

10-29-1999

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Recommended Citation

LADB Staff. "Ecuador, Peru Mark Anniversary of Peace Treaty." (1999). <https://digitalrepository.unm.edu/notisur/12702>

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Ecuador, Peru Mark Anniversary of Peace Treaty

by LADB Staff

Category/Department: Region

Published: 1999-10-29

Peru's President Alberto Fujimori traveled to Quito Oct. 26-28 to mark the first anniversary of the peace treaty between his country and neighboring Ecuador. Fujimori and Ecuadoran President Jamil Mahuad promised to increase trade and to develop the border area in the new climate of peace. The peace accord was signed in Brasilia on October 26, 1998, and ended a half-century dispute between the Andean neighbors (see NotiSur, 1998-10-30).

The presidents visited the border region where they inaugurated several projects to be directed by the Binational Development Plan. They also signed accords on mutual legal assistance, coordination in agricultural sanitation, increased trade efforts through the Asia-Pacific region, anti-drug trafficking cooperation, and an exchange of professors in their respective universities.

Fujimori stressed that a major benefit of the peace accord has been that, free from the constant threat of war, the two governments could focus on national problems and on development, including bilateral trade. He said this same benefit extends to the people of the two countries, especially those who live near the border.

Mahuad said the fruits of peace with Peru included investments in irrigation projects, bridge and highway construction, and communications projects. Both presidents said they would work to obtain the funding needed to carry out ambitious development projects near the border. The proposals, which will be presented to international investors in Paris in January, include more than 1,000 production and social-assistance projects to benefit people on both sides of the border.

Mahuad said they will present "marketable projects" that will be attractive to international companies interested in mining, agricultural development, public services, oil, electricity, and commerce. The proposed development will require US\$3 billion during the next ten years. About half has already been promised by multilateral lending organizations including the World Bank, the Inter-American Development Bank (IDB), and the Corporacion Andina de Fomento (CAF).

Presidents hope to increase trade

Fujimori included visits to various regions in Ecuador to promote economic integration, which has not reached the levels that had been anticipated because of the international economic crises and internal problems in both countries. The Peruvian Embassy in Ecuador predicts that in the coming decade, trade "will easily reach US\$5 billion or US\$6 billion."

At the end of 1998, bilateral trade was only US\$300 million, and favored Ecuador by a two to one ratio. More than 50% of Ecuador's exports to Peru are hydrocarbons, but Ecuador also exports agricultural products. Peru mostly sells mining and metallurgical products, chemicals, fish products, and textiles to Ecuador. The presidents confirmed progress in preparations to build two trade and navigation centers on the rivers in the area centers called for in the peace accord.

The Peruvian government also announced that it would earmark US\$1 million to construct a road from the border to the square-mile enclave of Tiwinza inside Peru, the use of which Peru ceded to Ecuador as part of the peace agreement. Peru's Defense Ministry will be in charge of building the road. Many Ecuadoran soldiers died defending the tiny outpost and it became the symbol of Ecuador's determination during the conflict.

Not everyone is happy with the peace process, however. Nationalist sectors in both countries have criticized the treaty. About 200 people booed Fujimori in Quito as he placed a wreath in the plaza in front of the government palace. A private survey published Oct. 25 indicated that more Peruvians are satisfied with the peace treaty than Ecuadorans. Some Ecuadoran politicians and union representatives said a celebration of the anniversary was uncalled for, since it only marked another territorial loss for Ecuador. [Sources: Xinhua, 10/18/99; Notimex, 10/26/99, 10/27/99; Spanish news service EFE, 10/25/99, 10/26/99, 10/28/99; CNN, El Comercio (Ecuador), La Republica (Peru), 10/28/99]

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