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Medina Paredes, Anthony Cristian

Institution: Corvinus University of Budapest, Hungary (PhD program)

Country of origin: Peru

Email: paredes.medina@stud.uni-corvinus.hu

U.S. International Economic Policy and Its Effects on Peru: Trade, Investment, and Geopolitical Repercussions (2017–2025)

This literature review examines the effects of U.S. international economic policy on Peru during the period 2017–2025, synthesising evidence from 30 peer-reviewed academic sources. The analysis focuses on five interrelated dimensions: bilateral trade relations and trade agreements, foreign direct investment flows, economic policy impacts, geopolitical repercussions, and bilateral economic diplomacy.

The U.S.–Peru Trade Promotion Agreement (PTPA), in force since 2009, provides the institutional framework for bilateral economic relations. The reviewed literature shows that the agreement has contributed to trade expansion, growth of non-traditional exports, increased foreign direct investment in non-commodity sectors, and deeper economic integration between the two countries. However, the evidence also identifies persistent challenges, including limited export diversification, institutional capacity constraints, and increasing geopolitical complexity associated with China’s growing economic presence in Peru.

The review highlights important gaps in the literature, particularly the limited analysis of post-2017 developments, insufficient attention to distributional effects, and inadequate examination of how U.S.–China rivalry influences Peru’s economic policy choices. It concludes that while U.S.–Peru economic relations have generated measurable benefits, Peru faces strategic challenges in balancing relations with competing global powers while pursuing inclusive and sustainable economic development.

Keywords: *U.S. international economic policy, U.S.–Peru economic relations, Trade and foreign direct investment, Geopolitical repercussions, U.S.–China rivalry*