

Strengthening SMEs' Competitiveness with Certification of Origin in Peru

Peru

2024/25 KSP POLICY BRIEF

Presented by the MOEF, Republic of Korea

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Preface

Countries around the world are actively pursuing Free Trade Agreements (FTAs) to eliminate trade barriers, expand trade, and foster economic growth. Peru, in particular, has concluded 22 FTAs to date and is recognized as the most active user of FTAs among Latin American countries, playing a pivotal role in regional integration and market diversification.

To fully realize the benefits of FTAs—especially in terms of preferential tariffs—effective origin certification and management systems are essential. However, many Peruvian small and medium-sized enterprises (SMEs) face difficulties due to the complexity of rules of origin and the limited availability of origin management systems to support origin determination, self-certification, and origin verification. In response, the Ministry of Foreign Trade and Tourism (MINCETUR) has demonstrated strong commitment to upgrading the Ventanilla Única de Comercio Exterior (VUCE) Origin Management System and improving FTA-focused training programs to strengthen SMEs' ability to comply with rules of origin.

Korean SMEs have also faced similar challenges. Yet, with proactive government policy support and the successful introduction and operation of a high-quality origin management system, they have significantly improved compliance and strengthened their export competitiveness. Drawing on Korea's experience, the KSP Policy Advisory Team engaged with Peruvian counterparts through seminars, workshops, and policy dialogues to identify future models and practical solutions suited to Peru's needs. We hope the policy recommendations presented in this KSP report provide practical value to MINCETUR and contribute to improving operational efficiency and export readiness among Peruvian SMEs.

On behalf of the KSP Policy Advisory Team, we wish to extend our sincere appreciation to MINCETUR for its close partnership throughout this project. Special thanks go to Vice Minister Teresa Stella Mera Gómez, Director General Claudia Guillermina Parra Silva, Director Daisy Jennifer Olórtegui Marky, and the officials at the Directorate of the Origin Unit for their steadfast support and collaboration. We consider it deeply meaningful to have shared Korea's knowledge and experience with Peru through this KSP project, and we look forward to the continued expansion of economic cooperation and knowledge exchange between our two countries.

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Summary

The Peru KSP aims to strengthen Peru's export capacity and market diversification through the enhanced utilization of FTAs, by improving the VUCE, and bolstering SME capabilities in FTA utilization, based on the needs expressed by Peru's Ministry of Foreign Trade and Tourism (MINCETUR). Peru has signed 22 FTAs, and 87% of its exports go to FTA partner countries, making it one of the most active FTA-utilizing nations in Latin America. As Peru's FTA-based exports continue to grow, the importance of origin management, which ensures that exporters receive preferential tariff benefits and are prepared for origin verification, is increasing.

However, the VUCE, the only platform available to Peruvian SMEs for handling origin certification, has limited functionality, and existing FTA training primarily focuses on basic FTA knowledge and how to use the VUCE, which partially addresses the challenges faced by SMEs. Moreover, in light of evolving global trade norms surrounding climate change, environmental standards, human rights, and supply chains, there is a growing need for Peru, as an upstream player in global supply chains, to enhance its origin management policies.

This Peru KSP presents policy recommendations under three topics, based on an analysis of Peru's current origin management practices and by drawing on Korea's best practices and policy experience, to help address the practical challenges faced by Peruvian SMEs.

Key Policy Recommendations

□ The Development of an Upgrade to the VUCE Origin System

In order to support the self-issuance of certificates of origin, a response to origin verification, and the expansion of approved exporters, it is recommended that the VUCE origin management system be upgraded by incorporating Korea's proven model—such as the FTA Korea system—and integrating digital services that enable the seamless self-management of origin and verification responses. The upgraded system enhances the utilization of FTAs by SMEs by enabling FTA-specific self-determination of origin, the self-issuance of certificates, the electronic archiving of supporting documents for post-verification, and the management of declarations of origin between exporters and suppliers. Furthermore, the administration of origin management by MINCETUR can be improved through more effective oversight of certificate-issuing institutions, management of approved exporters, and enhanced control of origin verification processes.

② Supporting Policies to Expand the Use of the VUCE Origin System

It is recommended that MINCETUR and export support organizations conduct user training programs to help SMEs effectively utilize the newly developed VUCE origin components. Additionally, MINCETUR needs to refine origin management processes and regulatory system to empower SMEs regarding self-determination of origin and self-issuance of certificates.

③ The Government-led Establishment of an FTA Support System

It is recommended that a dedicated origin information agency be established to support origin determination, verification, and data management, thereby ensuring a reliable statistical foundation. Additionally, tailored training and consulting should be provided to SMEs by industry and region through the analysis of demand data based on origin statistics, thereby promoting broader FTA utilization.

④ The Promotion of FTA Utilization by Developing FTA Experts

MINCETUR should partner with universities, export associations, and trade institutions to offer customized industry-specific FTA training and consulting programs, cultivating practical experts. It is also recommended to implement a certified specialist system, such as Korea's Certified Origin Specialists, to enhance exporting companies' FTA compliance and utilization.

⑤ Policy and Organizational Reform to Address Emerging Trade Norms

MINCETUR should create a specialized unit to better respond to global trade norms and formulate policies and action plans aligned with Peru's export industries. This unit should develop a standard manual for supply chain due diligence compliance and conduct regular guidance and training programs for exporting companies.

⑥ A VUCE Upgrade for Supporting Global Supply Chain Due Diligence Norms

It is necessary to upgrade the VUCE system to manage supply chain and sustainability data alongside certificates of origin, in order to better respond to trade norms in key markets such as the EU. Furthermore, it is recommended to establish and implement policies that position the VUCE system as a comprehensive trade compliance platform, enabling the registration, management, and certification of supply chain due diligence.

1. Introduction

In 2024, Peru's exports reached an all-time high of USD 74.7 billion, up 15.6% from the previous year, and grew at an average rate of 15.7% from 2020 to 2024.¹ In addition, Peru has a high share of exporting SMEs, accounting for 6,899 (71%) of the 9,750 exporters, according to the Ministry of Foreign Trade and Tourism (MINCETUR). As a result of Peru's active promotion of FTAs to expand exports, the country has signed a total of 22 Regional Trade Agreements (RTAs), with approximately 87% of all exports going to FTA partner countries, and origin management is becoming increasingly important for exporters. In particular, among the trade agreements signed by Peru, 12 agreements utilize the self-issuance of certificates of origin and the issuance by approved exporters, which hold significant weight comparable to certificates of origin issued by institutions.

However, the origin management system of the Ventanilla Única de Comercio Exterior (VUCE), Peru's Single Window for Foreign Trade, currently provides only the institutional issuance services in connection with 22 export institutions nationwide, and does not effectively support SMEs in determining the origin and maintaining supporting documents for post-verification, which is required for the self-issuance of certificates of origin. Due to these issues, MINCETUR has paid keen attention to the development of a system to strengthen the capacity of SMEs to determine the origin and self-issued certificates of origin, as well as provided training on FTA rules of origin and the issuance of certificates of origin.

The global trade system has expanded beyond fair trade to encompass sustainability agendas, including the environment, the climate, and human rights. This places increased emphasis on strengthening supply chain resilience, particularly for countries with economies rooted in primary industries. Regulations such as the EU's Corporate Sustainability Due Diligence Directive (CSDDD) integrate environmental and human rights considerations into trade norms, placing greater demands on resource-dependent nations. Supply chain due diligence encompasses the entire production cycle, from raw material extraction and processing to assembly and distribution, and is designed to proactively manage risks such as human rights violations, forced labor, and environmental degradation. As a result, countries with industrial structures concentrated in upstream or midstream segments are more vulnerable to these regulations.

¹ Reporte Mensual de Comercio, MINCETUR, 2021-2025.

In the case of Peru, where key exports include coffee, avocados, and silver, the likelihood of being affected by supply chain due diligence standards is significant, making the establishment of a regulatory response system increasingly urgent. These shifts in the global trade landscape underscore the need for Peru to reconfigure its medium- to long-term export and industrial strategies. Developing certification and verification frameworks and advancing its origin management system have become policy priorities.

Peru has sought to achieve technological innovation and industrial diversification by expanding trade through FTAs. To this end, enhancing the utilization of FTAs by SMEs, which are the backbone of the Peruvian economy, is critically important. Two key policy considerations are necessary to improve FTA utilization by Peruvian SMEs: first, upgrading the VUCE origin management system; and second, strengthening FTA education for SMEs. Meanwhile, in the face of rapidly changing global trade following the global financial crisis and the COVID-19 pandemic, resource-dependent exporting countries like Peru, positioned upstream in global supply chains, urgently need to respond to global trade norms. Accordingly, the KSP team has identified upgrading the VUCE origin system and improving FTA education programs as short-term tasks, and establishing policies to respond to global trade norms as long-term tasks.

2. Status of Origin Management and FTA Utilization by Peruvian SMEs

2.1. Origin Management System in Peru

2.1.1. Status of Certificate of Origin Management and Issuance in Peru

Peru has signed a total of 22 FTAs, and about 87% of its exports are to FTA countries, which indicates that its FTA utilization rate is very high. In 2024, 4,256 companies used institutional issuance to obtain a total of 190,657 origin certificates in Peru (MINCETUR, 2025). Although MINCETUR does not track the number of self-issued certificates, the ongoing growth in exports and the country's high FTA utilization rate suggest that the number of self-issued certificates is also steadily rising.

The process of obtaining a certificate of origin through the VUCE system consists of two main steps. The first step is to apply for an affidavit of origin (Declaración Jurada), in which the exporter submits information on the exported product and obtains the approval of the issuing institution by filling in the information on the producer and exporter, the exported product, the Peruvian originating and non-originating materials, the production process, and the applicable origin criteria. The second step is to apply for a certificate of origin (Certificado de Origen), in which the exporter submits the origin information in accordance with the provisions of the trade agreement and obtains the approval of the issuing institution, which requires the exporter to complete the information on the exporter, the importer, the applicable trade agreement, the commercial invoice, and the approved affidavit of origin (Declaración Jurada) information. Upon receipt of the application, the supervisor of the issuing institution reviews the requirements of the application and assigns an evaluator who determines the country of origin and sends a DR (Documento Resolutivo) to the exporter via the VUCE approving the application for issuance of a certificate of origin. Upon receipt of the DR, the exporter will print, sign and return the certificate of origin to the issuing institution, where it will be signed, scanned, and finally issued as a certificate of origin (MINCETUR, 2013).

Similar to Korean exporters, Peruvian exporters also issue certificates of origin as required by FTA agreements through self-issuance, institutional issuance, and issuance by approved exporters. Peru has signed a total of 22 RTAs, making it one of the most active countries in Latin America in promoting FTAs. Among the trade agreements signed by Peru, five of them, signed with Korea, the United States, Canada and Australia,

as well as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP with 12 countries), adopt the system of self-issuance of certificates of origin, and seven of them, signed with Japan, the EU, the United Kingdom, Honduras, Costa Rica, Panama, and the European Free Trade Association, adopt the system of issuance by approved exporters.

Unlike the institutional issuance of certificates of origin, which involves an accredited issuing institution, self-issuance allows exporters to determine the country of origin themselves, making it easier for them to issue certificates of origin and benefit from preferential tariffs under FTAs. However, since the responsibility for self-issuance of certificates of origin lies with the exporter, unsystematic origin management is bound to face difficulties in determining origin and is always exposed to the risk of incorrect verification of origin by the other country.

2.1.2. Functions and Operational Status of the VUCE Origin System

In 2013, Peru enacted Supreme Decree No. 006-2013-MINCETUR, which established the operation of origin management tasks within the VUCE, which introduced five key procedures: the issuance, reissuance (copies), replacement, and cancellation of certificates of origin and the evaluation of affidavits of origin. Unlike Korea, Peru's origin certification process includes a preliminary step in which an affidavit of origin must be approved. While this affidavit is similar in nature to Korea's declaration of origin, the key difference is that Peruvian exporters or producers can apply for an affidavit of origin, and it should be finally approved by the issuing institution, which is different from Korea's self-issued declaration process. Based on the affidavit of origin approved by the issuing institution, exporters may then apply for the issuance of a certificate of origin and also use the system's other functions, such as reissuing, replacing, or canceling certificates as necessary.

To operate the various components of the VUCE that include origin management tasks, Peru has established a dedicated department called Dirección de la Ventanilla Única de Comercio Exterior y Plataformas Tecnológicas (DVUCEPT) within MINCETUR, which supports exporters, importers, and relevant agencies in efficiently carrying out trade procedures. A team of specialists in DVUCEPT monitors the VUCE and oversees the resolution of issues, and the development team works on implementing system changes while outsourcing tasks if necessary. Additionally, user support is provided through the VUCEAYUDA service, which is outsourced to an agency staffed with project managers and quality control managers.

Peru's MINCETUR has developed the VUCE 2.0 development plan, incorporating feedback from exporters and issuing institutions, and categorizing system improvement

requirements into the scope of 20 functions. Among these, the scope of five functions related to the current services for affidavit of origin and certificate of origin management are classified as Phase 1, which began in March 2024 and is currently under development. The remaining 15 functions, including the self-issuance of certificates of origin, prior origin determination, certification of issuing institutions, certification and evaluation of officials, approved exporter management, and origin verification, are planned for Phase 2.

2.1.3. Improvement Tasks in Issuing Certificates of Origin

Two main areas for improvement in the VUCE system were identified through local fact-finding missions and local expert interviews regarding the use of FTAs and the issuance of certificates of origin by Peruvian SMEs. First, the improvement of the process of issuing certificates of origin is the introduction of a self-determination function in the VUCE system to handle the determination of origin, which is difficult for SMEs due to the complexity of different rules for each of the 22 FTAs signed by Peru. Similar to Korean SMEs, Peruvian SMEs face difficulties distinguishing between originating and non-originating materials used in production and applying the correct rules of origin for each FTA. Second, although the improvement of the post-management process for certificates of origin is the electronic storage of supporting documents in preparation for the verification of origin by the other country, Peruvian SMEs do not have such a system and therefore have difficulties in creating supporting documents for the self-issuance of certificates of origin and storing hard copies of them.

However, both of these improvements can be made through the adoption of an efficient origin management system. The Korean government has developed an origin management system for SMEs to address the difficulties of determining country of origin and post-managing certificates of origin for those self-issued certificates of origin.

2.2. Peru's FTA Education Programs and Consulting

2.2.1. Status of FTA Utilization by Peruvian SMEs

In 2024, 87% of Peru's total exports were directed to FTA partner countries, with China (33.8%), the United States (12.7%), and the European Union (11.2%) as the main export destinations. Asia accounted for 53% of all exports. Notably, exports to FTA partner countries grew by 10.7% compared to 2023, reaching USD 64.99 billion, with traditional products such as agriculture and mining accounting for USD 46.21 billion, or

71.1% of that total. The mining sector represented the largest share of exports to FTA partner countries, accounting for 59.8% of the total value.

In 2024, exports by Peruvian SMEs increased by 40.2% compared to the previous year, reaching a total of USD 3.53 billion, accounting for 4.7% of the country's total exports. As of the end of 2024, there were 9,750 registered exporting companies in Peru, of which 6,899 were SMEs, representing 70.8% of all exporters. SMEs' export volume has grown at an average annual rate of 20.3% over the past four years, with a particularly strong increase in 2024. Of the total SME exports, USD 1.654 billion (46.9%) came from non-traditional products. Key export items included avocados (USD 104.4 million), mangoes, blueberries, onions, and cacao beans. Exports of traditional products amounted to USD 1.876 billion, marking a 95.9% increase compared to 2023. The mining sector, particularly gold exports, saw substantial growth, while in agriculture, coffee beans stood out with strong export performance.

Trade volumes under multilateral trade agreements have also been steadily increasing. The expansion and growing volume of multilateral FTAs present strategic opportunities for SMEs in several respects. Peruvian SMEs now have greater access to a broader range of international markets. For instance, a multilateral FTA such as the CPTPP facilitates the application of cumulative rules of origin, which helps Peruvian exporters gain easier access to multiple member markets. In addition, relaxed rules of origin allow for the more flexible use of global supply chains.

2.2.2. Status of FTA Education Programs and Consulting in Peru

The support for FTA utilization in Peru is primarily coordinated by MINCETUR. MINCETUR operates a dedicated website² that provides comprehensive information on Peru's economic agreements, which includes full texts of agreements, details on FTA benefits, and frequently asked questions, all available in both Spanish and English.

MINCETUR actively assists export and import businesses by providing consultation services related to non-tariff barriers, as well as operating a trade agreement-specific call center to address challenges faced by companies. Furthermore, through the Directorate of the Origin Unit (DOU), MINCETUR offers video materials outlining the rules and procedures for determining origin, and is progressively publishing origin manuals for each trade agreement. To date, manuals have been completed for 14 of the 22 FTA agreements, with real-time Q&A available via email and phone consultations.

FTA consulting services are also provided through entities such as the Lima and regional Chambers of Commerce, the Exporters' Association (ADEX), and the

² Peruvian Trade Agreements Portal. Accessed May 16, 2025. <https://acuerdoscomerciales.gob.pe>

National Society of Industries (SNI). However, issues that cannot be resolved by these organizations or require specialized expertise are referred back to MINCETUR.

While MINCETUR has been effectively at the core of providing information, practical support, and specialized consulting on FTA utilization and rules of origin, a comprehensive and tailored consulting system based on the division of roles among various agencies or adjusted to the needs of industries and companies of different sizes has yet to be sufficiently established. Therefore, to enhance FTA utilization rates in the future, there is a pressing need to expand the capacity for specialized private-sector consulting and to offer more diverse and impactful consulting support.

Table 1.
Current Status of FTA Education Programs by Major Institutions in Peru

Institution	Education	Training Format	Key Features
MINCETUR	Rules of origin under FTAs, certificate of origin issuance procedures, origin document management, how to use the VUCE system	Online and offline training (monthly)	Held in Lima and other regions; additional sessions available upon request
PROMPERU	INCOTERMS, strategies for reducing export costs, rules of origin, food export and traceability systems, international standards (ISO:9001:2015)	Webinars ("Exporter Wednesday," "Exporter Day"), comprehensive annual program (4–5 months)	Regional webinars, industry-specific training (occasionally)
ADEX	Certificate of origin issuance procedures, rules of origin	Webinars (twice a month)	Open to all trade professionals, industry-specific sessions available
SNI	FTA-related seminars, practical training on certificate of origin issuance	Online training (four times a year)	Latest updates on FTA agreements, open to the general public
Other Chambers of Commerce	Instructions on the issuance of certificates of origin and rules of origin, as well as instructions on the use of the VUCE	Bimonthly virtual training, seminars, and workshops (regional chambers; twice a year)	Online lectures and Q&A sessions to the public and businesses

Source: Author's compilation based on MINCETUR (2024), PROMPERU (2024), ADEX (2024), SNI (2024), and CCL (2024).

2.2.3. Implications

Peru's current support for FTA education is focused on rules of origin and instructions on how to use the VUCE system, with a very limited number of related educational programs. As a result, there is an urgent need to diversify the educational content and increase the number of available programs. There is also a notable lack of specialized training for professionals involved in FTA utilization, and agreement- or

industry-specific training is extremely limited, making it difficult to provide the in-depth information and consulting services that SMEs actually need.

Combined with structural barriers such as the absence of a dedicated department, limited access to information, and challenges in navigating trade procedures, these issues are turning into major factors hindering FTA utilization among Peruvian SMEs. Survey results identified the following main challenges faced by SMEs: limited access to FTA-related information, a lack of understanding of HS codes and rules of origin, and difficulties preparing certificates of origin and obtaining evidence of raw material origin. Although the government and private sector host seminars and workshops, the limited resources have led to lower participation among SMEs, and many SMEs have expressed a preference for individualized consulting. Companies have also shown continued interest in origin-related training, particularly in areas such as how to apply for certificates of origin through the VUCE (91.2%), selecting and evaluating origin criteria, completing origin declarations, understanding verification procedures, and the approved exporter system.

Based on these findings, the Peruvian government and related institutions need to improve in the following ways. First, expand and diversify training programs beyond basic VUCE usage and theoretical origin guidelines to include in-depth, specialized programs on rules of origin, evaluation, the certification process, and verification. Second, introduce training programs for professionals to build a pool of experts capable of delivering agreement- and industry-specific consulting and customized support. Third, improve accessibility to training for SMEs and actively introduce personalized consulting and support services. If these improvements are implemented, Peruvian SMEs will be better positioned to take full advantage of FTAs and enhance their competitiveness in international trade.

2.3. Peru's Response to Global Trade Norms

2.3.1. Trends in Global Trade Norms

Recent developments in global trade norms reflect a shift from tariff-based to non-tariff barriers, directly affecting the import and export activities of companies. Particularly, global trade norms are expanding beyond conventional trade regulations to encompass broader international standards, including environmental protection, labor rights, human rights, and climate change responses. These changes, coupled with the intensifying U.S.–China rivalry, the EU's increasing protectionist stance, and the growing

complexity of global supply chains, are driving both governments and businesses to adopt more transparent and accountable supply chain management systems. Currently, over 80% of global trade is conducted through supply chains, directly supporting the livelihoods of approximately 450 million people (United Nations Industrial Development Organization, 2023).

Supply chain due diligence has emerged as a formal response to these global demands, gaining traction as a policy priority following the 2013 Rana Plaza collapse in Bangladesh. Since then, the G7 and Organization for Economic Co-operation and Development (OECD) have underscored the necessity of due diligence, with the OECD publishing procedural guidelines for multinational enterprises in 2018. The 2023 revision of these guidelines addresses new challenges such as climate change and digital transformation, further strengthening the standards for supply chain due diligence.

At the same time, managing greenhouse gas emissions (Scope 1, 2, and 3) has become a core component of global trade regulations, with companies increasingly required to calculate and report emissions generated throughout the production and distribution processes. A prime example is the EU's Deforestation Regulation (EUDR), which mandates proof of deforestation-free sourcing for seven commodities, including coffee, timber, and soy (Krungsri Research, 2025). It also requires companies to establish systems for managing sustainability information across their supply chains, including carbon emissions. Furthermore, the EU's Carbon Border Adjustment Mechanism (CBAM) demands transparent reporting of Scope 3 emissions across the entire supply chain, with non-compliant companies facing restricted market access.

In this context, values such as environmental protection, human rights, and sustainability are reshaping the architecture of global trade norms, with supply chain due diligence and carbon emission management becoming legal standards that directly impact a company's competitiveness in global markets. The EU's CSDDD serves as a leading model for how these trends are being institutionalized.

2.3.2. An Analysis with a Special Focus on the CSDDD

The CSDDD is the EU's Corporate Sustainability Due Diligence Directive, structured around the four core pillars of environmental responsibility, human rights, transparency, and stakeholder engagement, and mandates that companies implement a wide range of measures to ensure sustainability throughout their supply chains.

The key requirements for companies in the scope of the CSDDD by year and phase are shown in the table below.

Table 2.
CSDDD Application Criteria for Companies in the Scope of the CSDDC by Year

Year	From 2027	From 2028	From 2029
Target	Target: Companies with revenue exceeding EUR 1.5 billion	Target: Companies with revenue exceeding EUR 900 million	Target: Other companies and royalty-earning entities
Companies Established in the EU	The CSDDD applies if a company meets both criteria (1) and (2) below: (1) A company exceeds EUR 1.5 billion in global net revenue and 5,000 employees in 2026; and (2) exceeds EUR 450 million in global net revenue and 1,000 employees in 2025.	The CSDDD applies if a company meets both criteria (1) and (2) below: (1) A company exceeds EUR 900 million in global net revenue and 3,000 employees in 2027; and (2) exceeds EUR 450 million in global net revenue and 1,000 employees in 2026.	- A company that exceeds EUR 450 million in global net revenue for two consecutive years in 2027 and 2028, and 1,000 employees; or - a company that exceeds EUR 22.5 million in royalty income and EUR 80 million in global net revenue for two consecutive years in 2027 and 2028
Companies Established Outside the EU	The CSDDD applies if a company meets both criteria (1) and (2) below: (1) A company exceeds EUR 1.5 billion in net revenue in the EU in 2025; and (2) exceeds EUR 450 million in net revenue in the EU in 2026.	The CSDDD applies if a company meets both criteria (1) and (2) below: (1) A company exceeds EUR 900 million in net revenue in the EU in 2026; and (2) exceeds EUR 450 million in net revenue in the EU in 2027.	- A company that exceeds EUR 450 million in net revenue in the EU for two consecutive years in 2027 and 2028; or - a company that exceeds EUR 22.5 million in royalty income and EUR 80 million in net revenue in the EU for two consecutive years in 2027 and 2028

Note: Estimates prepared before the release of the EU Omnibus Package on 26 February 2025.

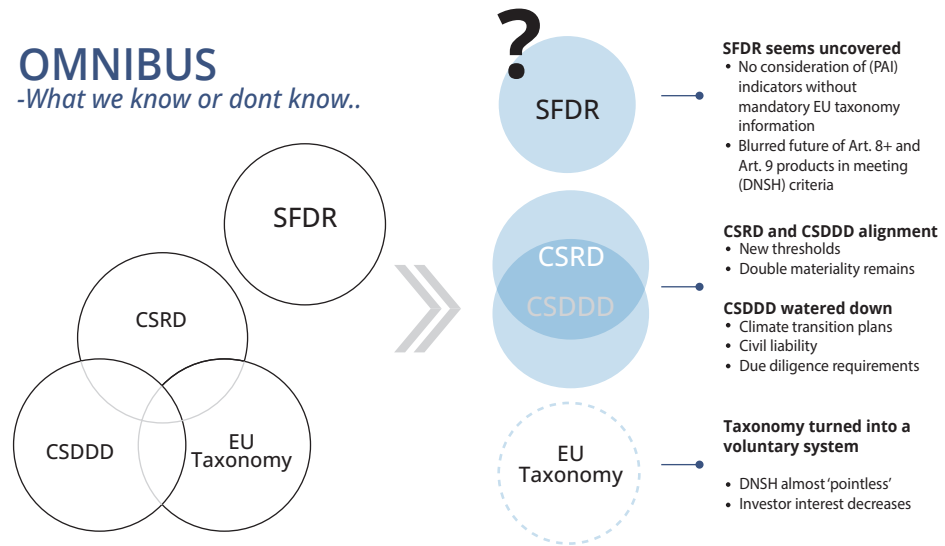
Source: Author's compilation based on KOTRA (2025) and KCCI (2024).

First, companies are required to assess environmental risks throughout their entire supply chain, including carbon emissions, resource depletion, and biodiversity loss, and to establish preventive systems in response. These measures go beyond traditional environmental protection and serve as a strategic foundation for ensuring supply chain reliability and long-term sustainability in the global market. Additionally, companies need to implement procedures to prevent human rights violations, including forced and child labor. These efforts help improve labor conditions within the supply chain and strengthen corporate social responsibility by meeting the ethical standards expected by the international community. Such practices also contribute to enhancing brand credibility and reputation.

Moreover, companies are expected to transparently disclose their due diligence activities and sustainability practices, ensuring that relevant information is clearly communicated to stakeholders such as consumers and investors. This level of disclosure plays a critical role in building trust and maintaining competitiveness in the market. Finally, to promote meaningful improvements across the supply chain and drive

sustainable development, collaboration with a wide range of stakeholders, including labor unions and civil society, is strongly encouraged. A due diligence framework grounded in such cooperation fosters meaningful change across the supply chain and contributes to the development of corporate governance that aligns with international trade norms.

Figure 1.
Evolution of EU Sustainability Regulations and Key Issues



Note: SFDR: Sustainable Finance Disclosure Regulation
 CSRD: Corporate Sustainability Reporting Directive
 CSDDD: Corporate Sustainability Due Diligence Directive
 DNSH: Do No Significant Harm

Source: Greenium (2025).

Meanwhile, the European Commission recently introduced the “Omnibus Package” to ease the compliance burden on companies by adjusting the scope of certain environmental regulations and supply chain due diligence requirements (KOTRA, 2025). Specifically, the CSRD threshold was raised to include only companies with annual revenues exceeding EUR 50 million, and the scope of the CSDDD was narrowed to cover only Tier 1 suppliers within the supply chain. Additionally, the monitoring frequency for due diligence implementation was relaxed from once a year to once every five years, which is expected to alleviate some of the administrative and financial burdens on businesses.

While these revisions provide short-term relief, the fundamental importance of the CSDDD remains unchanged. Companies based in the EU, as well as global enterprises operating within the EU, are required to comply with this regulation. Failure to do so can lead to significant penalties, including fines, legal action, and restricted market access.

Furthermore, the CSDDD is closely aligned with the United Nations Guiding Principles on Business and Human Rights (UNGP) and the OECD Guidelines for Multinational Enterprises, and similar regulations are likely to be introduced in other regions, including the United States and Asia.

Ultimately, no country can remain exempt from the evolving global trade landscape. Embracing the standards set by the CSDDD and establishing appropriate response mechanisms must be regarded as an essential component of a nation's mid- to long-term sustainability strategy.

2.3.3. Current Status of Peru's Trade Policy and Strategy

Peru maintains an open economy based on free trade, strengthening its integration with global markets through FTAs with countries such as the United States, the EU, China, and Korea, as well as through multilateral trade agreements. With an economy heavily reliant on primary industries, mining alone accounts for 12% of Peru's GDP and over 60% of its exports, while the manufacturing and processing sectors are still in the early stages of development.

Through its National Strategic Export Plan 2025 (PENX, 2025), the Peruvian government is working to diversify its export portfolio and enhance value-added production by promoting agricultural and processing industries, improving trade-related infrastructure, and expanding international cooperation. PENX 2025 outlines key implementation strategies, including enterprise internationalization, strengthening export competitiveness, upgrading trade infrastructure, and expanding technology transfer and education. Efforts are underway to enhance international trade competitiveness through policies such as the development of the digital customs system (VUCE 2.0), the expansion of overseas commercial offices, the promotion of foreign investment, and industrial diversification, while Peru is also laying the groundwork for implementing supply chain due diligence and a digital trade system in response to evolving global trade norms.

In parallel, Peru must continue advancing long-term strategies to build a sustainable and resilient trade structure by promoting industrial diversification, advancing high value-added export strategies, and strengthening institutional support to help enterprises align with global trade norms.

3. Case Study on Origin Management and FTA Utilization by Korean SMEs

3.1. Origin Management System in Korea

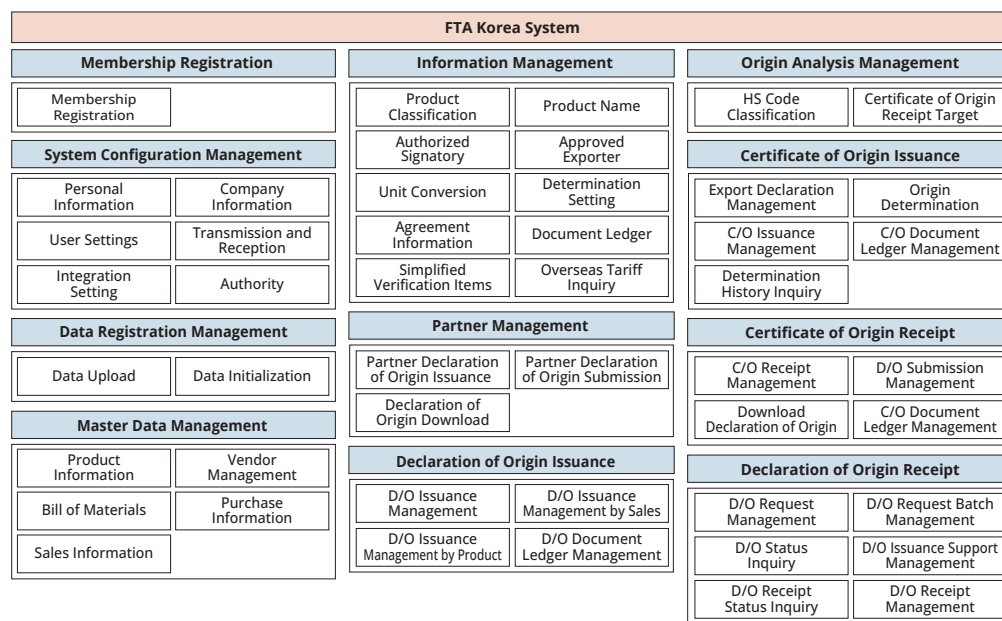
3.1.1. Status of the FTA Korea System

Korea has been actively promoting FTAs to secure stable overseas markets and strengthen national competitiveness by opening up the Korean market in line with the expansion of FTAs worldwide. As of December 2024, Korea signed 22 FTAs with 59 countries and continues to pursue FTAs with other emerging economies. Among the 22 FTAs signed by Korea, 17 FTAs, including those with the U.S., EU, and Peru, adopt self-issuance of certificates of origin, while 11 FTAs, including those with China, India, and ASEAN, adopt institutional issuance. In Korea, the number of certificates of origin issued by institutions has gradually increased with increased exports to 638,490 as of 2024, with the Korea Chamber of Commerce and Industry (KCCI) accounting for approximately 66% of the total (KCS, 2025a).

According to the analysis of Korea's FTA utilization rate in 2024, the overall FTA utilization rate was 86%, of which the FTA utilization rate of FTAs adopting only institutional issuance of certificates of origin was 82%, while the utilization rate of FTAs adopting only the self-issuance of certificates of origin was 90% (KCS, 2025). This is not only because the number of FTAs adopting self-issued certificates of origin (17 FTAs) is higher than the number of FTAs adopting institution-issued certificates of origin (11 FTAs), but also because self-issuance allows exporters to issue the certificates of origin themselves, making the procedures less complicated while enabling exporters to conveniently enjoy FTA tariff benefits.

The FTA Korea system was developed as a core system within the uTradeHub system, Korea's national e-trade infrastructure, to facilitate the use of FTAs by SMEs that lack the capacity to management origin information, and has been providing services since June 2011. Korea's Ministry of Trade, Industry and Energy (MOTIE) has been helping SMEs use the FTA Korea system to effectively handle the tasks of origin determination, certificate issuance, and post-management so that they can grow into exporters that actively leverage the benefits of utilizing FTAs. As of the end of 2024, 34,283 companies had subscribed to use the FTA Korea system, and the cumulative number of origin determinations by FTAs had reached 8,609,625, and 62,247 declarations and certificates of origin had been issued (KTNET, 2025).

Figure 2.
Function Block Diagram of FTA Korea



Source: Author's illustration based on the functions of the FTA Korea System (KTNET, 2024).

Exporters, regardless of their industry or company size, can utilize the FTA Korea system by completing the following three procedures: data registration, origin determination, and document issuance. The FTA Korea system accommodates both the self-issuance and institutional issuance of certificates of origin adopted by each FTA, and provides functions such as origin verification, improving the accuracy of origin determination, and automatically generating proof of origin documents reflecting the results of the determination. Operational since 2011, the FTA Korea system has been improved to provide exporters with 47 functions across 11 categories.

Based on the excellence of the FTA Korea system, Korea has been promoting the system to developing countries in need of systematic origin management, and recently, the Philippines, one of the ASEAN countries, has adopted it. To comply with different rules of origin that vary from agreement to agreement, product origin certification and systematic management are critical for the Philippines to take advantage of tariff benefits from its growing participation in FTAs and the Regional Comprehensive Economic Partnership (RCEP). However, the process of obtaining the necessary FTA information for Philippine exporters has been complex and there has been no such integrated system to provide the information. The Project for the Philippines' Integrated Platform Development for FTA is being implemented by KTNET, the operator of the FTA Korea system, over a period of 30 months from July 2023 to December 2025, using Korea's FTA Korea system, the leading case in FTA utilization, as a reference model (MOTIE, 2024).

3.1.2. Comparison of Origin Management Systems between Peru and Korea

Peru's VUCE has been operating since 2014, primarily focusing on the institutional issuance of certificates of origin. A distinctive feature of the VUCE is its requirement for prior approval of an affidavit of origin before the certificate of origin is issued, which is a procedure unique to Peru that certifies the exporter's or producer's product meets the origin criteria of the applicable FTA. This two-step approval process—from the affidavit of origin to the certificate of origin—exists because MICETUR aims to minimize errors in origin determination and ensure thorough management of origin.

In contrast, Korea's FTA Korea system offers a wide range of functions to exporters, such as institutional and self-issued certificates of origin, declaration of origin between exporters and producers, origin analysis, and origin determination. These functions are intended to effectively accommodate the differing certificate issuance methods under various FTAs. Notably, in the process of self-issuing certificates of origin, which exporters often find challenging, the FTA Korea system automatically determines origin by analyzing the Rules of Origin and Product-Specific Rules for each FTA signed by Korea. Additionally, the FTA Korea system generates and stores most supporting documents during the processes of origin determination, certificate issuance, and handling of declaration of origin between producers and exporters, which are retained for five years in preparation for post-verification of origin.

Table 3.
VUCE System vs. FTA Korea System

	VUCE Origin Management System	FTA Korea System
Functions	Reference Information (Items, Agreements, Approved Exporters)	Reference Information (Items, Agreements, Signature, Approved Exporters)
	Issuance of Affidavit of Origin	-
	Issuance of Certificate of Origin (Institutional Issuance)	Issuance of Certificate of Origin (Institutional Issuance)
	Management of Approved Exporters	Application for Approved Exporter Status
	-	Issuance of Certificate of Origin (Self-issuance)
	-	Issuance/Receipt of Declaration of Origin
	-	Origin Analysis
	-	Origin Determination
User Interface	Screen Input, Data Interface (Limited Users)	Screen Input, Data Interface (API), Excel Upload, Electronic Document

Note: This table is based on interviews and emails with MINCETUR (2025) and KTNET (2025).

Sources: Author.

3.2. Korea's FTA Education Programs and Consulting

3.2.1. Status and Changes in FTA Education Programs in Korea

Korea has actively utilized FTAs to enhance its international competitiveness, leveraging its high dependence on trade. To increase FTA utilization, the government has progressively developed policies for education and consulting support. FTA education and consulting have evolved from basic awareness and promotional activities to practical assistance and customized consulting, and are now continuously revised and expanded in response to shifts in global trade.

First, during the mid-to-late 2000s, which was the initial stage of FTA introduction, basic FTA education and consulting were provided, primarily focused on providing support and protective measures for key vulnerable industries such as agriculture and fisheries, aiming to help them respond effectively to challenges arising from market liberalization while also operating customs broker training programs to develop professionals, as the understanding of FTAs among businesses and the public was generally low. Second, in the early to mid-2010s, with the entry into force of the Korea-EU and Korea-US FTAs, support for SME FTA utilization was strengthened, leading to the establishment of the FTA Comprehensive Support Center in 2012 and the development of a customized corporate support system by classifying SMEs' FTA utilization levels into three stages: beginner, preparatory, and implementation (MOTIE, 2013). Third, since the entry into force of the Korea-China FTA in 2016, the 'FTA Integrated Announcement' has been implemented and support programs for SMEs have been expanded, a trend that continued with the reorganization of the 'FTA and Trade Comprehensive Support Center' in 2024 and the introduction of support policies addressing global trade norms like the CBAM.

FTA training programs in Korea are organized by various government agencies and private organizations, and they are conducted in different ways. In Korea, participation in FTA training programs provides a variety of tangible benefits to SMEs and the participants of FTA education programs. These tangible benefits motivate companies and play an important role in the continued operation of the training programs. Upon completing FTA training, companies can receive additional points when applying for approved exporter status, which simplifies customs procedures and allows them to benefit from tariff advantages while also accessing export-related support benefits, such as financial assistance, overseas market entry support, online marketing, and extra points for participation in international trade exhibitions.

Based on the development of Korea's FTA-related education programs and the export workflow of companies, the current major FTA-related training programs in

Korea can be categorized into three stages: Stage 1 is about foundational and practical training offered by various institutions, which focuses on rules of origin determination, approved exporter certification, and origin verification procedures. Stage 2 is about agreement- and industry-specific training, which provides customized programs tailored to specific agreements and industries (e.g., cosmetics, petrochemicals, agriculture, textiles). Stage 3 is about origin verification and post-issuance processes that focus on strategies for responding to origin verification, agreement-specific verifications, and practical training based on actual cases.

3.2.2. Status of FTA Consulting Programs in Korea

To promote greater FTA utilization, Korea offers a wide range of programs through 44 projects operated by 21 different institutions, which include education, consulting, and industry-specific assistance. Popular consulting programs are outlined in Table 4.

Table 4.
Major FTA Consulting in Korea

Consulting Programs	Description
OK FTA Consulting	Provides customized one-on-one consulting to SMEs facing difficulties in utilizing FTAs, aiming to cultivate their origin management capabilities and improve FTA utilization
Origin Verification Response Support Project	Provides customized assistance to small and medium-sized exporters using FTAs, helping them prepare for verification and avoid disadvantages such as penalties resulting from post-verification of origin
Comprehensive Consulting for Origin Management	Enables automatic integration of exporters' ERP and origin management system (FTA Korea Plus) to ensure system-based origin management
Overseas FTA Utilization Support Center	Promotes FTA utilization among overseas buyers and Korean companies operating in overseas markets through FTA promotion, utilization consulting, and troubleshooting services at 16 overseas centers
FTA Support Center	Six government ministries and support organizations related to FTAs operate as a public-private partnership to systematically support SMEs throughout the entire process of utilizing FTAs.

Source: MOTIE (2024; 2025).

In addition, industry-specific programs support both market entry and competitiveness. Market entry support includes consulting on non-tariff barriers and assistance for the overseas expansion of key sectors such as agri-food, forestry products, fisheries, and small-scale cosmetics, while the government also offers trade adjustment programs, business recovery funding, and comprehensive support for specific sectors including livestock, honey, fisheries, and sea salt to strengthen industrial competitiveness. Through the integrated announcement system, companies can easily

navigate available education, consulting, and financial support programs, selecting those that best meet their needs.

3.2.3. Implications

The number of FTA utilizations certified by Korean institutions increased approximately 7.8 times from 2015 to 2024, while the overall FTA utilization rate rose from 63.8% to 86.3% during the same period. Exports by SMEs have also steadily grown, with a significant increase in the issuance of certificates of origin for major FTA partner countries such as ASEAN, India, and China. In a 2024 satisfaction survey on Korea's FTA support programs, 94% of respondents expressed satisfaction, particularly with 1:1 on-site consulting and Global Value Chain (GVC) response support. Additionally, 95% of respondents indicated that the FTA KOREA system was effective in managing rules of origin. Since 2004, Korea has taken a government-led approach to promoting FTA utilization, actively supporting SMEs through coordination with related institutions. This distinguishes it from countries like the United States and the EU, where FTA support is primarily driven by the private sector.

The Korean FTA Education and Consulting programs provide a step-by-step support system that ranges from foundational education to tailored consulting, with the number of FTA support programs expanding from 31 in 2017 to 44 in 2024 for enhanced expertise, while mitigating the "spaghetti bowl effect" caused by overlapping FTAs by developing a pool of trained professionals to enhance the competitiveness of companies and help them adapt to the global trade environment.

3.3. Korea's Response to Global Trade Norms

3.3.1. Korean Government's Response to Changing Global Trade Norms

Korea has taken a proactive approach to evolving global trade norms, particularly the EU's CSDDD, by restructuring its trade policy to focus on sustainable supply chain management, the protection of human rights, and the environment. The government has implemented a Supply Chain Early Warning System (EWS)³ to monitor key items proactively and prepare risk response strategies, thereby addressing both supply chain stability and economic security (MOTIE, 2024). Additionally, it has strengthened

3 Since 2022, a system has been in place to respond to supply chain crises by monitoring global trends, issuing risk alerts, and providing stabilization support for approximately 185 items, including semiconductors, battery materials, and rare minerals (MOTIE, 2023).

cooperation with resource-rich countries and advanced technology providers. These efforts go beyond simple technology exchanges, laying the groundwork for eco-friendly production and sustainable economic growth. Through multilateral partnerships, Korea is securing stable access to resources and promoting technological development, empowering its enterprises to respond more effectively to shifting international trade norms.

In the beginning, Korean SMEs struggled to comply with supply chain due diligence regulations due to limited awareness, unclear implementation guidelines, and staffing and information constraints. However, with increasing support from both the public and private sectors, these businesses are steadily enhancing their response capabilities. The Korean government, led by the Ministry of Trade, Industry and Energy, the Ministry of SMEs and Startups, and the Ministry of Environment, is implementing integrated, cross-ministerial policies that include consulting services, educational programs, and digital infrastructure tailored for SMEs. On the private-sector side, the KCCI has developed a "Supply Chain Due Diligence Guideline," offering practical procedures and checklists to help companies establish autonomous compliance frameworks. Korea has adopted the K-ESG Guideline, which provides tailored assessment systems across the environmental, social, and governance pillars, and some SMEs have been recognized for their due diligence efforts with favorable feedback from international buyers.

Approximately 70% of the participating companies in KOTRA's consulting programs have reported improved global credibility, and the government helps by sharing transparent due diligence data and compliance with international reporting requirements through AI- and blockchain-based supply chain management systems. FTA Centers have expanded their services beyond traditional FTA-related support to include assistance with CSDDD compliance, and they operate dedicated help desks for CBAM-related inquiries. In partnership with KTNET, FTA Centers are piloting systems that utilize Bills of Materials (BOM) to determine both origin and carbon emissions, laying the groundwork for an integrated due diligence framework.

These public-private strategies are expected to serve not only as short-term regulatory responses but also as key enablers for long-term market access and global competitiveness. It is increasingly likely that corporate assessments and government support systems based on supply chain due diligence standards will become essential requirements for future export enterprises.

3.3.2. Policy Implications from Korea's Response to Changes in Global Trade Norms

The Korean government has taken a proactive approach to better respond to evolving global trade norms by developing guidelines and integrating them into the domestic industry and trade environment. This strategy has provided Korean businesses with a solid foundation to effectively adapt to regulatory changes while maintaining global competitiveness. Moreover, the government has been raising awareness of the importance of supply chain due diligence and sustainable management, encouraging companies to adopt efficient and transparent supply chain management systems. By integrating digital platforms into supply chain operations, Korea is enabling rapid and accurate, data-driven responses to global requirements.

Korea's response to evolving global trade norms serves as a valuable reference for the Peruvian government in shaping its own policy framework and in developing proactive strategies to address ongoing changes in global trade norms related to supply chains.

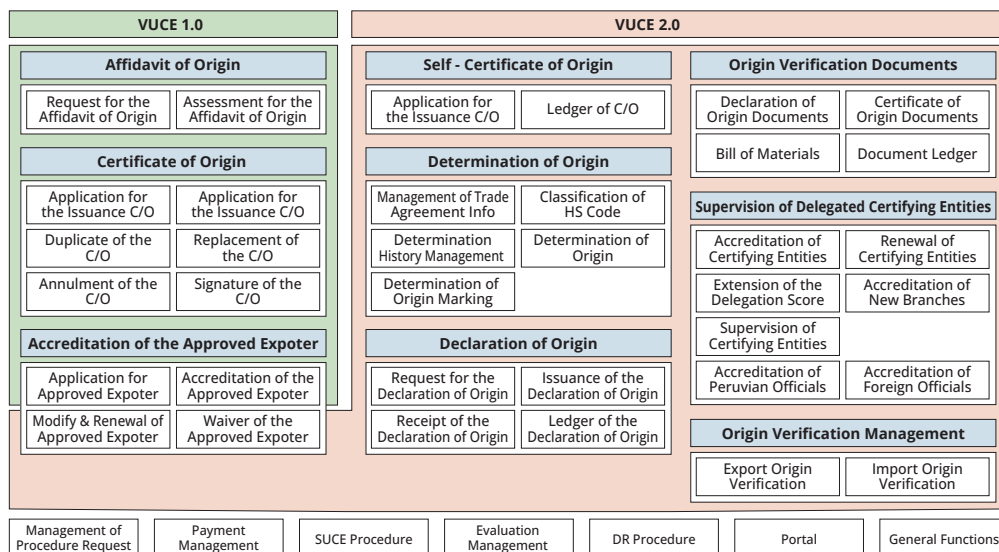
4. Capacity Strengthening Plan for the Origin Management of Peruvian SMEs

4.1. Improvement of Peru's Origin Management System

4.1.1. Establishment of the Target Model for Peru's VUCE

Based on the fact-finding mission of Peru's origin management practices conducted by the KSP team and feedback collected from MINCETUR, exporting companies, and issuing institutions, it was concluded that the future VUCE system needs to include additional functions such as the self-issuance of certificates of origin, origin determination, the issuance of declaration of origin, and the management of supporting documents for origin verification. These four components are essential for enabling Peruvian SMEs to efficiently issue certificates of origin on their own and to prepare for post-verification of origin, which have already been successfully implemented in the FTA Korea system. Furthermore, to enhance the operations of the the Directorate of Origin Unit (DUO) within MINCETUR—the principal body overseeing origin management in Peru—the scopes outlined in the VUCE 2.0 development plan have been reorganized into three components, with functions like the affidavit of origin and the institutional issuance of certificates of origin, currently under independent upgrade by the VUCE 2.0 team, categorized separately.

Figure 3.
Function Block Diagram of the Enhanced VUCE System



Note: This figure is based on the information provided by MINCETUR (2025) and KTNET (2025).

C/O: Certificate of Origin

SUCE: Solicitud Única de Comercio Exterior

DR: Documento Resolutivo

HS Code: Harmonized System Code

Source: Author.

4.1.2. Implementation Plan and Expected Outcomes for Enhancing Peru’s VUCE

If Peru’s MINCETUR undertakes to improve the VUCE system by referencing Korea’s FTA Korea system, it is adequate to carry out the implementation over a total period of three years (36 months), divided into four components: consulting, system development, equipment supply, and capacity-building training. The estimated cost for upgrading the VUCE, calculated using a combined approach based on man-months and function points, amounts to USD 4.5 million if all seven components—four for exporters and three for MINCETUR—are developed, while excluding the three components intended for MINCETUR lowers the development cost to an estimated USD 3.9 million.

The development of functions such as origin determination, the self-issuance of certificates of origin, and the management of verification documents within Peru’s VUCE is expected to significantly enhance the operational efficiency of both exporting companies and MINCETUR, while promoting greater FTA utilization among SMEs, ultimately contributing to increased national exports and enhanced global competitiveness for Peru.

First, when the previous manual process of self-issuing certificates of origin is digitized through the VUCE, exporting companies will experience improved convenience

in origin determination, document preparation, and record-keeping, as well as a significant reduction in processing time. Furthermore, these enhancements will enable Peruvian exporters to respond more effectively to origin verifications from importing countries, thereby reducing trade risks and encouraging greater FTA utilization.

Second, MINCETUR's workload related to origin management support and handling inquiries from exporters will significantly decrease once the self-issuance of certificates of origin becomes well-established through the improved VUCE system. In particular, if exporters manage origin-related data proactively through the VUCE system, MINCETUR's administrative burden regarding origin verification, which is a task it has increasingly emphasized, will be greatly reduced.

Third, regarding exports from Peru, the upgraded VUCE system will make it easier for Peruvian SMEs to handle origin determination and certificate issuance, thereby encouraging the use of FTA tariff benefits and increasing exports to FTA partner countries. Although SMEs accounted for USD 35.3 million in export volume, representing only 4.7% of Peru's total exports as of 2024, with improved access to FTA benefits, SMEs participation in export is expected to grow. Increased FTA utilization by Peruvian SMEs would also contribute to diversifying Peru's export base, which is currently dominated by large corporations, and support MINCETUR's policy objectives of export product and market diversification.

4.2. Improvement of FTA Education Programs for Peruvian SMEs

4.2.1. FTA Practical Training and Expert Development

To enhance FTA utilization, it is essential to strengthen practical training for SMEs and develop customs attorneys and other skilled professionals. With the ongoing restructuring of global supply chains and shifts in industrial structures, demand for FTA-related training among export partner firms is expected to grow, and it is also necessary to strengthen company-specific practical training, encourage the appointment of in-house FTA personnel, and expand educational infrastructure.

Table 5.
Actions to Improve Training Programs for Developing FTA Experts

Improvement Action	Description
Strengthen Company-specific Practical Training	Offer targeted training for partner firms (on how to complete declarations of origin) and exporting firms (on origin rules and strategic application)
Improve Accessibility	Provide online courses and real-time Q&A sessions to enable participation regardless of time or location
Expand Inter-Institution Collaboration	Encourage the joint development of differentiated training programs among various institutions and increase opportunities to improve SME accessibility
Increase Frequency of Regular Training and Consulting	Work with MINCETUR and related organizations to provide regular training for customs attorneys and relevant personnel
Encourage Appointment of In-house FTA Personnel	Promote the designation of FTA-dedicated staff by linking it to the Approved Exporter certification system
Expand Education Infrastructure	Introduce and expand FTA and trade-related curricula in high schools and universities to foster a pipeline of future experts

Source: Author.

4.2.2. Customized Programs by Company and Industry

As Peru's exports are heavily concentrated in the mining sector, industry-specific support is necessary to expand FTA utilization. In the case of Korea, although FTA implementation led to greater dependence on specific export items, the government increased utilization by strengthening industry-specific education and support, particularly in sectors such as automotive, textiles, and agriculture. First, for the textile industry, it is often difficult for textile companies to benefit from FTAs due to strict origin rules (e.g., Yarn-Forward Rule), so it is crucial to improve origin management procedures within the supply chain and establish digital origin management systems. Second, for the agricultural industry, Peru should collaborate with associations and trade groups in core sectors such as agriculture and mining to provide practical training programs, similar to Korea's aT Distribution Training Center. Third, for the mining industry, Peru needs to develop an origin management system and strengthen customized training programs to transition from a raw materials-based trade structure to high value-added exports.

To improve FTA utilization with Peru's major trading partners (China, the United States, and the EU), agreement-specific support must be expanded. If Peru strengthens both industry and agreement-specific assistance, it can significantly enhance FTA utilization and overall export competitiveness. First, Peru should leverage PROMPERU's overseas commercial offices as strategic hubs to support companies with origin requirements, customs procedures, local networking, and sharing best practices.

Second, countries with agriculture-based industries need assistance with quarantine procedures, whereas those with manufacturing-based industries need assistance applying rules of origin and strategies for sourcing components. Third, as the U.S. and EU increasingly reinforce supply chain due diligence regulations, Peru should enhance its capacity in environmental certification, eliminating forced labor, and managing carbon emissions.

FTA education and support initiatives must continue to evolve, guided by feedback from businesses to ensure that they provide practical and effective assistance. In order for such feedback to lead to meaningful improvements, it must be supported by robust, data-driven systems. However, Peru currently lacks comprehensive statistical infrastructure related to FTA utilization, which poses a significant barrier to identifying sector-specific challenges and designing targeted policies. Establishing an integrated data management system—one that systematically collects, analyzes, and utilizes utilization data and company-specific information—will be critical for enhancing the effectiveness of FTA support strategies. This would not only help tailor programs to actual business needs, but also streamline administrative procedures and improve accessibility for new and smaller exporters. Korea, for example, continuously updates its integrated announcement system based on company input, and Peru could benefit from adopting a similar approach. To this end, the active engagement of public-private consultative bodies and close cooperation with the government are essential to establish a clear and strategic direction for FTA support policies.

Furthermore, in order to enhance the quality of FTA education and consulting services, post-program follow-up and performance evaluation mechanisms must be strengthened. FTA-related support should not end with education alone; it must also cover critical post-utilization areas such as origin verification. Accurate origin determination and documentation are essential for sustained FTA benefits and risk mitigation, and SMEs in particular face difficulties due to limited in-house capacity. Therefore, programs should include specialized training and tailored consulting on origin verification procedures, risk management, and document control. A structured system should be established to collect detailed feedback from participating companies after each educational or consulting session and actively incorporate this input into continuous program improvements.

4.3. Improvement of Peru's Response to Global Trade Norms

4.3.1. Trends in Global Trade Norms and Implications for Supply Chain Management

The shift in global trade norms has prioritized transparency in supply chains and the establishment of sustainable business systems, making them essential for both companies and governments, as they are not optional. The EU's CSDDD is reinforcing corporate accountability and transparency through mandatory environmental and human rights due diligence and disclosure requirements, with similar legislative discussions taking place in other major economies, including the United States and Japan. Especially for developing countries that heavily rely on raw material exports, a lack of effective carbon emissions and sustainability management could result in restricted access to key international markets.

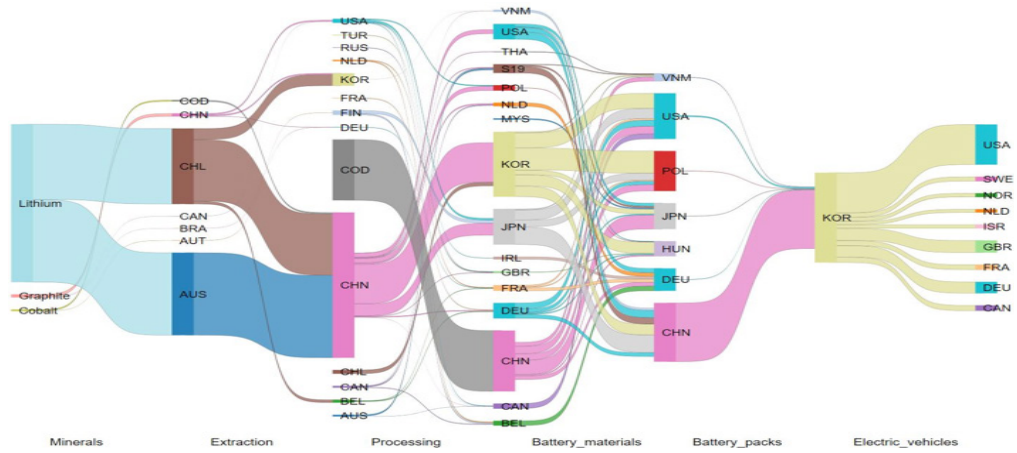
The legislative process for the CSDDD may experience delays due to differing positions among EU member states, concerns about the cost burdens on businesses, and questions regarding practical implementation. In fact, debates over the timeline and scope of the directive are ongoing in several countries. Many companies are advocating for transitional measures or a relaxation of obligations, citing limitations in staffing and financial capacity. However, the overall direction of the regulations, which include the enhancement of transparency and sustainability across global supply chains, remains firmly in place.

Some developing countries may perceive themselves as temporarily exempt from the full scope of these rules; however, such exceptions are only temporary, and stricter enforcement is inevitable in the long term. For Peru, whose economy is heavily reliant on primary industries, there is an urgent need to prepare for this shift in global trade standards. Establishing a sustainable supply chain management system early on can serve not only as a compliance measure but also as a strategic opportunity to enhance international credibility and strengthen competitiveness in global markets.

4.3.2. Strategic Direction for Peru's Response to Global Trade Norms

To effectively adapt to evolving global trade norms, Peru should look to examples of countries that have proactively implemented supply chain due diligence systems and complement these insights with policies tailored to its industrial structure.

Figure 4.
Supply Chain Structure of Korean EV Batteries



Source: Bang et al. (2024).

As a country that extracts and exports key minerals such as lithium and copper, Peru plays an important role in the upstream stages of global supply chains. If its industries expand into downstream segments such as processing and refining, the scope of applicable supply chain due diligence guidelines is likely to broaden significantly. Peru’s export structure, centered on primary resources and closely linked to environmental risks, makes it highly susceptible to regulations such as the EUDR and CSDDD, so supply chain due diligence should be viewed not merely as a short-term compliance requirement but as a core component of Peru’s long-term industrial strategy.

Given Peru’s currently limited capacity to develop mid- and downstream industries or respond effectively to supply chain due diligence, structural improvements across the broader industrial ecosystem must accompany short-term regulatory compliance efforts. Evolving global trade norms may present challenges for Peru, but they also offer a valuable opportunity to upgrade its industrial structure and build international credibility. To effectively respond, Peru must establish a comprehensive and forward-looking strategy that goes beyond trade policy—encompassing industrial policy and environmental policy—with a strong focus on supply chain due diligence within the global trade order.

5. Policy Recommendations

While Peru has leveraged FTAs to expand its economic reach, SMEs still face challenges in fully utilizing these agreements. With the global shift toward expanding the self-issuance of certificates of origin and strengthening global trade norms, digitalizing the origin management system and strengthening the capacities of SMEs are emerging as urgent challenges. Korean SMEs have faced similar challenges but were able to overcome them through the Korean government's support policies. The policy recommendations presented in this KSP report are based on Korea's experience and are expected to support enhanced FTA utilization by Peruvian SMEs.

5.1. Enhancement of the VUCE Origin Management System

As Peru's exports utilizing FTAs continue to grow and the importance of origin management becomes more prominent, this research proposes a policy to improve the VUCE, addressing the challenges faced by Peruvian SMEs based on an analysis of the current state of origin management in Peru and lessons learned from Korea's successful FTA system.

5.1.1. Development of an Upgrade to the VUCE Origin System

First, conduct BPR/ISP for establishing a digitization strategy to analyze the processes of origin determination, self-issuance, and verification, and design a final target model and implementation roadmap optimized for the export process of Peruvian SMEs. Additionally, analyze and develop a database of product-specific rules per FTA that serve as the foundation for automated origin determination. Furthermore, expand the opportunity of user training for Peruvian SMEs on utilizing the VUCE. Second, upgrade the VUCE to include the four components for Peruvian exporters by implementing newly designed processes for determination, self-issuance, verification, and declaration of origin. In this process, adopt international best practices, such as Korea's FTA Korea, while localizing the design to reflect Peru's origin management context. Third, develop components for issuing institution management, origin verification, and approved exporter approval that MINCETUR plans to implement under the VUCE 2.0 project to improve its internal processes of origin management. These three components for MINCETUR can also be pursued separately from the four exporter-focused components, if needed.

5.1.2. Supporting Policies to Expand the Use of the VUCE Origin System

First, to ensure the effective use of the newly developed components—such as origin determination, self-issuance, and post-management—MINCETUR and issuing institutions should expand their VUCE user training programs for Peruvian SMEs. Second, just as Peru previously enacted a Supreme Decree to mandate the use of the VUCE for the five processes related to the affidavits of origin and certificates of origin, similar legal measures should be implemented to formalize and mandate the newly added processes for standardization and regulation and to expand the use of the VUCE.

5.2. Strengthening FTA Education Programs for SMEs

This proposal recommends a customized FTA training and consulting support policy for Peruvian SMEs who face difficulties in fully utilizing FTAs due to complex, agreement-specific rules of origin and a lack of specialized personnel.

First, the government-led FTA support policy should secure reliable quantitative data by establishing a comprehensive statistical infrastructure that tracks FTA utilization across sectors and firm sizes in order to enhance the effectiveness of FTA-related education and consulting programs, and appoint a third-party organization to manage declarations of origin and disclose only the minimum necessary information to protect sensitive supplier data and maintain reliability. Additionally, to improve the origin verification system, unified guidelines should be established to simplify both direct and indirect verification procedures, and systems compatible with ERP platforms should be introduced to promote the adoption of origin management systems. For reference, in the case of Korea, there are examples of freely distributed systems such as FTA Korea and FTA-Pass.

Second, as part of incentive policies, FTA utilization should be promoted by providing financial support and tax relief to exporting SMEs, and incentives such as domestic tax benefits should be offered to partners to encourage active cooperation in providing origin documentation for exporting firms.

Third, regarding expert development policies, specialized FTA professionals should be trained to optimize FTA utilization and mitigate the “spaghetti bowl effect,” with Peru establishing a collaborative framework among trade associations, universities, and other institutions to foster industry-specific experts. In Korea, for example, there are specialized professional systems such as customs attorneys and Certified Origin Specialists, who play a crucial role in managing origin verification and FTA compliance. Developing similar expert certification and training programs would be essential for Peru to build the necessary human resources to effectively support FTA implementation.

5.3. Improvement of Policy Response to Global Trade Norms

A supply chain due diligence-based response framework can serve as a key mechanism for proactively addressing evolving global trade norms while enhancing the credibility and international competitiveness of Peru's trade system. With an export structure centered on resource extraction and agriculture, Peru occupies an upstream position in the global value chain, making it highly likely to be directly subject to environmental and human rights due diligence requirements. Regulatory frameworks, led by the EU, now require integrated approaches that combine origin verification with supply chain due diligence. Likewise, transparency in origin information and strong supplier management have become essential criteria in international evaluations.

As a country that has signed multilateral FTAs with major economies and is actively integrated into global supply chains, Peru needs to adopt a coordinated trade and industrial policy response that incorporates due diligence standards. This includes the establishment of a dedicated authority, legal and regulatory reforms, and industry-wide support, and Korea's model of public-private cooperation and its practical implementation of guideline-based systems offer valuable strategic reference points for Peru.

To effectively implement supply chain due diligence standards, it is essential to establish a tailored support system that reflects the specific characteristics and capacities of each enterprise. In particular, for small and medium-sized enterprises (SMEs), initial efforts should focus on raising awareness and understanding changes in global trade norms through targeted outreach and education. Based on this foundation, practical support measures such as basic and advanced training programs, risk assessment consulting, and the provision of internal implementation manuals should be provided according to each company's level of preparedness.

Therefore, in addition to supporting businesses, the Peruvian government must urgently establish an independent policy response framework. This will enable the country to strengthen its strategic position within the global value chain and build a more sustainable trade structure.

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