4. The treaties of free trade (FTA) and exports of aggro-industrial products in Peru

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Abstract:

The research has been developed in order to provide significant contributions to the Free Trade Agreements (FTA) and exports of agro-industrial products, for which the methodology of scientific research was used, an instrument that served to develop important aspects of the work.

The study carried out the compilation of information about different perspectives regarding the development of the variables: Free Trade Agreement (FTA) and exports; As for the field study, the technique of the survey, with its instrument the questionnaire was made up of 14 questions that were answered by the managers of the exporting companies of agro-industrial products, wH0 gave their different points of view.

The FTA currently benefits different sectors that analyzed by statistical graphs and interpretations; they allow then, that the hypotheses raised and contrasted arrive at the conclusions and recommendations of the work.

Finally, the research concludes with the contributions, which were fully achieved, facilitating the recommendations, which are considered viable and practicable; In addition, the extensive bibliography is added, as well as the corresponding annexe.

Keywords:

FTA, Free Trade Agreement, Exports, Products, Agroindustrial product



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Free Trade Agreements

Agreement

Free Trade Agreements (TLC) And Exports of Agribusiness Products", a problem that must be known in a globalizing world. I have discussed this problem in four parts: Problem Statement, Theoretical Aspects of the Study, Interpretation of Results and Contrasting of Hypothesis, ending with the Conclusions and Recommendations, accompanied by a wide Bibliography.

Problem Statement, the scientific methodology was used, from the description of the problematic reality, delimitations, formulation of problems, objectives, hypotheses, variables and indicators; as well as, the type and level, the method and design, the population and sample, the techniques and instruments of data collection, as well as the justification and importance and ending with the limitations of the investigation.

Theoretical Aspects of the Study, it covered the background of the research, as well as the historical and theoretical framework with their respective conceptualizations about Free Trade Agreements (FTAs) and Exports, which were developed with the support of material from specialists on the subject, of the conceptual definition.

Interpretation of Results and Contrasting of Hypotheses used the technique of the questionnaire, which was composed of a survey of 14 questions in its closed form, aimed at gathering information from the managers of companies exporting agro-industrial products to the level of the coastal region of Peru. Results that served to graph it, as well as perform the interpretation and test of the hypotheses, for which the chi-square was used.

Conclusions and Recommendations, result that the information obtained from the data collected as a product of the investigation allowed to establish that the facilities in the export of agro-industrial



products, affects the improvement of the infrastructure used by the sector business besides specifying that the expansion of export markets, affects the optimization of production standards at the company level; demonstrating that the opening of the market to Peruvian products, affect the use of the difference between market prices and production costs; in conclusion, it has been determined that the Free Trade Agreements (FTAs) affect the exports of agro-industrial products; In addition, the Recommendations are practical and viable.

Problem Statement:

Research objectives

1. General Objective

 Determine if the Free Trade Agreements (FTAs) affect the exports of agro-industrial products.

2. Specific Objectives

- To Establish whether the facilities in the export of agro-industrial products, affect the improvement of the infrastructure used by the business sector.
- Establish whether the expectations for the generation of new jobs affects the optimization of human potential at the business level.
- Specify if the expansion of export markets affects the optimization of production standards at the company level.
- Demonstrate if the opening of the market to Peruvian products, affect the use of the difference between market prices and production costs.
- And, Establish whether the preferential access to Peruvian products affects the added value of exports to other countries.
- Establish whether the promotion of business competitiveness affects the improvement of the technology used in agro-industrial exports to other countries within the scope of the FTA.

Theoretical Aspects of the Study

Research variables and indicators

Independent variable

(X.) FREE TRADE AGREEMENT (FTA)

Indicators:

x1.- Facilities in the export of agro-industrial products.

x2.- Expectations for the generation of new jobs.

x3.- Expansion of export markets.

x4.- Level of market opening to Peruvian products.

x5.- Guarantees preferential access for Peruvian products.

x6.- Promotion of business competitiveness.

Dependent variable

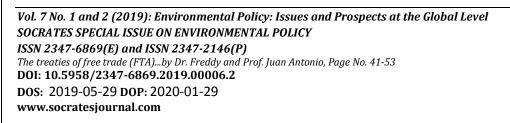
(Y) EXPORTS

Indicators:

- y1.- Improvement of the infrastructure used.
- y2.- Optimization of human potential.
- y3.- Optimization of production standards at the company level.
- y4.- Take advantage of the difference between market prices and production costs.
- y5.- Added value in the products that are exported.
- y6.- Level of improvement of the technology used in exports.

Type and level of investigation

Kind of investigation: For the type of research, the present study meets the necessary conditions to be named: "APPLIED RESEARCH".





Research level: According to the purposes of the study, the research focuses on the descriptive level.

Method and design of the investigation:

Method

In the present investigation, we use the descriptive, statistical and analysis - synthesis metH0d among others, which as the work was developed were indistinct.

Design

A sample was taken in which:

M = Ox r Oy

Where:

M = Sample.

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0 = Observation.
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x = Free Trade Agreement (FTA).
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y = Exports.

r = List of variables.

Population and sample:

Population

The population under study will be made up of managers of 3,285 exporting companies of agroindustrial products in the coastal region of Peru, in 2017 formally registered in PROMPERÚ, belonging to the Ministry of Foreign Trade and Tourism.

Sample

The optimal sample will be determined by simple random sampling to estimate proportions for a known population wH0se formula is as follows:





Z² PQN

n = -----

e² (N-1) + Z² PQ

Where:

Z: Value of the abscissa of the normal curve for a 95% confidence probability.

P: Proportion of managers wH0 stated that there are facilities to export thanks to the FTA (assumes P = 0.5).

Q: Proportion of managers wH0 stated that there are no facilities to export thanks to the FTA (Q = 0.5, value assumed due to lack of knowledge of Q)

e: Error margin 6%

N: Population.

n: Optimal sample size.

Then, at a level of significance of 95% and 6% as margin of error n:

 $(1.96)^2 (0.5) (0.5) (3,285)$

n = -----

 $(0.06)^2$ (3,285) + $(1.96)^2$ (0.5) (0.5)

n = 247 managers The optimal sample of managers selected randomly.

Technique and data collection instruments:

Technique: The main technique used in this study: a survey.

Instruments:



Limitations

In this research work has not presented major difficulties that prevent its execution.

Interpretation of Results and Contrasting of Hypotheses

Interpretation

The statistical information that is presented as a result of the fieldwork, allowed to know that 87% of tH0se consulted were of the opinion that progress has been achieved in recent years the improvement of the infrastructure available to exporting companies; H0wever, 11% did not agree with the opinion of the majority and the complementary 2% said they did not know, thus reaching 100%.

Constrastation of hypothesis:

To test the hypotheses, the chi-square distribution corrected by Yates was used, since the data for the analysis are classified categorically. The chi-square statistic is adequate because it can be used with qualitative or qualitative variables such as the present investigation.

Hypothesis:

 $H_0{:}\ The \ facilities \ in the \ export \ of \ agro-industrial \ products \ do \ not \ affect \ the \ improvement \ of \ the \ infrastructure \ used \ by \ the \ business \ sector.$

H1: The facilities in the export of agro-industrial products, affect the improvement of the infrastructure used by the business sector.





| There are facilities for the export of agro-industrial products | There is an improvement in the infrastructure used by the business sector | | | Total |
|---|---|----|-------------|-------|
| | YES | No | DO NOT KNOW | |
| YES | 187 | 8 | 1 | 196 |
| No | 28 | 14 | 1 | 43 |
| Do not Know | 1 | 4 | 3 | 8 |
| Total | 216 | 26 | 5 | 247 |

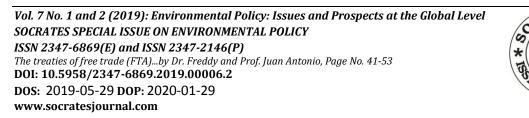
The calculation of the test statistics is done taking into account that the sample obtained is random, and the variables are qualitative of nominal type which allows using test statistics, Chi-square corrected by Yates because more than 20% of the cells which contain the expected frequencies are less than five, which requires combining the data to finally obtain a 2x2 table.

$$\chi^{2} = \frac{(|a.d - b.c| - n/2)^{2}n}{(a+b)(c+d)(a+c)(b+d)}$$

The test statistic 2 follows an approximate distribution of chi-square with (2-1) (2-1) = 1 degree of freedom and a level of significance of 0.05. Therefore, the null hypothesis (H_0) can be rejected if the calculated value is greater than or equal to 3.8416.

Calculation of the test statistics: When developing the formula we have:

$$\chi^{2} = \frac{\left(|187 + 22 - 9 + 29| - 247/2 \right)^{2} 247}{(196)(51)(2216)(31)}$$



Statistical decision: Since 51.33> 3.8416, H₀ is rejected.

Conclusions and Recommendations

Conclusion:

- 1. The data obtained allowed to establish that the facilities in the export of agro-industrial products, affect the improvement of the infrastructure used by the business sector.
- 2. The analysis of the data allowed to establish that the expectations for the generation of new jobs, affect the optimization of human potential at the business level.
- 3. It has been specified through the testing of hypothesis, respectively, that the expansion of export markets, directly affect the optimization of production standards at the enterprise level.
- 4. The data obtained proved that the opening of the market to Peruvian products favourably affects the use of the difference between market prices and production costs.
- 5. The data has been analyzed and it has been established that the preferential access of Peruvian products directly affects the added value of exports to other countries.
- 6. The data allowed establishing that the promotion of business competitiveness, affects the improvement of the technology used in agro-industrial exports to other countries within the scope of the FTA.
- 7. In conclusion, it has been determined that the Free Trade Agreements (FTAs) favourably affect exports of agro-industrial products.

Recommendations:

1. It is important that, at the government level, the Free Trade Agreements (FTAs) continue to be promoted and implemented, because they also improve the productive processes, the generation of employment and the collection of foreign currency through companies. , also





promotes productive chains and the development of the field through agro-industrial activity, among others.

- 2. Knowing the development that is being achieved in the country in different economic activities, it is advisable that greater resources be invested in the improvement of human talent; that by not hesitating will help in the agro-industrial activity, the promotion of the employment of qualified manpower and of course will have a favourable influence on the economy of the country.
- 3. Given the scope of the use of technology, it should be sought that this has greater application in the development of agriculture and in the industrialization of this sector since its contribution will directly affect the generation of added value to many of the products that are exported, which would lead to better prices and the positioning of this activity internationally.

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