



Gobierno del Perú

PROGRESO PARA TODOS

Why invest in Peru?

Peru can currently be thought of as an ideal destination for the development of investments.

The main driving force behind the country's good investment climate is macroeconomic stability. It is thanks to the responsible economic policy that has been implemented that, over the last decade, Peru has enjoyed an average year-on-year growth of 6.4%. Similarly, according to the IMF, this performance has placed us among the emerging economies with the greatest and fastest growth in the world, at levels comparable with countries like Qatar, China and India.

In addition, the continuity of the prudent macroeconomic policy seen over recent years has led to the lowest rate of inflation in the region, a fiscal surplus, net levels of international reserves at record levels in excess of US\$ 60 billion (30% of GDP) and a reduction in government debt from 46% of GDP in 2000 to 19.8% of GDP by the end of the 1H 2012. These figures made it possible to calmly confront the international economic crisis and, in conjunction with improvements to our credit rating, they have also served to build up greater confidence among investors from Peru and overseas.

Peru has been given investment grade credit ratings by the three most important rating agencies: Moody's, Standard & Poor's and Fitch Ratings. Furthermore, according to the prestigious "The Economist" magazine, Peru is one of eight economies in the world with the greatest "wobble-room" to adopt monetary and fiscal policies to tackle a severe decline in the world economy, alongside countries like Saudi Arabia, China, Chile, South Korea and Singapore.

Peru has been following an open door policy in the area of investment for more than a decade and has established a solid, stable and transparent legal framework, based on providing a level playing field for Peruvian and foreign investors.

According to the 2012 Economic Freedom of the World Report, published by the Cato Institute in the United States and the Fraser Institute in Canada, Peru is in 25th place on the list of countries in the world with greatest economic freedoms.

In addition, Peru has been making ongoing efforts to facilitate the setting up and operation of businesses, leading to recognition in the World Bank's Doing Business 2012 Report as the second best country in South American in terms of improvements to business regulations. Similarly, Peru has moved up six places in the World Economic Forum's Global Competitiveness Report.



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A fundamental part of Peru's trading policy is the signing of trade agreements with the principal markets in the world. Examples of this are the trade agreements signed with the United States, Canada, Singapore, Japan, China and the European Union, among other countries; the Transpacific Partnership Agreement¹ (TPP) is currently under negotiation.

International integration has brought us great benefits, allowing us to increase trade flows with the rest of the world by more than five-fold, from US\$ 14 billion in 2000 to US\$ 83 billion in 2011. A spectacular dynamism has been seen in both exports, which have increased by almost seven-fold, and imports, which grew by more than five-fold between 2000 and 2011.

Peru is currently undergoing a stage of rapid growth. As such, if Peru maintains an annual growth of 6.0% - 6.5% during this decade, GDP could reach US\$ 400 billion by 2020 compared to just US\$ 50 billion in 2000; in other words, the size of our economy will have increased by eight-fold over 20 years.

Peru offers a wide range of investment opportunities, mainly based on its great diversity of natural resources.

With regard to the mining sector, Peru is noted for its geological potential and the diversity of metallic and non-metallic minerals produced throughout its territory; it has managed to position itself as the second-largest producer in the world of copper and silver, and the third-largest of tin and zinc. In Latin America, it leads production of gold, lead, tin and zinc.

In the fishing industry, Peru is in second place in the world in terms of tonnes captured and is the largest producer and exporter of fishmeal. In the agricultural sector, it is estimated that there are 8 million hectares of land suitable for clean and permanent cultivation, of which 4 million hectares are still to be developed, according to the Food and Agriculture Organization of the United Nations - FAO. Agricultural exports totaled US\$ 4.5 billion in 2011, six times more than 10 years previously.

Similarly, an emphasis should also be placed on projects in the following sectors: (i) energy, where there is technically feasible potential for hydroelectric projects, (ii) petrochemical, with 26.6 million hectares of unexplored oil and gas basins, and (iii) tourism, in which Peru has become a destination *par excellence* thanks to its archaeological heritage, rich biodiversity and renowned cuisine.

Its strategic southern hemisphere location just a few hours flight away from the main capital cities in the Americas, makes Peru a natural airfreight hub as an intermediary for trade between South American and the Arab countries.

¹ Brunei, Chile, New Zealand, Singapore, Australia, United States and Vietnam.



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Peru's trading relationship with the economies of the Arab member states of ASPA only stands at US\$ 243 million, of which we export US\$ 102 million (mainly traditional products such as zinc and lead) and import US\$ 132 million (mainly pharmaceutical and chemical products and mining supplies). In this context, there is an enormous opportunity to strengthen the trading relationships between Peru and the Arab countries, thereby improving trading terms and encouraging mutual support on matters of competitiveness and sustainability development between Peruvians and our brothers in the Arab world.