

INFOCARD ELANBiz

Country Profile: Peru¹

Last updated in December 2019.

For additional information, use our [Ask the Expert](#) service.

This infocard provides a general overview of the Peruvian economy and its key indicators.

Basic Data

Official name	Republic of Peru
Official language	Spanish and, wherever prevalent, Quechua, Aymara and other languages recognized by the law.
Currency	Sol (PEN)
Area	1'285,216.20 km ²
Population	31'237,385 (2017) ²
Capital	Lima
Main cities	Lima, Arequipa, Trujillo, Chiclayo, Huancayo

Economic Indicators³

GDP	USD 206,456 million (2018)
GDP per capita	USD 6,454 (2018)
Central Government's Debt	USD 57,991 million (second trimester of 2019)
Foreign Direct Investment	USD 6,488 million (2018)
Imports	USD 41,870 million (2018)
Exports	USD 49,066 million (2018)
Ranking "Doing Business – World Bank"	68 (2019)

¹ The information provided in this document is of a general nature only. For more detailed information, events and commercial trade offers as well as commercial business contacts, please contact the Commercial Offices of the Member States and the bilateral chambers of commerce in Lima.

² Source: National Institute of Statistics and Computing (INEI, hereinafter).

³ Source: Central Reserve Bank of Peru (BCR, hereinafter).



GDP Annual Growth Rate	
2016	3.9%
2017	2.5%
2018	4.0%
2019	2.5% (projection)

Source: BCR

Trade Balance (Millions of USD)	
2016	1,953
2017	6,700
2018	7,197
2019	1,243 (1st trim.)

Source: BCR

Consumer Price Index	
2016	3.2%
2017	1.4%
2018	2.2%

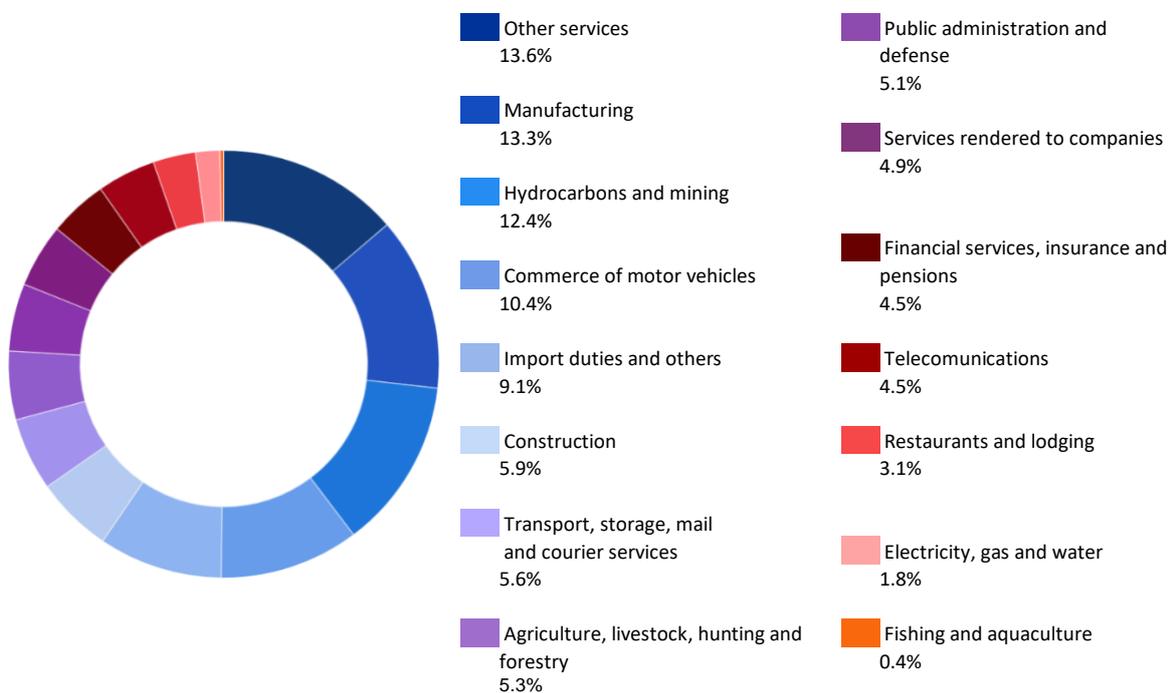
Source: BCR

Rate of Exchange € (Period average)	
2016	3.73
2017	3.68
2018	3.58

Source: BCR⁴

The Peruvian Economy per Sector

PERUVIAN GDP PER ECONOMIC SECTOR – 2018



Source: INEI

⁴ This figure represents the average interbank exchange rate for the sale of currency. The SBS publishes daily exchange rates on its website: http://www.sbs.gob.pe/app/pp/SISTIP_PORTAL/Paginas/Publicacion/TipoCambioPromedio.aspx.

Economic Profile

Peru is an economically stable country that enjoys an open economy and has a low tariff level (1.97%⁵ on average in 2017). Its economic development is mainly based on open trade policies, the primary sector and a legal framework favourable to trade and private investment. Sustained economic growth has contributed to a reduction of poverty (20.5% in 2018) and to a strengthening of the middle class since 2004. Peru also faces great challenges in terms of human capital and infrastructure⁶.

Peru is **one of the largest producers of minerals worldwide** (the sector represents more than 60% of its exports), and strives to diversify its agricultural production (which account for 14% of its exports). The **services sector represents over 50%** of its GDP and is a great source of employment (more than 59% of the economically active population - EAP), together with agriculture (24% of the EAP in 2017)⁷.

Between 2002 and 2008, Peru's GDP grew at a high annual rate (7% on average), with growth reaching its maximum in 2009 (9%). However, this GDP growth rate has been decreasing since 2010, even though Peru continues to have one of the highest GDP growth rates in the Latin American region. GDP growth in 2018 reached 4%, and the projection for 2019 is 2.5%. The growth of the Peruvian economy is supported by the **mining, tourism, construction, and agribusiness sectors**. During the last decade, the average annual inflation rate was among the lowest in Latin America (2.8%), decreasing further to 2.2% in 2018. Moreover, according to the risk rating agencies, Peru enjoys a **good financial situation**⁸. Therefore, the Peruvian economy is positioned as one of the best-performing in Latin America.

Ease of Doing Business

Peru is ranked 68 in the World Bank's "Doing Business" ranking of 2019, confirming its fifth position in Latin America in terms of ease of doing business and opportunities. The following table shows the position reached in each of the covered areas.

⁵ According to the World Bank <https://data.worldbank.org/indicator/TM.TAX.MRCH.WM.FN.ZS?locations=PE>.

⁶ According to the UNDP, Peru is ranked 89 out of 189 countries in the Human Development Index (HDI) <http://hdr.undp.org/en/countries/profiles/PER>.

⁷ According to the 2019 Trade Policy Review Report by the Secretariat of the World Trade Organization.

⁸ As such, Moody's has assigned it an A3 rating, whereas its peers S&P and Fitch have both assigned it a rating of A- as of October of 2019.



Area	Ranking
Starting a business	125
Dealing with construction permits	54
Getting electricity	67
Registering property	45
Getting credit	32
Protecting minority investors	51
Paying taxes	120
Trading across borders	110
Area	Ranking
Enforcing contracts	70
Resolving insolvency	88

Source: <https://www.doingbusiness.org/en/rankings>

Foreign Trade and Investments

For more than a decade, Peru has been deeply immersed in a process of opening trade. As of November 2019, Peru has 22 Trade Agreements in force, which facilitates its access to international markets. The Agreement with the EU offers European companies preferential access to export their products to Peru (see the INFOCARD ELANbiz “Agreement with the EU” and the full text of the agreement). Peru is also part of numerous regional integration and cooperation forums and organizations, being a full member of APEC⁹, of ACN¹⁰, ALADI and a founding member of the Pacific Alliance¹¹. Under ALADI, it has signed an Economic Complementation Agreement with MERCOSUR and other countries.

Since 2016, the country has been experiencing a **trade surplus**, with its main customers and suppliers being China, the United States and the European Union. In this regard, Peru’s exports amounted to USD 49,066 million in 2018, of which USD 35,638 are traditional products¹², and USD 13,240 million non-traditional products¹³. Imports of goods in 2018 amounted to USD 41,870 million, consisting of inputs, capital goods and consumer goods respectively.

With regard to **trade in services**, in 2018 exports amounted to USD 7,365 million (travel, transportation, other services) whereas imports amounted to USD 9,897 (travel, transportation, insurance and reinsurance, communications), resulting in a balance deficit of USD 2,532 million.

Concerning **foreign direct investment (FDI)**, as of 2018 the accumulated stock amounted to USD 106,438 million. In 2018, the main countries of origin of FDI were Spain (17.6%), the United Kingdom

⁹ APEC: The Asia-Pacific Economic Cooperation is a multilateral forum, created in 1989 with the purpose of consolidating the growth and prosperity of countries alongside the Pacific Ocean.

¹⁰ ACN: Andean Community of Nations, a regional integration body constituted by Bolivia, Colombia, Ecuador and Peru.

¹¹ The Pacific Alliance is a mechanism of regional and commercial integration, based upon four principles: free mobility of goods, services, capital and people and a transversal axis of cooperation. Its members are Chile, Colombia, Mexico and Peru.

¹² Fishery, agricultural, mining products, as well as oil and natural gas.

¹³ Among others: grape, avocado, cranberry, asparagus, mango, cocoa, shrimp, cotton and alpaca garments.

(16.8%), Chile (14.8%), the United States (10.6%), and the Netherlands (7.1%).

Main Internal Markets

Peru is a highly centralized country; almost all the central government institutions are concentrated in its capital, the city of Lima, where most companies also have their corporate headquarters. However, some cities in the interior of the country have experienced significant growth, and have become important sources of business opportunities. Among the cities with greater economic development are: **in the north coast:** Piura, Chiclayo and Trujillo, **in the highlands:** Cuzco, Huancayo and Arequipa and **to the East/Jungle:** Iquitos and Pucallpa.

Infrastructure

According to the Global Competitiveness Index (WEF), the country's evolution in infrastructure improved from 2.4 to 3.2 between 2008 and 2017; nevertheless, in general terms, Peru fell back from rank 85 to rank 88 in 2019. To date, it is estimated that the infrastructure gap amounts to USD 159 billion, of which USD 108 billion (PEN 363 billion) are estimated to correspond to a basic infrastructure access gap.

From July 2011 to February 2017, PROINVERSION¹⁴ awarded **infrastructure projects** for almost USD 17 billion. Likewise, the government has adopted the National Infrastructure Plan for Competitiveness (*PNIC*) for the period 2019-2039, which will seek to prioritize the execution of 52 projects with a total value of almost USD 30 billion (approx. PEN 100 billion).

Finally, it should be noted that **ports** play a leading role in Peruvian international trade, which allows for greater and better use of trade agreements. In that sense, Peru recently approved the rules of procedure of Legislative Decree N° 1413, which facilitates **cabotage operations**. According to this legislation, the maritime freight and passenger transport services in cabotage traffic, as well as the transport of natural gas in tank ships, may be carried out by national or foreign flag vessels.

At present, eight port terminals have been concessioned: *Matarani, Muelle Sur, Terminal Norte, Paita, San Martín, Yurimaguas, Salaverry*, as well as the Mineral Shipping Terminal located in *Puerto del Callao*, which is the first private infrastructure initiative of transport for public use. In addition, PROINVERSION is currently evaluating the construction and concession of a new port, which would be located in *San Juan de Marcona*, in the department of Ica¹⁵.

¹⁴ PROINVERSION is a government entity in charge of evaluating public tenders.

¹⁵ <https://www.proyectosapp.pe/modulos/JER/PlantillaProyectosResumenes.aspx?are=0&prf=2&jer=5383&sec=22>

Links of interest

Delegation of the European Union in Peru:

https://eeas.europa.eu/delegations/peru_es

Central Reserve Bank of Peru (BCRP):

<http://www.bcrp.gob.pe/>

National Institute of Statistics and Computing (INEI):

<https://www.inei.gob.pe/>

Superintendencia de Banca y Seguros del Perú (MEF):

<https://www.sbs.gob.pe/>

Ministry of Economy and Finance (MEF):

<https://www.mef.gob.pe/>

Ministry of External Trade and Tourism (MINCETUR):

<https://www.gob.pe/mincetur>

PROMPERU:

<https://www.promperu.gob.pe/>

PROINVERSION:

<https://www.proinversion.gob.pe/>

National Superintendence of Customs and Tax Administration (SUNAT):

<http://www.sunat.gob.pe/>

This infocard has been prepared by the experts of the EU MAT Peru project, which provides updated information for the ELANBiz platform.

If you want to get personalized information
send us a question through our service
“[Ask the Expert](#)”.

It is free and you will receive the answer
within a maximum of 5 working days!

Didn't find what you need?

Ask the expert

Disclaimer

The positions expressed are those of the authors and do not necessarily reflect the official opinion of the European Union. Neither the European Union nor any person acting on behalf of the European Union is responsible for the use that might be made of this information. Neither the European Union nor the ElanBiz consortium members are responsible or may be held accountable for any loss suffered as a result of reliance upon the content of this infocard.