Introduction

Peru is a country in South America. It has a coastline on the Pacific Ocean and is bordered by Bolivia, Brazil, Chile, Colombia, and Ecuador. The Andes Mountains run parallel to the Pacific Ocean. Many Peruvian rivers originate in the peaks, and eastern lowlands contain tropical forests which are part of the Amazon basin. The government system is a presidential republic; the chief of state and the head of government is the president. Peru has a mixed economic system which includes a variety of private freedom, combined with centralized economic planning and government regulation. Peru is a member of the Andean Community (ANCOM), the Asia-Pacific Economic Cooperation (APEC), and the Trans-Pacific Partnership (TPP).

Key Economic Facts

- **Income Level (by per capita GNI):** Upper Middle Income
- **Level of Development:** Developing
- **GDP, PPP (current international $):** $512.36 billion (2022)
- **GDP growth (annual %):** 2.68% (2022)
- **GDP per capita, PPP (current international $):** $15,047.52 (2022)
- **External debt stocks, total (DOD, current US$):** $87,464,497,528.60 (2021)
- **Manufacturing, value added (% of GDP):** 11.64% (2021)
- **Current account balance (BoP, current US$):** -$9.91 billion (2022)
- **Inflation, consumer prices (annual %):** 8.33% (2022)
- **Labor force, total:** 18,156,333 (2022)
- **Unemployment, total (% of total labor force) (modeled ILO estimate):** 3.66% (2022)
- **Imports of goods and services (current US$):** $70.59 billion (2022)
- **Exports of goods and services (current US$):** $71.13 billion (2022)

GDP Composition %

<table>
<thead>
<tr>
<th>Industry</th>
<th>Manufacturing</th>
<th>Industry</th>
<th>Services</th>
<th>Agriculture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value added</td>
<td>12</td>
<td>35</td>
<td>49</td>
<td>7</td>
</tr>
</tbody>
</table>

*Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.

Rankings

<table>
<thead>
<tr>
<th>Index</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corruption Perceptions Index</td>
<td>104/178</td>
</tr>
<tr>
<td>EY Globalization Index</td>
<td>38/60</td>
</tr>
<tr>
<td>Global Competitiveness Index</td>
<td>65/141</td>
</tr>
<tr>
<td>Global Enabling Trade Index</td>
<td>54/136</td>
</tr>
<tr>
<td>Global Services Location Index</td>
<td>34/60</td>
</tr>
<tr>
<td>Index of Economic Freedom</td>
<td>44/176</td>
</tr>
<tr>
<td>International Logistics Performance Index (LPI)</td>
<td>83/160</td>
</tr>
<tr>
<td>Inward FDI Potential Index</td>
<td>86/139</td>
</tr>
<tr>
<td>KOF Index of Globalization</td>
<td>60/185</td>
</tr>
<tr>
<td>Networked Readiness Index (NRI)</td>
<td>90/139</td>
</tr>
<tr>
<td>Open Budget Index</td>
<td>31/114</td>
</tr>
</tbody>
</table>

Risk Assessment (Provided by Coface)

**Country rating:** B - Political and economic uncertainties and an occasionally difficult business environment can affect corporate payment behavior. Corporate default probability is appreciable.

**Business Climate rating:** A4 - The business environment is acceptable. Corporate financial information is sometimes neither readily available nor sufficiently reliable. Debt collection is not always efficient and the institutional framework has shortcomings. Intercompany transactions may thus run into appreciable difficulties in the acceptable but occasionally unstable environments rated A4.

**Strengths**

- Membership of the Pacific Alliance, Andean Community, and Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)
- Mineral, energy, agricultural, and fishery resources (including copper, gold, zinc, mineral fuels, fish, coffee, tea & spices)
- Low level of public debt
- Independence of the central bank

**Weaknesses**

- Dependent on commodities and demand from China
- Underdevelopment of credit (48% of GDP)
- Inadequate infrastructure, healthcare, and educational systems
- Huge informal sector (70% of jobs), tax evasion keeping fiscal revenues low (15% of GDP)
- Regional disparities (poverty in the Andean and Amazonian regions)

U.S. Embassy

U.S. Embassy Lima
Avenida La Encalada cdra. 17 s/n
Surco, Lima 33, Peru
Telephone: (51-1) 618-2000
https://pe.usembassy.gov