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
33.0 million
- Urban: 81.5%
- Rural: 18.5%

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 March 31, 2022, banks were buying US Dollars at PEN3.723 and selling them at PEN3.728. The projection of the exchange rate for 2022 is PEN3.90.

As of the end of the first quarter, the inflation rate in Peru was 2.0% and the appreciation rate of the Sol against the US Dollar for the same period was 7.0%. 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 3.6%, and the appreciation will be around 3.5%.

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

*Projection. March 2022 Inflation Report
Source: Central Reserve Bank of Peru (BCRP)

APPRECIATION/DEPRECIATION AND INFLATION (PERCENTAGE)

*Projection. March 2022 Inflation Report
Source: Central Reserve Bank of Peru (BCRP)

The Central Reserve Bank raised the reference interest rate to 4.0%, continuing with the normalization of the monetary policy position.
Gross Domestic Product (GDP) and International Reserves

Peru’s GDP grew 13.3% in 2021, and it is expected to grow 3.4% in 2022 according to the Central Reserve Bank of Peru (BCRP). Additionally, the Peruvian economy would grow 3.3% annually on average between 2022 and 2025, 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)

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<td>Agriculture and Livestock</td>
<td>5.9</td>
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<td>2.8</td>
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<tr>
<td>Other Services</td>
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<td>5.1</td>
<td>4.1</td>
<td>4.1</td>
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<td>4.4</td>
<td>3.8</td>
<td>-10.3</td>
<td>11.8</td>
<td>5.4</td>
<td>3.7</td>
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<tr>
<td>GDP</td>
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<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>13.3</td>
<td>3.8</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>
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<td>Domestic Demand</td>
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<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>14.4</td>
<td>2.5</td>
<td>3.0</td>
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<tr>
<td>a. Private Consumption</td>
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<td>3.5</td>
<td>3.8</td>
<td>3.8</td>
<td>3.0</td>
<td>-8.7</td>
<td>11.7</td>
<td>6.9</td>
<td>4.1</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>3.0</td>
<td>0.1</td>
<td>2.1</td>
<td>7.2</td>
<td>10.7</td>
<td>11.3</td>
<td>1.5</td>
</tr>
<tr>
<td>c. Private Investment</td>
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<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>37.6</td>
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<td>0.0</td>
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<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>23.7</td>
<td>-13.7</td>
<td>4.0</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>47.1</td>
<td>8.2</td>
<td>7.5</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>39.2</td>
<td>2.6</td>
<td>5.6</td>
</tr>
<tr>
<td>GDP</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>13.3</td>
<td>3.8</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 March 31, 2022, these reserves reached USD75.3 billion.

NET INTERNATIONAL RESERVES (IN USD MILLIONS)

*As of March 31, 2022
Source: Central Reserve Bank of Peru (BCRP)
In March, the economy grew 3.8% accumulating a 3.8% growth as of the 1st quarter of 2022. This recovery is supported by the main economy indicators which are already operating at pre pandemic levels.

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

**ELECTRICITY PRODUCTION (INTERANUAL PERCENTAGE CHANGE)**

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

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

Source: National Institute of Statistics and Information (INEI)

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

In 2021, Public deficit reached 2.6% of the GDP; it is expected to be 2.5% in 2022.

Public spending will continue to grow as part of the countercyclical macroeconomic policy to face the impact of Covid-19; it will grow 2.1% in 2022.

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

- 2012: 2.3%
- 2013: 0.9%
- 2014: -0.2%
- 2015: -1.9%
- 2016: -2.3%
- 2017: -3.0%
- 2018: -2.3%
- 2019: -1.6%
- 2020: -2.6%
- 2021: -2.5%
- 2022*: 0%

*Projection. March 2022 Inflation Report
Source: Central Reserve Bank of Peru (BCRP)

**PUBLIC SPENDING (PERCENTAGE CHANGE)**

- 2012: 13.3%
- 2013: 8.4%
- 2014: 6.0%
- 2015: 3.6%
- 2016: 2.5%
- 2017: 1.0%
- 2018: 1.1%
- 2019: 2.1%
- 2020: -0.5%
- 2021: -2%
- 2022*: 0%

*Projection. March 2022 Inflation Report
Source: Central Reserve Bank of Peru (BCRP)

---

**TAX BURDEN (PERCENTAGE OF THE GDP)**

- 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: 16.4%
- 2022*: 16.1%

*Projection. March 2022 Inflation Report
Source: Central Reserve Bank of Peru (BCRP), National Superintendency of Customs and Tax Administration (SUNAT)

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**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: 36.1%
- 2022*: 35.2%

*Projection. March 2022 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 USD71.1 billion in 2022, and imports USD54.7 billion.

Traditional exports reached USD46.5 billion and non-traditional exports USD16.6 billion. It is estimated that in 2022, traditional exports will reach USD52.7 billion and non-traditional USD18.4 billion.

### TRADE BALANCE (IN USD BILLIONS)

*Projection. March 2022 Inflation Report*

Source: Central Reserve Bank of Peru (BCRP)

### TRADITIONAL AND NON-TRADICIONAL EXPORTS (IN USD BILLIONS)

*Projection. March 2022 Inflation Report*

Source: Central Reserve Bank of Peru (BCRP)
**Exports by Economic Sector as of March 2022 (Interannual Variation %)**

- Agriculture*: 21.6%
- Agricultural*: 0.8%
- Fisheries*: 18.8%
- Oil and Byproducts*: 32.3%
- Hides and Skins: 23.3%
- Non-Metallic Mining: 41.3%
- Iron and Steel: 31.6%
- Textiles: 39.6%
- Wood and Paper: 36.8%
- Fishers*: 36.9%
- Handcrafts: 34.9%
- Mining*: 28.7%
- Miscellaneous (including Jewelry): 24.5%

*Traditional

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

**Exports by Trading Partner**

**Top Ten Partners as of March 2022 (Thousands of USD)**

<table>
<thead>
<tr>
<th>Country</th>
<th>Value (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>3,765,760</td>
</tr>
<tr>
<td>United States</td>
<td>3,765,760</td>
</tr>
<tr>
<td>South Korea</td>
<td>961,280</td>
</tr>
<tr>
<td>Japan</td>
<td>821,724</td>
</tr>
<tr>
<td>Canada</td>
<td>568,251</td>
</tr>
<tr>
<td>India</td>
<td>562,064</td>
</tr>
<tr>
<td>Switzerland</td>
<td>517,087</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>465,803</td>
</tr>
<tr>
<td>Netherlands</td>
<td>392,506</td>
</tr>
<tr>
<td>Chile</td>
<td>392,506</td>
</tr>
</tbody>
</table>

Source: National Superintendency of Customs and Tax Administration (SUNAT)
IMPORT OF CONSUMER GOODS ACCORDING TO CUODE AS OF MARCH 2022
(INTERANUAL VARIATION %)

- Nondurable Consumer Goods
- Durable Consumer Goods
- Fuels, Lubricants, and Related Goods
- Raw Materials and Intermediate Goods for Agriculture
- Raw Materials and Intermediate Goods for Industry
- Construction Materials
- Capital Goods for Agriculture
- Capital Goods for Industry
- Transportation Equipment

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

IMPORTS BY TRADING PARTNER
TOP TEN PARTNERS AS OF MARCH 2022 (THOUSANDS OF USD)

<table>
<thead>
<tr>
<th>Country</th>
<th>Value</th>
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<tbody>
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<tr>
<td>United States</td>
<td>2,955,196</td>
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<tr>
<td>Brazil</td>
<td>968,376</td>
</tr>
<tr>
<td>Argentina</td>
<td>968,376</td>
</tr>
<tr>
<td>Mexico</td>
<td>459,123</td>
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<td>Chile</td>
<td>337,804</td>
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<td>Germany</td>
<td>291,356</td>
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<td>Colombia</td>
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<tr>
<td>India</td>
<td>262,344</td>
</tr>
<tr>
<td>Canada</td>
<td>261,080</td>
</tr>
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</table>

Source: National Superintendency of Customs and Tax Administration (SUNAT)
The first quarter of 2022, the Public investment had a drop of 13.7%, while Private investment grew 0.8%. The Public and Private investment had an important grow recovery in 2021 of 31.8% and 49.0%, respectively.

**PUBLIC INVESTMENT (PERCENTAGE CHANGE)**

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<tr>
<td>Publ</td>
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<td>14.8</td>
<td>1.0</td>
<td>-3.5</td>
<td>4.0</td>
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<td>9.7</td>
<td>0.2</td>
<td>-13.3</td>
<td>23.7</td>
<td>4.0</td>
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*Projection. March 2022 Inflation Report
Source: Central Reserve Bank of Peru (BCRP)

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

<table>
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<tr>
<th>Quarter</th>
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<th>Q2-19</th>
<th>Q3-19</th>
<th>Q4-19</th>
<th>Q1-20</th>
<th>Q2-20</th>
<th>Q3-20</th>
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</table>

Source: Central Reserve Bank of Peru (BCRP)

**PRIVATE INVESTMENT (PERCENTAGE CHANGE)**

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<td>6.7</td>
<td>-13.4</td>
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</tbody>
</table>

*Projection. March 2022 Inflation Report
Source: Central Reserve Bank of Peru (BCRP)
**QUARTERLY PRIVATE INVESTMENT (ANNUALIZED PERCENTAGE CHANGE)**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1-19</th>
<th>Q2-19</th>
<th>Q3-19</th>
<th>Q4-19</th>
<th>Q1-20</th>
<th>Q2-20</th>
<th>Q3-20</th>
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<tr>
<td>2013</td>
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<td>2014</td>
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<td>18.1</td>
<td>4.3</td>
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<td>25.2</td>
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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>
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<tbody>
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<td>2012</td>
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<td>21.1</td>
<td>4.3</td>
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<td>2021</td>
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<td>4.3</td>
</tr>
<tr>
<td>2022</td>
<td>22.7</td>
<td>4.3</td>
</tr>
</tbody>
</table>

*Projection. March 2022 Inflation Report
Source: Central Reserve Bank of Peru (BCRP)
Country Risk and Investment Grade

As of March 31, 2022, Peru had a country risk of 201 basis points. This score is below that of Emerging Countries (410) and of the regional average (429). 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.

COUNTRY RISK INDICATOR - EMBIG (IN BASIS POINTS)

Source: Reuters, Central Reserve Bank of Peru (BCRP)

EVOLUTION OF THE LONG-TERM DEBT RATING IN FOREIGN CURRENCY

<table>
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<tr>
<td>S&amp;P</td>
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<td>A3</td>
<td>Baa1</td>
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</table>

*As of March 31, 2022
Source: Standard & Poor’s, Fitch Ratings, Moody’s
Foreign Direct Investment

In 2021, the Foreign Direct Investment (FDI) flow reached USD7.5 billion, increasing 139% compared to the previous year. 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>
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<tbody>
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<td>Mining</td>
<td>6,889</td>
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<tr>
<td>Finance</td>
<td>5,929</td>
</tr>
<tr>
<td>Communications</td>
<td>5,522</td>
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<tr>
<td>Energy</td>
<td>3,502</td>
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<tr>
<td>Industry</td>
<td>3,436</td>
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<tr>
<td>Services</td>
<td>1,131</td>
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<tr>
<td>Commerce</td>
<td>808</td>
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<tr>
<td>Oil</td>
<td>680</td>
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<tr>
<td>Others</td>
<td>1,335</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>29,232</strong></td>
</tr>
</tbody>
</table>

Source: Private Investment Promotion Agency (ProInversion)

### FOREIGN DIRECT INVESTMENT FLOW (USD MILLIONS)

*Projection. March 2022 Inflation Report
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 an associated 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.

**Bilateral Investment Treaties (BITs)**

Peru currently has in force 26 Bilateral Investment Treaties (BITs) with:

- Argentina
- Canada
- 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 22 free trade agreements and economic integration agreements (TLCs & EIAs) in force with the Andean Community, Mercosur, the Pacific Alliance, the European Free Trade Association (EFTA), Australia, Canada, Chile, China, South Korea, Costa Rica, Cuba, United States, Honduras, Japan, Mexico, Panama, United Kingdom, Singapore, Thailand, the European Union, Venezuela and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). With the CPTPP, it has been possible to have preferential access to four countries with which Peru did not have a trade agreement, including New Zealand, Vietnam, Brunei and Malaysia. Peru is currently in the midst of negotiations with Turkey, El Salvador, and India.

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.

**Double Taxation Avoidance Agreements**

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

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.
CONTACTS

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

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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.

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