The Peru’s Economic and Business Report presents quarterly progress and projections of the main macroeconomic indicators.

Peru is considered one of the most important countries in Latin America and one of the world’s leading emerging markets, with a solid recent history of economic and business stability.

Peru´s macroeconomic strengths - low levels of debt, inflation and fiscal deficit, while maintaining high levels of international reserves - is widely recognized, not only by credit rating agencies but also by worldwide investors.
**Government**

Peru is a democratic constitutional republic with a multiparty system. The President is the Chief of State and Head of Government and is elected every five years.

- President elected in 2021 for a five year period: Pedro Castillo.

The President appoints the Prime Minister and the members of the Cabinet. There is a unicameral Congress of 130 members elected for a five-year period. For the period 2021-2026, congressional representation consists of ten parties.

The legislative proposals can be submitted by both the executive and legislative branch and will become law once they are approved by the Congress and promulgated by the President. The judicial and electoral bodies are independent.

**Geography**

- Located on the west central coast of South America, Peru is bordered by the Pacific Ocean to the west, by Chile to the south, by Brazil and Bolivia to the east, and Colombia and Ecuador to the north.

- Peru is divided geographically into three natural regions: the coast, a narrow strip measuring approximately 3,080 km long that accounts 11.7% of Peru’s territory; the highlands, site of the Andean mountain range covering 27.9% of the national territory; and the amazon rainforest, which occupies 60.4% of the territory and is rich in petroleum and forest resources.

**General Information**

- **People**: 32.6 million
  - Urban: 79.3%
  - Rural: 20.7%

- **Area**: 1,285,215km²

- **Languages**: Spanish, Quechua and Aymara

- **Religion**: Freedom of Religion
  - Principal Roman Catholic

- **Time Zone**: GMT – 5 (Greenwich mean time minus five hours). There is no daylight-saving time, and there is only one time zone throughout the entire country

- **Natural Resources**: Gold, copper, silver, zinc, lead, hydrocarbons, fisheries, phosphates and agricultural products such as grapes, avocado, coffee, potato, rice, cotton, asparagus, cocoa and organic banana, artichokes, sugar, quinoa, blueberries and corn.

Source: National Institute of Statistics and Information (INEI)
Currency

The official currency of Peru is the Sol (PEN - S/). The country has a free-floating exchange rate regime, with the Central Reserve Bank of Peru (BCRP) occasionally intervening for purposes of stabilization. As at December 31, 2021, banks were buying US Dollars at PEN3.979 and selling them at PEN3.991. The projection of the exchange rate for 2022 is PEN4.15.

As of the end of the fourth quarter, the inflation rate in Peru was 6.4% and the depreciation rate of the Sol against the US Dollar for the same period was 10.2%. According to the Central Reserve Bank of Peru (BCRP) it is estimated that at the end of the year 2022, the inflation rate will be 2.9%, below the target range, and the depreciation will be around 4.2%.

**EXCHANGE RATE EVOLUTION: NUEVOS SOLES PER USD1 (END OF EACH YEAR)**

*Projection. December 2021 Inflation Report
Source: Central Reserve Bank of Peru (BCRP)*

**APPRECIATION/DEPRECIATION AND INFLATION (PERCENTAGE)**

*Projection. December 2021 Inflation Report
Source: Central Reserve Bank of Peru (BCRP)*

The Central Reserve Bank maintains a strong expansionary monetary policy, keeping the interest rate low at 2.50% as of December 2021. The BCRP considers appropriate to maintain this level for a prolonged period and as long as the negative effects of the pandemic persist on the inflation and its determinants.
Gross Domestic Product (GDP) and International Reserves

Following a drop in GDP of 11.0% in 2020, a rebound effect was achieved, with a GDP growth of 13.3% in 2021 reported by the Central Reserve Bank of Peru (BCRP). Additionally, the Peruvian economy would grow 4.1% annually on average between 2022 and 2026, according to estimates by the Ministry of Economy and Finance.

PERU’S GROSS DOMESTIC PRODUCT (GDP) BY ECONOMIC SECTOR, BASED ON THE ECONOMIC STRUCTURE OF THE YEAR 2007

Source: National Institute of Statistics and Information (INEI)
### GROSS DOMESTIC PRODUCT (GDP) BY INDUSTRY (PERCENTAGE CHANGE)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture and Livestock</td>
<td>5.9</td>
<td>2.7</td>
<td>1.6</td>
<td>3.5</td>
<td>2.7</td>
<td>2.8</td>
<td>7.8</td>
<td>3.4</td>
<td>1.4</td>
<td>5.6</td>
<td>3.8</td>
<td>2.7</td>
</tr>
<tr>
<td>Fisheries</td>
<td>-32.2</td>
<td>24.8</td>
<td>-27.9</td>
<td>15.9</td>
<td>-10.1</td>
<td>4.7</td>
<td>47.7</td>
<td>-25.9</td>
<td>4.2</td>
<td>-7.4</td>
<td>2.8</td>
<td>4.4</td>
</tr>
<tr>
<td>Mining</td>
<td>2.5</td>
<td>4.3</td>
<td>-2.2</td>
<td>15.7</td>
<td>21.2</td>
<td>4.5</td>
<td>-1.7</td>
<td>-0.8</td>
<td>-13.8</td>
<td>-4.3</td>
<td>9.7</td>
<td>5.9</td>
</tr>
<tr>
<td>Hydrocarbons</td>
<td>1.0</td>
<td>7.2</td>
<td>4.0</td>
<td>-11.5</td>
<td>-5.1</td>
<td>-2.4</td>
<td>0.0</td>
<td>4.6</td>
<td>-11.0</td>
<td>2.0</td>
<td>-4.6</td>
<td>13.4</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>2.5</td>
<td>4.9</td>
<td>-3.6</td>
<td>-1.5</td>
<td>-1.4</td>
<td>-0.2</td>
<td>5.9</td>
<td>-1.7</td>
<td>-13.2</td>
<td>1.3</td>
<td>17.8</td>
<td>4.1</td>
</tr>
<tr>
<td>Electricity and Water</td>
<td>5.8</td>
<td>5.4</td>
<td>4.9</td>
<td>5.9</td>
<td>7.3</td>
<td>1.1</td>
<td>4.4</td>
<td>3.9</td>
<td>-6.1</td>
<td>3.0</td>
<td>8.6</td>
<td>1.7</td>
</tr>
<tr>
<td>Construction</td>
<td>15.8</td>
<td>0.0</td>
<td>1.9</td>
<td>-5.8</td>
<td>-3.2</td>
<td>2.1</td>
<td>5.3</td>
<td>1.5</td>
<td>-13.9</td>
<td>-5.8</td>
<td>34.9</td>
<td>0.5</td>
</tr>
<tr>
<td>Commerce</td>
<td>7.2</td>
<td>5.9</td>
<td>4.4</td>
<td>3.9</td>
<td>1.8</td>
<td>1.0</td>
<td>2.6</td>
<td>3.0</td>
<td>-16.0</td>
<td>3.9</td>
<td>17.8</td>
<td>2.4</td>
</tr>
<tr>
<td>Other Services</td>
<td>7.0</td>
<td>6.1</td>
<td>5.1</td>
<td>4.1</td>
<td>4.1</td>
<td>3.3</td>
<td>4.4</td>
<td>3.8</td>
<td>-10.3</td>
<td>6.7</td>
<td>11.8</td>
<td>3.7</td>
</tr>
<tr>
<td><strong>GDP</strong></td>
<td>6.0</td>
<td>5.8</td>
<td>2.4</td>
<td>3.3</td>
<td>4.0</td>
<td>2.5</td>
<td>4.0</td>
<td>2.2</td>
<td>-11.0</td>
<td>3.2</td>
<td>13.3</td>
<td>3.4</td>
</tr>
</tbody>
</table>


Source: Central Reserve Bank of Peru (BCRP), National Institute of Statistics and Information (INEI)

### GROSS DOMESTIC PRODUCT (GDP) BY TYPE OF EXPENDITURE (PERCENTAGE CHANGE)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Demand</td>
<td>7.3</td>
<td>7.2</td>
<td>2.2</td>
<td>2.9</td>
<td>1.1</td>
<td>1.4</td>
<td>4.2</td>
<td>2.3</td>
<td>-9.4</td>
<td>3.5</td>
<td>14.4</td>
<td>12.5</td>
</tr>
<tr>
<td>a. Private Consumption</td>
<td>5.8</td>
<td>5.3</td>
<td>4.1</td>
<td>3.4</td>
<td>3.5</td>
<td>3.8</td>
<td>3.8</td>
<td>3.0</td>
<td>-8.7</td>
<td>5.5</td>
<td>11.7</td>
<td>9.2</td>
</tr>
<tr>
<td>b. Public Consumption</td>
<td>9.4</td>
<td>6.7</td>
<td>10.1</td>
<td>9.5</td>
<td>5.7</td>
<td>5.0</td>
<td>0.1</td>
<td>2.1</td>
<td>7.2</td>
<td>-2.4</td>
<td>10.7</td>
<td>9.0</td>
</tr>
<tr>
<td>c. Private Investment</td>
<td>13.5</td>
<td>6.4</td>
<td>-2.1</td>
<td>-4.5</td>
<td>-4.3</td>
<td>5.0</td>
<td>4.5</td>
<td>4.0</td>
<td>-16.5</td>
<td>2.8</td>
<td>37.6</td>
<td>24.5</td>
</tr>
<tr>
<td>d. Public Investment</td>
<td>20.8</td>
<td>12.1</td>
<td>-2.0</td>
<td>-7.5</td>
<td>10.3</td>
<td>4.5</td>
<td>5.6</td>
<td>-1.4</td>
<td>-15.5</td>
<td>-20.4</td>
<td>23.7</td>
<td>20.0</td>
</tr>
<tr>
<td>Exports</td>
<td>5.4</td>
<td>-0.9</td>
<td>-0.8</td>
<td>3.3</td>
<td>6.9</td>
<td>5.5</td>
<td>2.4</td>
<td>0.8</td>
<td>-20.8</td>
<td>9.5</td>
<td>47.1</td>
<td>11.9</td>
</tr>
<tr>
<td>Imports</td>
<td>10.4</td>
<td>3.6</td>
<td>-1.4</td>
<td>2.4</td>
<td>-1.7</td>
<td>3.6</td>
<td>3.2</td>
<td>1.2</td>
<td>-15.6</td>
<td>12.0</td>
<td>39.2</td>
<td>14.5</td>
</tr>
<tr>
<td><strong>GDP</strong></td>
<td>6.0</td>
<td>5.8</td>
<td>2.4</td>
<td>3.3</td>
<td>4.0</td>
<td>2.5</td>
<td>4.0</td>
<td>2.2</td>
<td>-11.0</td>
<td>3.2</td>
<td>13.3</td>
<td>3.4</td>
</tr>
</tbody>
</table>


Source: Central Reserve Bank of Peru (BCRP), National Institute of Statistics and Information (INEI)

Peru is estimated to maintain a comfortable level of international reserves, representing in 2021 the 38% of GDP. As of December 31, 2021, these reserves reached USD78.5 billion.

### NET INTERNATIONAL RESERVES (IN USD MILLIONS)

![Net International Reserves Graph](image-url)
In December, the economy grew 1.7% accumulating a 3.2% growth as of the 4th quarter of 2021. This recovery is supported by the main economy indicators which are already operating at pre pandemic levels.

**GROSS DOMESTIC PRODUCT (INTERANUAL PERCENTAGE CHANGE)**

Source: National Institute of Statistics and Information (INEI)

**ELECTRICITY PRODUCTION (INTERANUAL PERCENTAGE CHANGE)**

Source: National Institute of Statistics and Information (INEI)

**DOMESTIC CEMENT CONSUMPTION (INTERANUAL PERCENTAGE CHANGE)**

Source: National Institute of Statistics and Information (INEI)

**NON-TRADITIONAL EXPORTS (INTERANUAL PERCENTAGE CHANGE)**

Source: Central Reserve Bank of Peru (BCRP)
Public Sector

Public deficit reached 8.9% in 2020 and decreased 2.6% of the GDP in 2021. Public spending will continue to grow as part of the countercyclical macroeconomic policy to face the impact of Covid-19; will grow 2.2% in 2022.

![Graph showing economic results](image-url)

### ECONOMIC RESULTS (SURPLUS / DEFICIT) OF THE NON-FINANCIAL PUBLIC SECTOR (PERCENTAGE OF THE GDP)

- 2012: 2.3%
- 2013: 0.9%
- 2014: -0.3%
- 2015: -2.0%
- 2016: -2.5%
- 2017: -3.1%
- 2018: -2.5%
- 2019: -1.6%
- 2020: -2.6%
- 2021: -8.9%
- 2022*: -2.8%

*Projection. December 2021 Inflation Report
Source: Central Reserve Bank of Peru (BCRP)

### PUBLIC SPENDING (PERCENTAGE CHANGE)

- 2012: 16%
- 2013: 13.3%
- 2014: 8.4%
- 2015: 6.0%
- 2016: 3.6%
- 2017: 2.5%
- 2018: 1.0%
- 2019: 1.1%
- 2020: 2.2%
- 2021*: 13.5%
- 2022*: 2.2%

*Projection. December 2021 Inflation Report
Source: Central Reserve Bank of Peru (BCRP)

### TAX BURDEN (PERCENTAGE OF THE GDP)

- 2011: 15.5%
- 2012: 16.5%
- 2013: 16.4%
- 2014: 16.6%
- 2015: 14.8%
- 2016: 13.6%
- 2017: 13.0%
- 2018: 14.1%
- 2019: 14.4%
- 2020: 13.0%
- 2021: 16.0%
- 2022*: 15.9%

*Projection. December 2021 Inflation Report
Source: Central Reserve Bank of Peru (BCRP), National Superintendency of Customs and Tax Administration (SUNAT)

### PUBLIC DEBT (PERCENTAGE OF THE GDP)

- 2012: 19.9%
- 2013: 19.2%
- 2014: 20.0%
- 2015: 23.4%
- 2016: 23.8%
- 2017: 25.0%
- 2018: 25.8%
- 2019: 26.8%
- 2020: 34.7%
- 2021: 36.2%
- 2022*: 35.9%

*Projection. December 2021 Inflation Report
Source: Central Reserve Bank of Peru (BCRP)
International Trade

In 2021, total exports amounted to USD63.1 billion, increasing 47.0% compared to 2020, while total imports totaled USD48.4 billion, increasing 39.5%. According to estimates, exports would reach USD66.8 billion in 2022, and imports USD51.2 billion.

Traditional exports reached USD46.5 billion and non-traditional exports USD16.6 billion. It is estimated that in 2022, traditional exports will reach USD49.0 billion and non-traditional USD17.8 billion.
**EXPORTS BY ECONOMIC SECTOR 2021 (INTERANUAL VARIATION %)**

![Bar chart showing different economic sectors with percentage changes]

- Miscellaneous (including Jewelry): 62.6%
- Hides and Skins: 28.4%
- Wood and Paper: 17.8%
- Handcrafts: 11.1%
- Non-Metallic Mining: 51.4%
- Iron and Steel: 75.2%
- Metalworking: 22.0%
- Chemicals: 30.6%
- Fisheries: 15.9%
- Textiles: 18.0%
- Agriculture and Livestock: 16.7%
- Agriculture*: 51.6%
- Oil and Byproducts*: 169.7%
- Fisheries*: 34.6%
- Mining*: 0%

*Traditional
Source: National Superintendency of Customs and Tax Administration (SUNAT)

**EXPORTS BY TRADING PARTNER**

**TOP TEN PARTNERS 2021 (THOUSANDS OF USD)**

<table>
<thead>
<tr>
<th>Country</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>18,451,813</td>
</tr>
<tr>
<td>United States</td>
<td>7,248,804</td>
</tr>
<tr>
<td>South Korea</td>
<td>2,869,955</td>
</tr>
<tr>
<td>Japan</td>
<td>2,825,932</td>
</tr>
<tr>
<td>Canada</td>
<td>2,751,790</td>
</tr>
<tr>
<td>India</td>
<td>2,509,579</td>
</tr>
<tr>
<td>Switzerland</td>
<td>1,935,213</td>
</tr>
<tr>
<td>Netherlands</td>
<td>1,906,214</td>
</tr>
<tr>
<td>Chile</td>
<td>1,728,951</td>
</tr>
<tr>
<td>Spain</td>
<td>1,318,314</td>
</tr>
</tbody>
</table>

Source: National Superintendency of Customs and Tax Administration (SUNAT)
IMPORT OF CONSUMER GOODS ACCORDING TO CUODE 2021 (INTERANUAL VARIATION %)

Source: National Superintendency of Customs and Tax Administration (SUNAT)

IMPORTS BY TRADING PARTNER
TOP TEN PARTNERS 2021 (THOUSANDS OF USD)

Source: National Superintendency of Customs and Tax Administration (SUNAT)
The fourth quarter of 2021, the Public investment had a drop of 20.4%, while Private investment grew 2.8%. The Public and Private investment had an important grow recovery in 2021 of 31.8% and 49.0%, respectively.

**PUBLIC INVESTMENT (PERCENTAGE CHANGE)**

*Projection. December 2021 Inflation Report
Source: Central Reserve Bank of Peru (BCRP)

**QUARTERLY PUBLIC INVESTMENT (ANNUALIZED PERCENTAGE CHANGE)**

Source: Central Reserve Bank of Peru (BCRP)

**PRIVATE INVESTMENT (PERCENTAGE CHANGE)**

*Projection. December 2021 Inflation Report
Source: Central Reserve Bank of Peru (BCRP)
**QUARTERLY PRIVATE INVESTMENT (ANNUALIZED PERCENTAGE CHANGE)**

<table>
<thead>
<tr>
<th>Quarter</th>
<th><code>-70</code></th>
<th><code>-20</code></th>
<th><code>30</code></th>
<th><code>0</code></th>
<th><code>80</code></th>
<th><code>130</code></th>
<th><code>180</code></th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4-18</td>
<td></td>
<td></td>
<td>1.1</td>
<td>3.0</td>
<td>5.8</td>
<td>9.2</td>
<td>0.4</td>
</tr>
<tr>
<td>Q1-19</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>14.7</td>
<td>56.8</td>
</tr>
<tr>
<td>Q2-19</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>7.5</td>
<td>38.6</td>
</tr>
<tr>
<td>Q3-19</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4-19</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1-20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2-20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3-20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4-20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1-21</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2-21</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3-21</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4-21</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Central Reserve Bank of Peru (BCRP)

**FIXED GROSS INVESTMENT (PERCENTAGE OF GDP)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Private Investment</th>
<th>Public Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>25.8</td>
<td>5.4</td>
</tr>
<tr>
<td>2013</td>
<td>26.8</td>
<td>5.8</td>
</tr>
<tr>
<td>2014</td>
<td>26.1</td>
<td>5.6</td>
</tr>
<tr>
<td>2015</td>
<td>24.8</td>
<td>5.1</td>
</tr>
<tr>
<td>2016</td>
<td>23.1</td>
<td>4.9</td>
</tr>
<tr>
<td>2017</td>
<td>21.9</td>
<td>4.6</td>
</tr>
<tr>
<td>2018</td>
<td>22.4</td>
<td>4.8</td>
</tr>
<tr>
<td>2019</td>
<td>22.7</td>
<td>4.6</td>
</tr>
<tr>
<td>2020</td>
<td>21.1</td>
<td>4.3</td>
</tr>
<tr>
<td>2021</td>
<td>25.2</td>
<td>4.6</td>
</tr>
<tr>
<td>2022</td>
<td></td>
<td>20.8</td>
</tr>
</tbody>
</table>

*Projection. December 2021 Inflation Report
Source: Central Reserve Bank of Peru (BCRP)*
Business Facilities

According to Doing Business 2020, Peru ranks 76th out of 190 countries in terms of readily available facilities to startup a company and of doing business, ranking sixth among the countries of Latin America. According to Forbes 2019, Peru ranks 64th among the best countries in the world for doing business, and fifth in Latin America.

<table>
<thead>
<tr>
<th>DOING BUSINESS</th>
<th>FORBES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ranking for Latin America</td>
<td>Best Countries for Doing Business</td>
</tr>
<tr>
<td>Position</td>
<td>Country</td>
</tr>
<tr>
<td>59</td>
<td>Chile</td>
</tr>
<tr>
<td>60</td>
<td>Mexico</td>
</tr>
<tr>
<td>65</td>
<td>Puerto Rico (United States)</td>
</tr>
<tr>
<td>67</td>
<td>Colombia</td>
</tr>
<tr>
<td>74</td>
<td>Costa Rica</td>
</tr>
<tr>
<td>76</td>
<td>Peru</td>
</tr>
<tr>
<td>86</td>
<td>Panama</td>
</tr>
<tr>
<td>91</td>
<td>El Salvador</td>
</tr>
<tr>
<td>96</td>
<td>Guatemala</td>
</tr>
<tr>
<td>101</td>
<td>Uruguay</td>
</tr>
<tr>
<td>115</td>
<td>Dominican Republic</td>
</tr>
</tbody>
</table>

Source: World Bank (WB) - Doing Business 2020

Source: Forbes 2019

Country Risk and Investment Grade

As of December 31, 2021, Peru had a country risk of 174 basis points. This score is below that of Emerging Countries (355) and of the regional average (406). As a result, Peru has been positively rated by the best-known risk rating agencies, thereby ratifying the country’s investment grade and attracting international attention.

Source: Central Reserve Bank of Peru (BCRP)
Foreign Direct Investment

In 2020, the Foreign Direct Investment (FDI) flow reached USD3.1 billion and it reached approximately USD6.2 billion in 2021, representing an increase of 97.4%. The Mining, Communications and Finance sectors represent the 62.8% of total FDI.

Balance of Foreign Direct Investment by Industry 2021

<table>
<thead>
<tr>
<th>Sector</th>
<th>In USD Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining</td>
<td>6,889</td>
</tr>
<tr>
<td>Finance</td>
<td>5,929</td>
</tr>
<tr>
<td>Communications</td>
<td>5,522</td>
</tr>
<tr>
<td>Energy</td>
<td>3,502</td>
</tr>
<tr>
<td>Industry</td>
<td>3,436</td>
</tr>
<tr>
<td>Services</td>
<td>1,131</td>
</tr>
<tr>
<td>Commerce</td>
<td>808</td>
</tr>
<tr>
<td>Oil</td>
<td>680</td>
</tr>
<tr>
<td>Others</td>
<td>1,335</td>
</tr>
<tr>
<td>Total</td>
<td>29,232</td>
</tr>
</tbody>
</table>

Source: Private Investment Promotion Agency (ProInversion)

Evolution of the Long-Term Debt Rating in Foreign Currency

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fitch</td>
<td>BBB-</td>
<td>BBB-</td>
<td>BBB</td>
<td>BBB</td>
<td>BBB+</td>
<td>BBB+</td>
<td>BBB+</td>
<td>BBB+</td>
<td>BBB+</td>
<td>BBB+</td>
<td>BBB+</td>
<td>BBB+</td>
<td>BBB</td>
</tr>
<tr>
<td>S&amp;P</td>
<td>BBB-</td>
<td>BBB-</td>
<td>BBB</td>
<td>BBB</td>
<td>BBB+</td>
<td>BBB+</td>
<td>BBB+</td>
<td>BBB+</td>
<td>BBB+</td>
<td>BBB+</td>
<td>BBB+</td>
<td>BBB+</td>
<td>BBB+</td>
</tr>
<tr>
<td>Moody’s</td>
<td>Baa3</td>
<td>Baa3</td>
<td>Baa3</td>
<td>Baa2</td>
<td>A3</td>
<td>A3</td>
<td>A3</td>
<td>A3</td>
<td>A3</td>
<td>A3</td>
<td>A3</td>
<td>A3</td>
<td>Baa1</td>
</tr>
</tbody>
</table>

Source: Standard & Poor’s, Fitch Ratings, Moody’s

Foreign Direct Investment

In 2020, the Foreign Direct Investment (FDI) flow reached USD3.1 billion and it reached approximately USD6.2 billion in 2021, representing an increase of 97.4%. The Mining, Communications and Finance sectors represent the 62.8% of total FDI.

Foreign Direct Investment Flow (USD Millions)

Source: Central Reserve Bank of Peru (BCRP)
Peru has been a member of the World Trade Organization (WTO) since 1995, and in 1998 it became a member of the Asia-Pacific Economic Cooperation Forum (APEC). In 2011, it formed the Pacific Alliance with Chile, Colombia, and Mexico. It is also a member country of the Latin American Integration Association (ALADI) and a member-state of the Southern Common Market (MERCOSUR). Peru has begun to follow a Country Program to join the Organization for Economic Cooperation and Development (OECD). This is a key tool to ensure Peru’s successful entrance into the organization.

It is important to mention that foreign investors are protected against inconvertibility, expropriation, political violence, and other non-business risks via access to multilateral and bilateral agreements. Peru has signed an agreement with the Overseas Private Investment Corporation (OPIC) and the Convention Establishing the Multilateral Investment Guarantee Agency (MIGA). Peru has also entered into the World Bank’s International Convention on the Settlement of Investment Differences (ICSID) as an alternative for the settlement of any disputes that may arise between investors covered by the ICSID and the Peruvian Government.

**Bilateral Investment Treaties (BITs)**

Peru currently has in force 25 Bilateral Investment Treaties (BITs) with:

- Argentina
- China
- Colombia
- Cuba
- Czech Republic
- Denmark
- El Salvador
- Finland
- France
- Germany
- Italy
- Japan
- Malaysia
- The Netherlands
- Norway
- Paraguay
- Portugal
- Romania
- Spain
- Sweden
- Switzerland
- Thailand
- The Belgium-Luxembourg Economic Union
- The United Kingdom
- Venezuela

**Free Trade Agreements and Economic Integration Agreements**

Peru has a total of 15 free trade agreements and economic integration agreements (TLCs & EIAs) in force with Canada, Costa Rica, the European Free Trade Association (EFTA), the European Union, Japan, Panama, Australia, Chile, China, Honduras, South Korea, Mexico, Singapore, the United Kingdom and the United States.

Peru is currently in the midst of negotiations with Turkey, El Salvador, and India, and has concluded negotiations with Brazil, Guatemala, and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (with Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Singapore, and Vietnam) which includes the Trans-Pacific Partnership Agreement.

**Double Taxation Avoidance Agreements**

Currently, Peru has signed and ratified agreements to avoid double taxation with following countries: Brazil, Chile, Canada, Mexico, Portugal, South Korea, Switzerland and the Andean Community (together with Colombia, Ecuador and Bolivia).

It should be noted that Peru has signed an agreement to avoid double taxation with Japan which has been recently entered into force in January 29, 2021. Likewise, there are negotiations with Spain, France, Singapore and the United Kingdom.

On June 27, 2018, Peru signed the Multilateral Convention against base erosion and profit shifting, result of the OECD/G20 BEPS Project, which it is pending ratification.
For more information, find the Peru’s Business, and Investment Guide 2022 and other specialized investment guides at:
https://www.gob.pe/institucion/ree/colecciones/146-guias-de-negocios-e-inversion

No part of this publication may be reproduced, distributed or transmitted in any form or by any means. This includes photocopies, recordings, or another electronic or mechanical methods, without the prior written permission of the publisher.

© All rights reserved
© EY
© Ernst & Young

Paulo Pantigoso
Country Managing Partner
paulo.pantigoso@pe.ey.com

Assurance
Charles Bunce
Assurance Leader
charles.bunce@pe.ey.com

Consulting
Jorge Acosta
Consulting Leader
jorge.acosta@pe.ey.com

Tax
David de la Torre
Tax Leader
david.de.la.torre@pe.ey.com

Strategy and Transactions
Enrique Oliveros
Strategy and Transactions Leader
enrique.oliveros@pe.ey.com

Financial Services Office (FSO)
José Carlos Bellina
Financial Services Office (FSO) Leader
jose.bellina@pe.ey.com

Executive Office For Economic Promotion (DPE)
Luis Mayaute Vargas
Minister
Director General In Charge of Economic Promotion
lmayaute@rree.gob.pe

Manuel Augusto Gonzáles Chávez
Minister
Director In Charge of Investment Promotion
mgonzales@rree.gob.pe

Manuel Augusto Gonzáles Chávez
Minister
Director of Tourism Promotion
mgonzales@rree.gob.pe

Luis Mayaute Vargas
Minister
Director of Trade Promotion
lmayaute@rree.gob.pe
About EY
EY is a global leader in assurance, tax, strategy, transaction and consulting services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

For more information about our organization, please visit ey.com

© 2022 EY. All Rights Reserved.

Ministry Of Foreign Affairs (MRE)
The Executive Office for Economic Promotion (DPE) is the institution of the Ministry of Foreign Affairs (MRE) responsible for coordinating with Peruvian missions abroad in an effort to promote Peru as a country capable of providing goods and services in international markets, as well as positioning it as a world-renowned tourist destination, and a country with interesting business and investment opportunities in different economic sectors.

Jr. Lampa 545, Lima 1
Tel: +51 1 204 3361 / +51 1 204 3365 (DPE)
dpe@rree.gob.pe
www.gob.pe/rree

EY PERU

Lima
Headquarters
Av. Víctor Andrés Belaúnde 171, San Isidro - Lima 27
Secondary headquarters
Av. Jorge Basadre 330, San Isidro - Lima 27
Tel: +51 1 411 4444

Arequipa
Av. Bolognesi 407, Yanahuara - Arequipa 040, Arequipa
Tel: +51 54 484 470

Chiclayo
Av. Federico Villareal 115 - Salón Cinto, Lambayeque
Tel: +51 74 227 424

Trujillo
Sede Miguel Ángel Quijano Doig
Av. El Glof 591, Urb. Las Flores del Golf III, Víctor Larco Herrera 13009 - Trujillo, La Libertad
Tel: +51 44 608 830