Characteristics Of Peruvian Natural Resources

Peru has several natural resources. Its extended geography and weather provide a favorable environment for animals and plants to live and grow. Agricultural potential and good fishing are two of the oldest but more stable industries favoring Peru's economic development, having cotton, potatoes and fish as the best examples and main sources to support their development.

Peruvian cotton is considered one the best worldwide, prized for its exceptional durability and softness competing with other the high quality cotton, like the ones produced in Ghana, Nigeria, India, Pakistan, China, Morocco, Malaysia and Egypt. Thanks to ideal growing conditions, extra-long staple length and hand harvesting, costumers have realized of how well Peruvian clothing holds up after some use. With a superior staple length, which is how a group of fiber is measured, Peruvian's cotton runs a race on its own, "The main difference is the staple length. Pima cotton staple length is around 1 inch, while ordinary cotton measures around half and inch", said Ricardo Diaz of Textil Only Star SAC. The are many clothing brands that choose Peruvian cotton as their main source for manufacturing like, POLO Ralph Lauren, Mark Jacobs, Hugo Boss, John Varvatos, Theory, Lilly Pulitzer, Juicy Couture, Burberry and Lacoste, whose empire extends worldwide. Lacoste stands as one the biggest investors on Peruvian cotton, using it mainly on their man clothing line sold in all America. This kind of business has motivated more investors to look at Peru as a stronger option for investment.

In addition to cotton, another main natural resource is potatoes. With the perfect condition that the Peruvian geography and weather offer; Peru is capable of growing more than 90% of all kinds of potatoes in the world, 3800 varieties to be exact of different size, shape, color, pulp, skin, and texture. Peru uses this great variety and incorporates it into their cuisine, which is well known around the world. With more than 400 successful restaurants only in the U.S., Peruvian cuisine is becoming a force to be reckoned with. Thanks to this development, more and more people feel attracted to Peru and all of its charm, elevating tourism and elevating its economy. The combination of these two produce an estimate of $5 billion in gastro tourism. The third and biggest natural resource out of the three is fish. Peru's fishing industry has been utilized for many years but it wasn't until the 1950's that it became in the world's foremost producer and exporter of fish meal. With 1800 miles of commercial deep-sea, marketable species of fish like Bonito, Mackerel, Drum, Sea Bass, Tuna, Swordfish, Anchoveta, Herring, Shad, Skipjack, Yellowfin, Pompano and Shark are found in Peruvian's waters. According to the Nations Encyclopedia, "The average annual catch during 1991-2000 was 8.515.000 tons. The total catch in 2000 was, 10.658.620 tons, second highest in the world after China. That total included 9.575.717 tons of anchoveta, 226.294 tons of South American pilchard, and 296.579 tons of Chilean jack mackerel. Exports of fish products in 2000 amounted to $1.13 billion."

Although Peru's economy has grown, it has taken many years and many setbacks to reach the level, in which they are right now, exposing the lack of economic resources needed for a faster development. External investors have taken over most Peruvian's industries, taking advantage of their position and hurting any kind of economic development. Another point is the imminent evolution of technology. This industry takes first place in most investor's minds when it comes down to make decisions on how to invest, thinking that agriculture is not valid in our current time, putting other potential investments on hold.

However, we cannot apply the same rules, strategies or plan of action to achieve goals. Peru has a very diversified economy. According to World Bank data, “in 2015 the agriculture sector contributed 7.6% of GDP (Gross Domestic Product) and the manufacturing industry 14.5%”, showing the importance of these industries for its economy. Peru has consistently proved to have the fastest growing economy in Latin America. With 18 years of none stop growth; Peru stands taller among all Latin America as a whole, reaching a 5.9% growth, which almost doubles the average of other country’s economy, says the Oxford Business Group. These numbers show that what’s called “slow steady development” is the key of Peru’s economic growth. Technology now a days plays an important role on agriculture. Industries have been able to incorporate robots, temperatures and moist sensors, aerial images, and GPS technology. All these new implementations have opened many new doors to information agriculture companies didn’t have in the past, making decision making much efficient with a larger margin of profit.

Peru has a library of natural resources per say, that continues to grow as Peru keeps to explore, use and explode on its own way and time. Peru has realized what its strengths are and take advantage of them, like cotton, potatoes and fish resources, which other countries lack, therefore instead of trying to adopt other countries economic strategies of development the government and investors need to continue focusing on these industries that are beneficial to the economy and reinforce them. Numbers show a rapid growth of local industries and investors, which favors the Peruvian economy.