

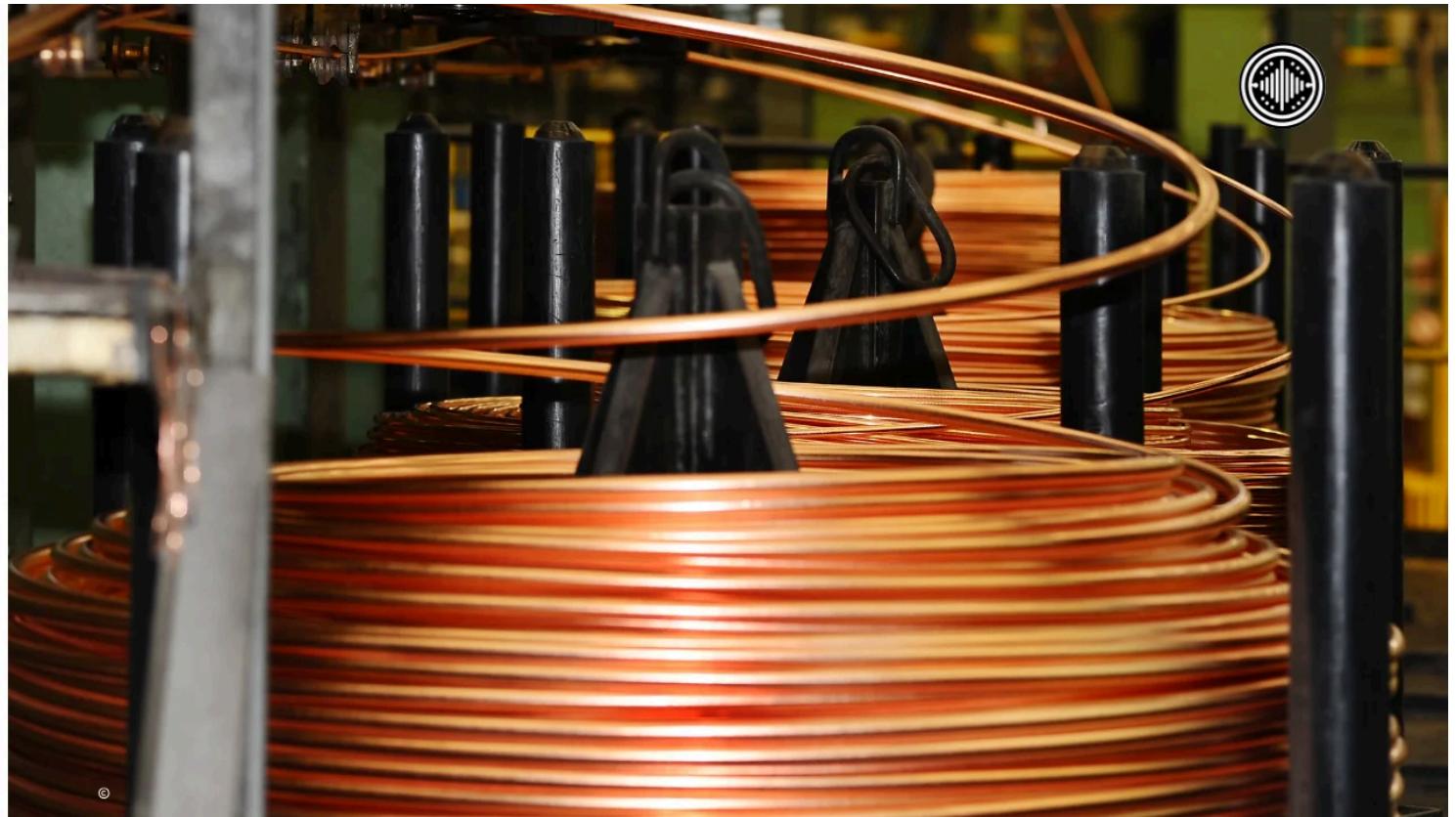
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Trump's Copper Tariffs to Have Minimal Effect on Peru's Economy, Say Analysts

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The United States' latest round of tariffs, including a significant 50% levy on copper imports, is expected to have a limited economic impact on Peru, despite initial concerns. While copper is a cornerstone of Peru's export economy, the relatively low volume exported to the U.S. means the broader economic consequences are likely to remain contained.

President Donald Trump's announcement of new tariffs targeting strategic assets, chief among them copper, sparked concerns among investors and trade analysts. Copper remains Peru's top export, and the country is currently the world's second-largest copper producer. However, experts say that the U.S. is not a major destination for Peruvian copper shipments. Instead, the majority of these exports, about 70%, go to China. As such, the tariff's real economic impact is expected to be minimal.

"Despite the initial impression of a significant impact, the effect is limited," said Álvaro Meléndez, Deputy Manager of Top-Down Investments at *AFP Integra*, speaking to *Andina News Agency*. "Only around 13% of Peru's exports go to the United States, which accounts for 3.3% of Peruvian Gross Domestic Product (GDP)," he explained.

Meléndez broke down the numbers further, noting that combining the previously announced 10% general tariff from April with the new copper-specific 50% tariff results in an effective average tariff of roughly 14.4% on Peruvian exports to the U.S. While that number may seem substantial on the surface, it is relatively low in practical terms, particularly given Peru's strong trade ties with Asia and other global markets.

Peru's export portfolio to the U.S. also skews toward agricultural products rather than minerals, further buffering the nation's economy from potential shocks. Meléndez emphasized that regional comparisons support this conclusion: "Peru's dependence on exports to the United States, 3.3% of GDP, is much lower than that of countries like Chile (5%), Colombia (4.5%), Ecuador (7%), or Mexico (27%). Diversification toward China has mitigated the impact."

Stable Markets and Cautious Optimism

On the market front, analysts are not expecting significant disruptions. While uncertainty will linger in the short term, the broader investment climate remains stable. Meléndez noted that the U.S. economy has shown resilience, particularly following the Trump administration's strategic pauses on prior tariff expansions and trade deal renegotiations.

"After the tariff extensions or pauses and the trade agreements under Trump, calm returned to the markets, and the U.S. economy remained strong as a global engine," Meléndez remarked.

According to Meléndez, U.S. stock markets have rebounded to levels seen before the April tariff announcements, interest rates have declined, and the U.S. dollar has continued a mild weakening trend, largely due to investors seeking greater diversification abroad.

As for Peru's domestic financial market, the tone remains cautiously optimistic. Falling inflation has allowed interest rates to ease, supporting asset revaluation and investor confidence. "The local stock market outlook is generally positive," Meléndez said. "But risks remain, especially tied to potential future actions from the Trump administration and any short-term inflationary pressure from the tariffs."

While geopolitical unpredictability continues to influence global trade dynamics, Peru's strategic diversification, especially its strong trade alignment with China, has helped shield its economy from more severe consequences. For now, U.S. tariffs on Peruvian copper appear to be more bark than bite.