to push further technological adaptations in its systems (PEDN, 2023). It has also created the Digital Basic Basket Program for upskilling in digital literacy, connectivity, and access to digital services in education, health, and security (PEDN, 2023).

In APEC, the priorities of both the Philippines and Peru have a convergence in the digital inclusion of MSMEs in the digital economy and climate action aside from the promotion of trade and investment for inclusive and interconnected growth.

## 7. Forward Looking Actions in Deepening Philippines-Peru Relations

The identified convergences and alignment between the Philippines and Peru present numerous opportunities in deepening economic, political, and technical cooperation to create concrete and tangible action at the bilateral and multilateral levels.

### *7.1 Operationalizing Memorandum of Understanding (MOU) on the Establishment of a Bilateral Consultation Mechanism between the Philippines and Peru*

On 16 July 2003, the Department of Foreign Affairs of the Philippines and the Ministry of Foreign Affairs of Peru signed a Memorandum of Understanding (MOU) on the Establishment of a Bilateral Consultation Mechanism, later ratified on 22 October 2003, which aims to conduct consultations in reviewing all aspects of Philippines-Peru bilateral relationship and exchange views on bilateral and international affairs of mutual interest. Article 2 of the MOU further specifies

this review to “all aspects of their bilateral relationship in the political, economic, commercial, investment, tourism, financial, industrial, scientific, cultural, educational, social, sport, technical, and technological fields.” Further, Article 4 allows for the creation of working groups or expert meetings in order to discuss specific areas of common interest. Given the identification of convergences between the national development priorities of the Philippines and Peru, a joint working group on trade, investment, and economic cooperation may be pursued to discuss policy and economic cooperation concerns.

## ***7.2 Operationalizing the Agreement for Scientific and Educational Cooperation Between the Bureau of Fisheries and Aquatic Resources (BFAR) of the Philippines and the Instituto del Mar del Perú and Further Cooperation on Climate Change***

On the same date as the signing of the MOU on the Establishment of a Bilateral Consultation Mechanism, the Agreement for Scientific and Educational Cooperation Between the Bureau of Fisheries and Aquatic Resources (BFAR) of the Philippines and the *Instituto del Mar del Perú* was also signed to promote channels of cooperation and communication in academic and scientific knowledge. The areas of cooperation include: (a) exchange of researchers, scientists, scholars for lectures, talks, conferences, colloquia, symposia; (b) implementation of cooperative research programs by making facilities and equipment (including research vessels) of one party available to researchers of the other party; and (c) encouraging direct contact between researchers and permitting other forms of research cooperation by mutual agreement.

Outlined in the agreement were cooperative research areas which include: (a) El Niño research and forecasting; (b) chemical, physical and biological oceanography research, (c) oceanic fish population dynamics and behavior; (d) population genetics research of migratory fish species; (e) dynamics of fish aggregating devices and habitat enhancement structures; and (f) development of fish meal industry. The agreement is valid for five years and automatically renewed for similar periods unless sooner terminated. Further, a Scientific and Technical Cooperation Agreement was also signed between the two countries on 15 November 1996.

Cognizant of the importance of addressing climate change and its impact on national development of the Philippines and Peru, the two countries may revitalize and revisit the parameters of these maritime-related agreements given the importance and contribution of fisheries production in their respective GDPs. Utilizing science and technology cooperation, the Philippines and

Peru may undertake joint research projects on El Niño, sustainable fisheries, aquaculture, renewable energy, and biotechnology given the risks posed by climate change to these sectors. Further, educational exchanges in the marine sciences may also be helpful in the capacity-building of both countries.

At the ASEAN level, Peru was conferred the status of Development Partner of ASEAN on 29 January 2024 (ASEAN, 2024). While it has improved bilateral engagements with ASEAN member-states in a number of areas, it is worth noting that Peru has also engaged in technical, scientific, and economic cooperation with Cambodia, Indonesia, Malaysia, Viet Nam, and the Philippines. Further, it has undertaken agricultural cooperation with Indonesia and environmental protection with Thailand. Thus, Peru may further expand its cooperation on environment protection and the implementation of the ASEAN Blue Economy Framework and the ASEAN Climate Change Strategic Action Plan, specifically on projects implemented by the ASEAN Centre for Biodiversity hosted in the Philippines.

Lastly, it may identify areas of further cooperation within the auspices of the United Nations Framework Convention on Climate Change (UNFCCC) to maintain and improve its achievement of their respective nationally determined contributions (NDCs).

### *7.3 Operationalizing the Philippines Peru Cultural Agreement*

A cultural agreement was also signed on 15 November 1996. Recognizing the shared history between the Philippines and Peru, academics from both countries may consider conducting joint research projects to provide a comprehensive study of Philippines-Peru relations, generating a wealth of new knowledge on historical and cultural links. Cultural caravans and showcases may also be jointly conducted by both the Philippines and Peru. For instance, a historical exhibit displaying artifacts and art connecting the Philippines and Peru through the Acapulco-Manila Galleon Trade may be helpful in facilitating cultural exchanges and people-to-people connections.

### *7.4 On Philippine Products for Export to Peru and Investment Promotion*

The following products found in Table 2 are highly recommended for promotion and export to Peru. Further, the Philippines and Peru may undertake business missions to identify trade barriers and opportunities for improved market access.

It is important to note that a Memorandum of Understanding between Private Sector Representatives of the Republic of the Philippines and the Republic of Peru on the Establishment of the Philippines-Peruvian Business Council was signed on 15 November 1996, thus revisiting this MOU may be helpful to future consultations in improving bilateral trade. In this regard, technical consultations and cooperation with the Peruvian Government on improving market access for the below mentioned Philippine products are recommended.

**Table 2**

*Top Ten Products for Promotion to Peru (in USD mil.)*

Product	Achieved Potential (%)	Achieved Potential Value (in USD million)	Unachieved Potential (%)	Unachieved Potential Value (in USD million)	Total Potential Value (in USD million)
Tunas, prepared/preserved	20	1.3	80	5.5	6.8
Storage units for data-processing machines	58	3.8	42	2.7	6.5
Printers & copying machine, multi-function	100	19	0	0	6.4
Static converters	46	1.5	54	1.8	3.4
Electronic integrated circuits: processors/controllers	1	.03	99	2.9	3
Printers & copying machine, single-function	100	3.8	0	0	2.7
Projectors	100	3.4	0	0	2.4
Parts of automatic data-processing machines, n.e.s.	9	.21	91	2.2	2.4
Reception/conversion/transmission data devices	5	.11	95	2.1	2.2
Spectacle lenses, n.e.s.	22	.37	78	1.3	1.7

*Note.* Data gathered from the International Trade Center Export Potential Map. For more information, see <https://exportpotential.intracen.org/en/products/treemap?toMarker=j&market=604&fromMarker=i&exporter=608&whatMarker=k>

The Philippines has undertaken significant economic policy reforms to liberalize key sectors and improve the business environment of the archipelago. First, the Foreign Investments Act of 1991 (Republic Act No. 7042) was amended by Republic Act No. 11647 to relax restrictions on foreign investment by allowing foreign investors to invest in a local enterprise, including MSMEs, up to 100 percent of its capital (Official Gazette, 2022). The Philippines has also amended its Public Service Act (Commonwealth Act No. 146) through Republic Act No. 11659, which liberalizes ownership of public services by removing the 60 percent Filipino equity requirement for issuing certificates authorizing public service operation, management, or control (Official Gazette, 2022). It is, however, required that the entity be constituted and organized under the laws of the Philippines. Further, the new law imposes a 50 percent limitation on the ownership of foreign nationals of entities engaged in the operation and management of critical infrastructure. It also allows the employment of foreign nationals, albeit subject to the labor-market test. The Retail Trade Liberalization Act of 2000 (Republic Act No. 8792) was also amended by Republic Act No. 11595 to simplify and ease restrictions for foreign retailers in the Philippines (Supreme Court of the Philippines E-Library, 2021). Lastly, the Renewable Energy Act of 2008 (Republic Act No. 9513) was also modified to allow foreign investors to hold 100 percent equity in the exploration, development, and utilization of solar, wind, hydro, and ocean or tidal energy resources (Department of Energy, 2022).

## *7. Cooperation on Internationalization of MSMEs and Tackling Labor Informality*

The Philippines and Peru may cooperate on initiatives, projects, and policies relating to improved innovation and digitalization in the promotion of transition to the formal and global economy through APEC. Specifically, the two countries have a development priority convergence in the promotion of MSMEs and digitalization, thus policy frameworks and strategies to support MSMEs and start-up enterprises through increased digitization and digitalization may be areas of cooperation. This may also improve international market access for both countries and may strengthen supply chains and connectivity for improved flow of trade and investment, thus contributing to the effective implementation and efforts on the Free Trade Area of the Asia-Pacific (FTAAP) agenda. In this regard, the Philippines and Peru may consider advocating for discussions and codifying trade rules related to the digital economy such as data privacy, data localization, cross-border data flows, consumer protection, electronic payments, and intellectual property rights to standardize and harmonize the regulatory environment for businesses, including MSMEs. At the ASEAN level, the Philippines and Peru may explore initiatives guided by the ASEAN Digital Integration Framework, ASEAN Strategic Action Plan for SME Development, and the ASEAN ICT Masterplan 2020 among others. Further, the two countries



may participate in inter parliamentary dialogues to facilitate the exchange of key information and knowledge-sharing on best practices and legislation governing MSMEs and policies relating to labor informality.

## *7.6 Forward Looking Strengthened Philippines-Peru Bilateral Relations*

While the Philippines and Peru are linked together by their shared history, the analysis of development priorities of the Philippines and Peru reveal more synergies than previously thought, highlighting significant areas of convergence. Priority alignments in climate action, labor formalization, MSMEs, and the digital economy were identified as areas of potential cooperation. This sets the stage for proactive joint efforts to address the urgent challenges posed by climate change to their respective agricultural sectors and overall economic stability, initiating collaborative efforts in advocating for pro-MSME and strengthened digital transformation policies at international fora to enable the global digital economy.

The shared commitment to enhancing the formal labor market and bolstering micro-, small-, and medium-sized enterprises (MSMEs) further underscores the potential for productive bilateral and multilateral cooperation. By operationalizing existing agreements and pursuing new initiatives that leverage their complementary strengths, the Philippines and Peru can enhance their resilience against climate impacts, drive economic growth, and promote sustainable development. As they engage within frameworks such as APEC, ASEAN and the UNFCCC, the Philippines and Peru are well-positioned to not only address common challenges but also to serve as models for cooperation in the global arena. The road ahead is promising, with ample opportunities to deepen ties that can lead to mutual benefits and strengthened international trade with an emphasis on MSMEs, and creating climate-resilient ecosystems through collaborative scientific research in promoting green, blue, and circular economy frameworks.

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## NOTES

1. The date of the first and second ships to Peru vary depending on the author. Some say the first and second ship was sent in 1580 and 1581 respectively. See Tremml-Werner, B. (2015). *Spain, China, and Japan in Manila, 1571-1644*. Amsterdam University Press. <http://www.jstor.org/stable/j.ctt196313j>
2. All Philippines-Peru trade data were gathered from the Department of Trade and Industry (DTI) Tradeline. For more information and data, see <http://www.tradelinephilippines.dti.gov.ph:8080/total-trade>
3. Author's calculation based on data gathered from the Department of Trade and Industry (DTI) Tradeline.
4. Author's calculation based on data gathered from the Department of Trade and Industry (DTI) Tradeline.
5. Author's calculation based on data gathered from the Department of Trade and Industry (DTI) Tradeline.
6. Author's calculation based on data gathered from the Department of Trade and Industry (DTI) Tradeline.
7. Data gathered from the Department of Trade and Industry (DTI) Tradeline.
8. Data gathered from the Department of Trade and Industry (DTI) Tradeline.
9. Author's calculation based on data gathered from the Department of Trade and Industry (DTI) Tradeline.
10. Data gathered from the Department of Trade and Industry (DTI) Tradeline.
11. Author's calculation based on data gathered from the Department of Trade and Industry (DTI) Tradeline.
12. For more information, see Bangko Sentral ng Pilipinas. (n.d.). *Direct Investments By Country (BPM6 Concept)*: <https://www.bsp.gov.ph/SitePages/Statistics/External.aspx?TabId=7>
13. For more information, see Bangko Sentral ng Pilipinas. (n.d.). *Direct Investments By Country (BPM6 Concept)*: <https://www.bsp.gov.ph/SitePages/Statistics/External.aspx?TabId=7>
14. Mr. Karl Kendrick was Director-General of the National Economic and Development Authority and Secretary of Socioeconomic Planning in 2021.



15. See the full version of the Philippine Development Plan at <https://pdp.neda.gov.ph/philippine-development-plan-2023-2028/>
16. At the time of the presentation, Ms. Sarah Lynne S. Daway-Ducanes was the Assistant Secretary of the Policy and Planning Group of the National Economic and Development Authority.
17. Socioeconomic targets were directly lifted from the Philippine Development Plan.
18. See the full version of the Plan Estratégico De Desarrollo Nacional at <https://www.gob.pe/institucion/ceplan/informes-publicaciones/4637571-peru-plan-estrategico-de-desarrollo-nacional-al-2050>
19. Latin America 5 is comprised of Brazil, Chile, Colombia, Mexico, and Peru.