



PERU

Investment opportunities for the world

Content

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- The Peruvian flag is shown waving on the left side of the slide. It consists of three vertical stripes: red, white, and red. In the center of the white stripe is the national coat of arms, which features a shield divided into four quadrants. The top-left quadrant shows a blue field with a white star and a green wreath. The top-right quadrant shows a white field with a green tree. The bottom-left quadrant shows a red field with a white star. The bottom-right quadrant shows a red field with a white star. The shield is flanked by two red and white striped banners. Below the shield is a red ribbon with a white star.
- 1 Macroeconomic strengths
 - 2 Economic and trade exchange
 - 3 Legal framework for investments
 - 4 Investment portfolio
 - 5 Peru: investment destination

Macroeconomic strengths

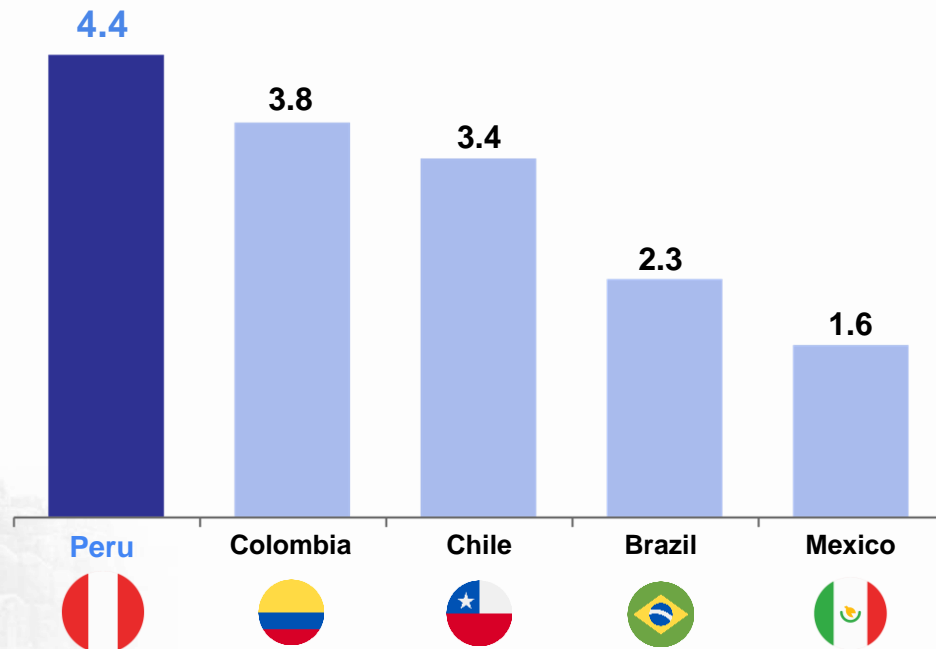
Image: Fortress of Sacsayhuamán



The Peruvian economy has maintained a growth rate higher than that of the region for the past 20 years

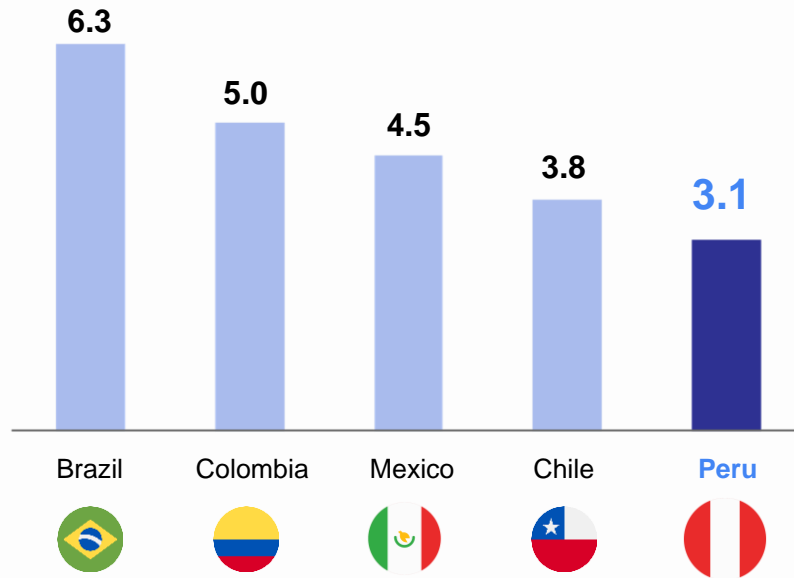
Average GDP growth, 2002-2023

(Real annual % change)



Source: International Monetary Fund (IMF), Ministry of Economy and Finance (MEF).

Peru maintains the lowest inflation in the region thanks to the good management of its monetary policy



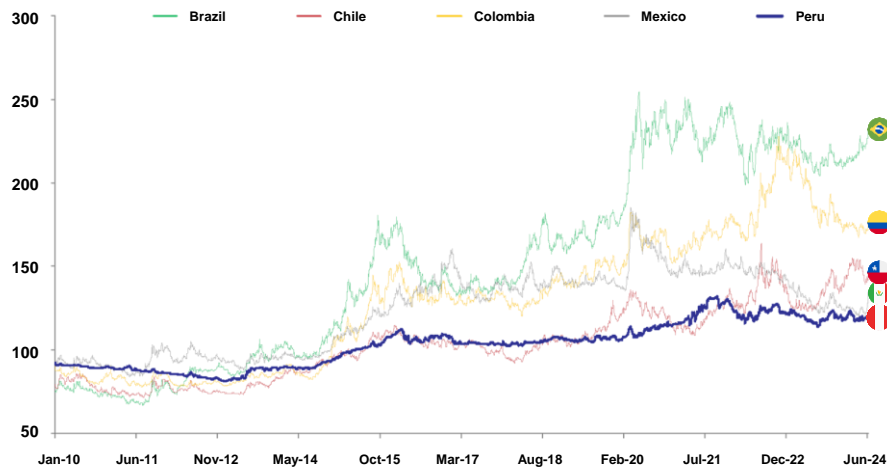
**Average inflation,
2002 - 2023**
(Annual % change)

Source: International Monetary Fund (IMF), INEI.

Monetary stability contributes to the Peruvian currency being the strongest in the region

Latin America: exchange rate dynamics¹

(Local currency to US\$; index Dec 31, 2008 = 100)

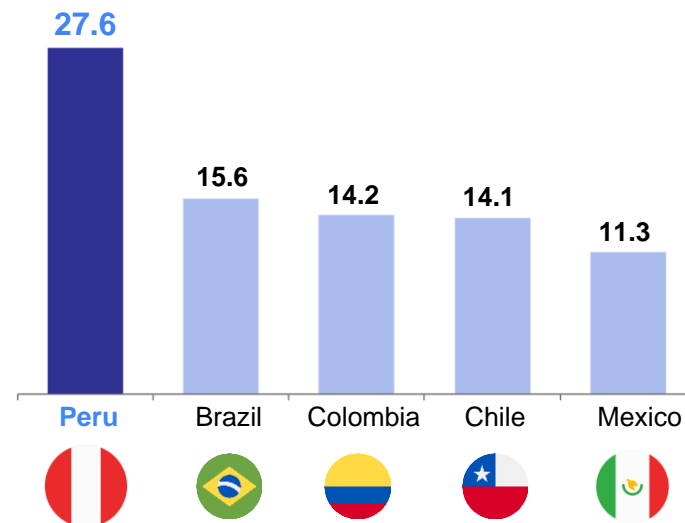


1/ Updated June 11 - 2024

Source: Bloomberg.

Net international reserves, as of May 2024²

(% of GDP)



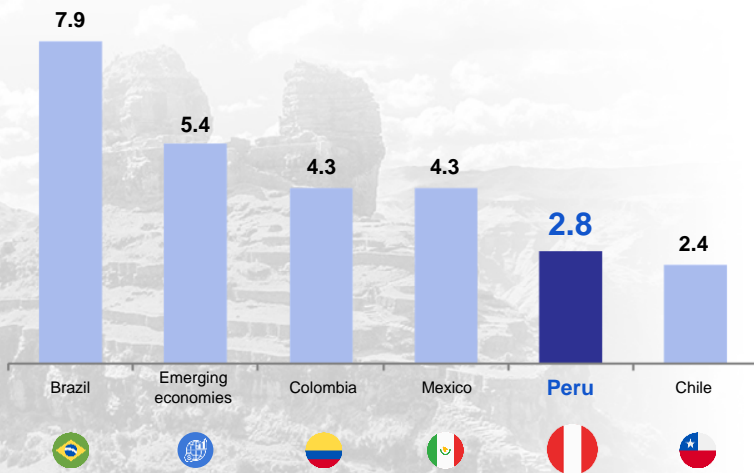
2/ For Colombia considers information up to April 2024.

Source: Central Banks. Latin Focus.

Prudent management of public finances allows for a low level of public debt, even lower than countries with higher credit ratings

Fiscal deficit 2023

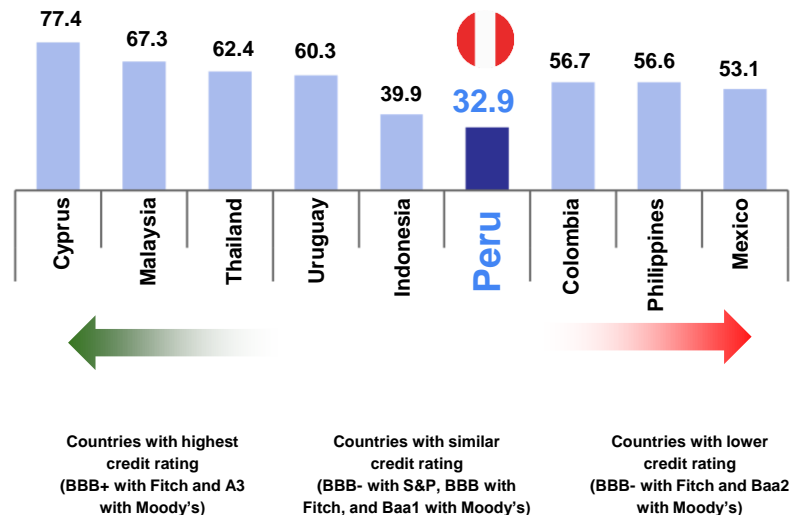
(% of GDP)



Source: BCRP, IMF, Ministries of Finance of Chile and Colombia, MEF and MEF projections.

Public debt 2023

(% of GDP)

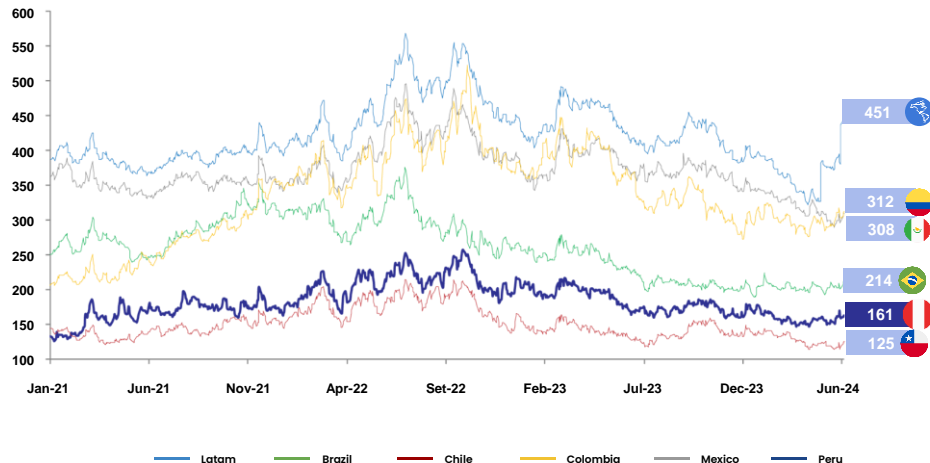


Source: IMF, Colombian Ministry of Finance, Moody's, S&P and Fitch.

Macroeconomic soundness is reflected in low country risk levels and greater stability compared to regional peers

Country risk measured by The Emerging Markets Bonds Index Global¹

(Basic points)

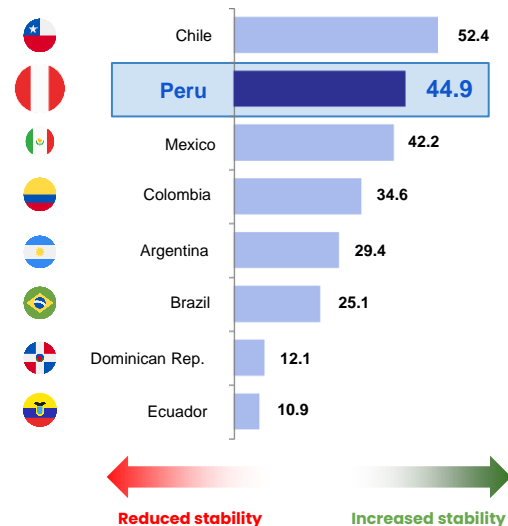


1/ EMBIG. Updated as of June 06, 2024.

Source: Bloomberg

Bloomberg: country stability ranking, Average 1Q2021-1Q2024²

(Scale of 0-100 points, where the higher the score, the lower the score. greater stability and lower risk points)



2/ The Bloomberg index includes a series of variables based on three main criteria (economic, financial and political) which are used to obtain a score for developed and emerging countries.

Source: Bloomberg

Economic and trade exchange

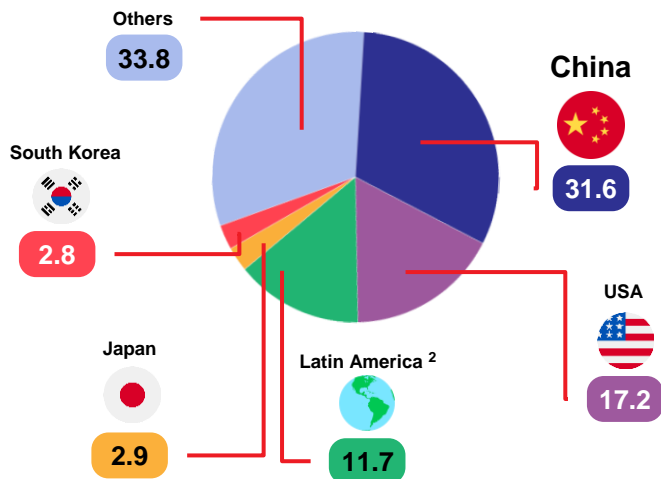


China is Peru's main trading partner, accounting for more than 30% of Peru's trade with other countries



Peru's main trading partners, 2023¹

(% share of FOB value in millions of US\$)



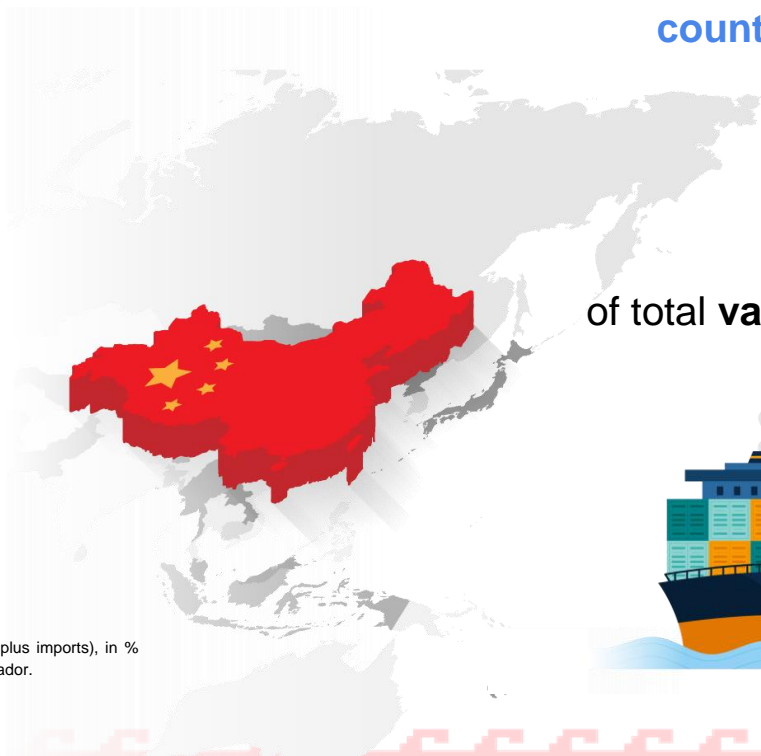
1/ The graph shows the trade openness of Peru and its main trading partners (sum of exports plus imports), in % share of FOB value in US\$ millions, for the year 2023. 2/ Includes Brazil, Argentina, Chile and Ecuador.

Source: Mincetur.

China is Peru's top exporting country

36%

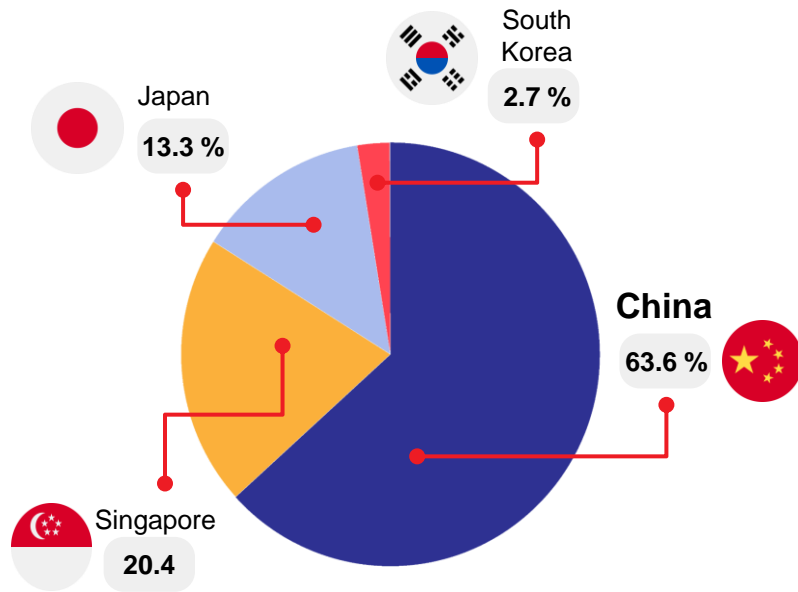
of total value exported
in 2023



Investment by Chinese companies is present in different sectors of the Peruvian economy

Peru: foreign direct investment registered with PROINVERSION from Asian countries to 2023

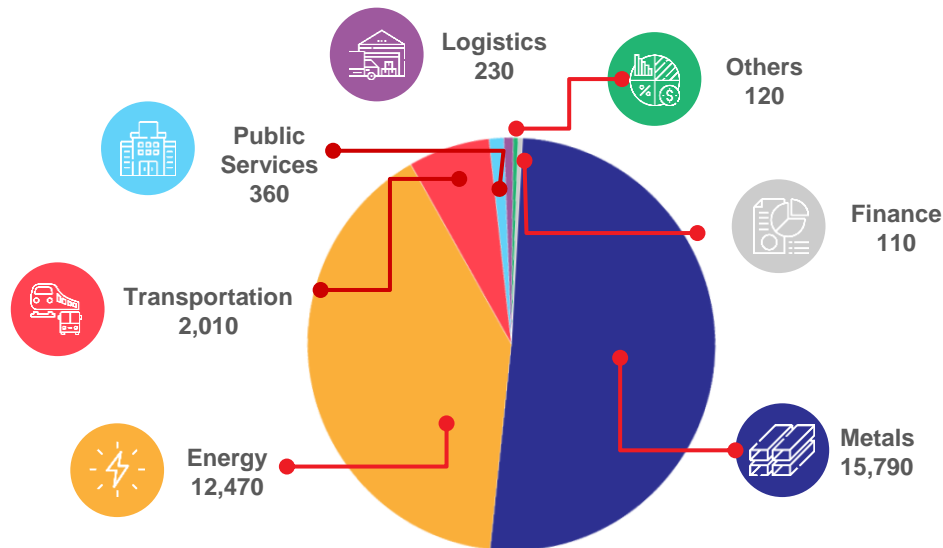
(% of total investments)



Source: FDI Registry - Proinversión

Chinese investments in Peru in recent years

(Millions of US\$)



Source: China Global Investment Tracker

Peru has consolidated an open and free environment for trade and investment

Peru currently has 22 trade agreements
between FTAs as preferential agreements, which cover approximately
90% of our current exports



The Free Trade Agreement between Peru and China **was signed on April 28, 2009 in the city of Beijing-China.** This agreement entered into force on March 1, 2010.



Peru has **8 trade agreements**
with Asian countries



In 2023, trade between Peru and China reached US\$1.5 billion.
US\$ 36 billion

Legal framework for investments



Peruvian legal framework encourages private investment

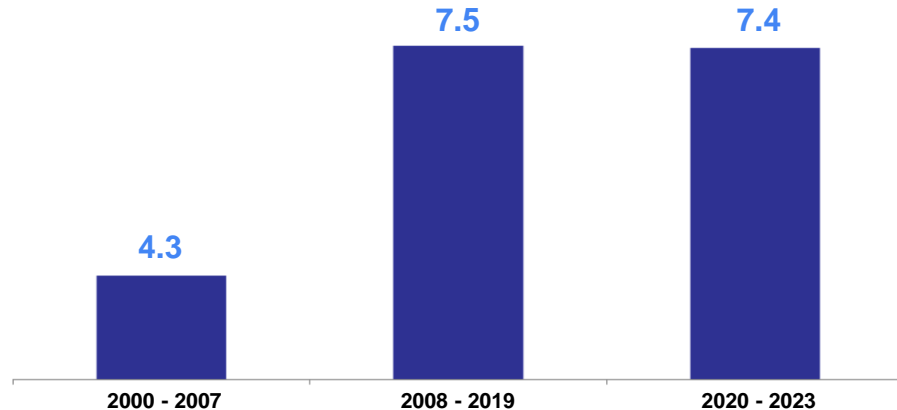


The Peruvian Constitution
guarantees private investment



The amount for stability agreements subscribed with Chinese companies by 2023 **amounts to USD 4,795,051**

Net foreign direct investment¹
(US\$ Billions)



1/ For the period 2020-2023, 2020 is excluded

Source: BCRP

Foreign companies' investments in Peru enjoy legal stability, with sectoral regulations that promote



Legal Stability Agreements

General regime

Sectorial regime

Mining sector



Hydrocarbons sector



Natural gas



Petrochemical Industry



Benefits and special tax regimes are available to foreign investors



Special
Depreciation
Regimes



Amortization Pre-
operating
expense benefits



Special Sectorial
Regimes

As well as tax incentives for the promotion of investments



Recovery
Advance payment of VAT



VAT and IPM refunds for
mining and hydrocarbons



Incentives are provided to the investor:



**Increased liquidity in
the preoperational
stage**



Lower financial cost



**Increased profitability
project**

Peru and China seek to promote trade and investment integration through more efficient tax framework



Peru – China Convention for the Elimination of Double Taxation

It will allow to:

- ✓ **Eliminate the double taxation** with respect to income taxes that apply to cross-border transactions between both countries.
- ✓ Consolidate a **predictable regulatory framework**.
- ✓ Foster a **favorable investment environment**.



The first round of negotiations was held on August 2023 in Lima, Peru.



The second round of negotiations will be held in Beijing in the last quarter of 2024.

Investment portfolio

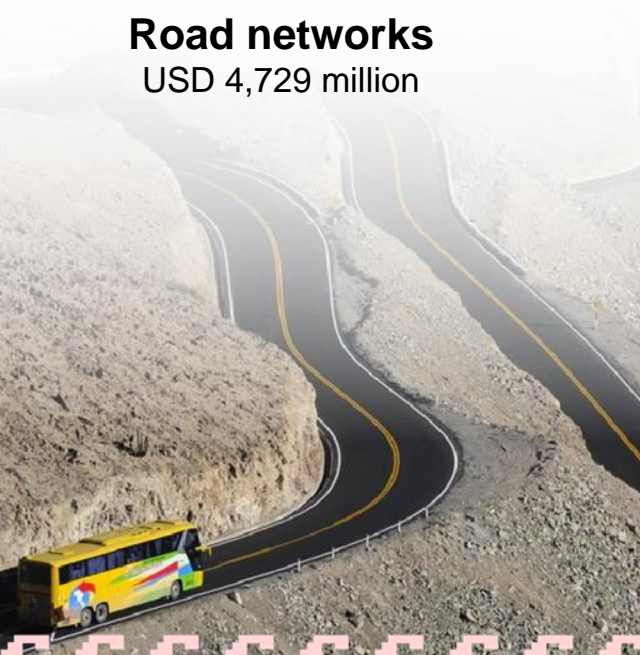


Portfolio of interconnectivity projects 2024 - 2026



Road networks

USD 4,729 million



Ports

USD 397 million



Telecommunications

USD 1,555 million



Mining potential

World ranking of mining reserves (2023)



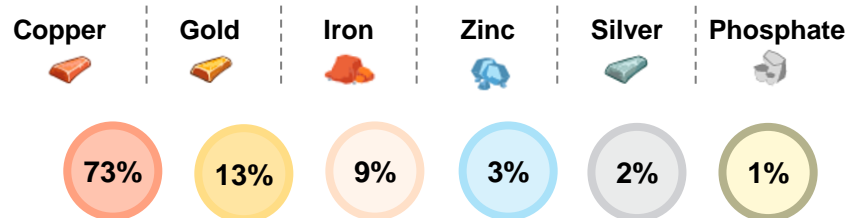
World ranking of mining production (2023)



 Only **10%** of the mining concessioned territory is under exploration and exploitation.


Source: U.S Geological Survey (USGS), Mineral Commodity Summaries, January 2024

Investment in mining projects by metal (2024)



Total investment amount in projects: **USD 54 556 million**

Total number of projects:

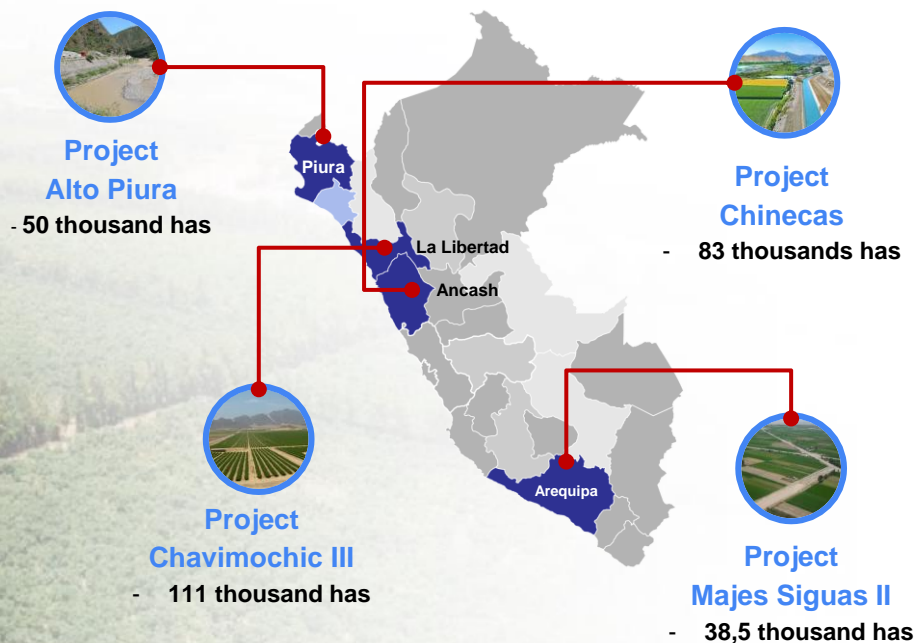
 **51 projects**

Source: Mining Investment Project Portfolio 2024



Potential in water infrastructure and agro-export

Main irrigation projects



Source: Invierte.pe, El Peruano, Proinversión, Autodema, H2OImos, INEI.

Position in World Ranking²

1°		Grapes
1°		Blueberry
2°		Avocados
1°		Asparagus
4°		Mangos
1°		Quinoa

2/ The position in the World ranking for asparagus and quinoa is from 2022

Source: Sunat-Aduanas, Trade Map.

Big potential for the development of infrastructure projects in the electricity sector

Electricity:



Electricity transmission
projects
(USD 941 million)

From Chancay to Shanghai

The Port of Chancay

It will begin operations at the end of this year, and will become one of the most modern port infrastructures in the region.



Benefits:

- Reduction of transportation costs.
- New value and distribution chains.
- Growth and market opportunities.
- More competitive Peruvian products.



Peru will be South America's main port hub in the Pacific Ocean



Annual movement:
from 1 to 1.5 million TEUs

Storage:
38,000 TEUs



The port of Chancay will receive Post Panamax ships direct from Asia.



They will be ships that **fully loaded** can transport **between 18,000 to 24,000 TEUs**.

The port of Chancay will allow the development of new industries



CHANCAY
BAY

Port of
Chancay

Ancon
Bay

ANCON

PACIFIC
OCEAN

JORGE CHAVEZ
INTERNATIONAL
AIRPORT

PORT OF
CALLAO

LIMA

MEF | Ministry of Economy and Finance

Peru: investment destination



Investment opportunities in interconnection infrastructure for competitive sectors, such as mining



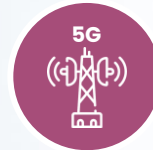
Investment opportunities in strategic sectors



Wind power plants



Photovoltaic plants



High-speed mobile connectivity

New investment possibilities in energy projects



Natural gas transportation infrastructure



Petrochemical Industry

Final remarks



Peru's regulatory framework protects investment and private property.



Due to its geographic position, Peru is the gateway to other markets.



In 14 years, the FTA between Peru and China has consolidated trade relations between the two countries.



Peru offers great investment opportunities to the world.



**Peru welcomes China and recognizes it
as an open market economy**







PERU

Investment opportunities for the world