



# Trade with Peru

# Investing in Peru



# Peru and the Baltic Countries

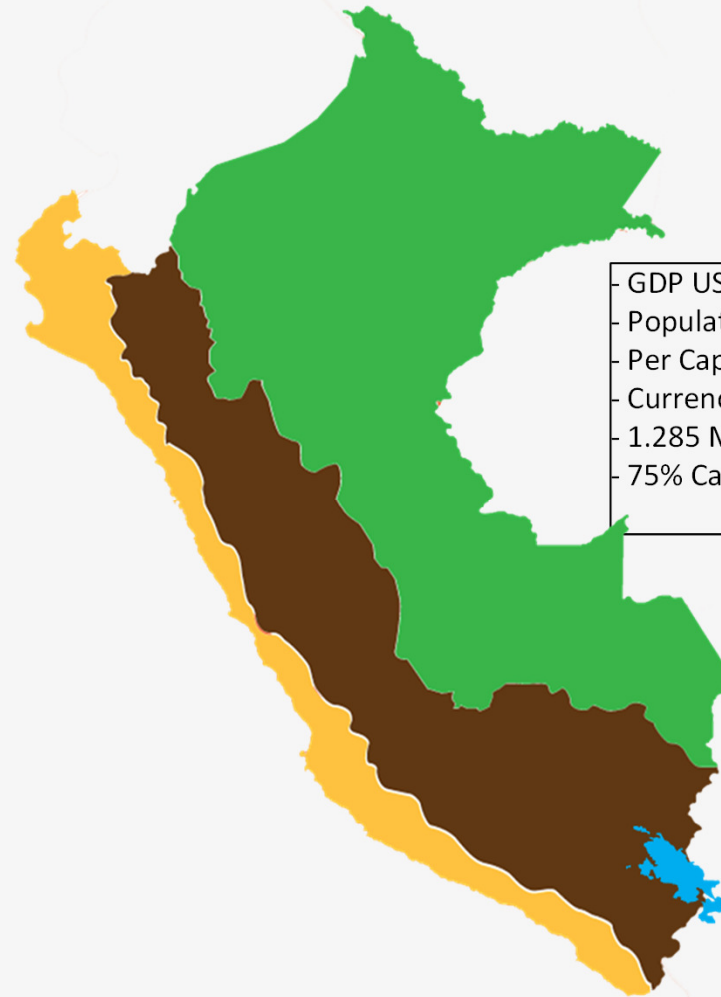
|                      | <b>Estonia</b>   | <b>Latvia</b>   | <b>Lithuania</b>   | <b>Peru</b>                          |
|----------------------|--|---|--|--------------------------------------|
| Official name        | Republic of Estonia  | Republic of Latvia  | Republic of Lithuania  | Republic of Peru                     |
| Territory            | 45 228 km <sup>2</sup>   | 64 589 Km <sup>2</sup>  | 65 300 Km <sup>2</sup>   | 1.283 Mio Km <sup>2</sup>            |
| Population           | 1,32 Millions  | 1,98 Millions   | 2,9 Millions   | 31 Millions                          |
| GDP                  | 25,68 USD Billions   | 30,18 USD Billions  | 46,67 USD Billions   | 210 USD Billions                     |
| (per capita)         | (USD 18 990 )  | (USD 15 242 )   | (USD 16 093 )  | (USD 6 800)                          |
| (2017)               |  |   |  |                                      |
| Exports              | 14,02 USD Billions   | 12,34 USD Billions  | 26,38 USD Billions   | 44 USD Billions                      |
| -                    | -  | -   | -  | -                                    |
| Imports              | 15,31 USD Billions   | 15,13 USD Billions  | 30,39 USD Billions   | 39,7 USD Billions                    |
| (2017)               |  |   |  |                                      |
| Main imports sectors | machinery and electronic equipment, food products, fuels, minerals, wood and its products, metals, furniture | food products, wood and its products, metals, machinery and equipment, textiles | Fertilisers, refined fuel, machinery and equipment, chemicals, textiles, food products, plastics | refined fuel, machinery and vehicles |
| Bilateral Trade:     | in USD Millions  | in USD Millions   | in USD Millions  |                                      |
| Total exchange       | 8  | 9.48  | 10.6   |                                      |
| exports (from Peru)  | 1.77   | 0.68  | 4.5  |                                      |
| Imports (to Peru)    | 6.23   | 8.8   | 6.1  |                                      |
| Balance              | -4.46  | -8.12   | -1.6   |                                      |
| (2017)               |  |   |  |                                      |
| GDP Growth           | 4,3% (2017)  | 4,6% (2017)   | 3,6% (2017)  | 2.5% (2017), 4% e 2018               |
|                      | 2,1%(2016)   | 2,1%(2016)  | 2,3%(2016)   | 4%(2016)                             |
|                      | 1,7%(2015)   | 2,8%(2015)  | 2%(2015)   | 3.3%(2015)                           |



## KEY FACTS ESTONIA - PERU



- GDP USD 26 Bio
- Population 1.3 Mio
- Per Capita USD 18 990
- Median Age 43
- High education level



- GDP USD 210 Bio
- Population 31 Mio
- Per Capita USD 6 800
- Currency SOL, 4 Soles/Euro
- 1.285 Mio de Km2
- 75% Catholic, 15% Protestants

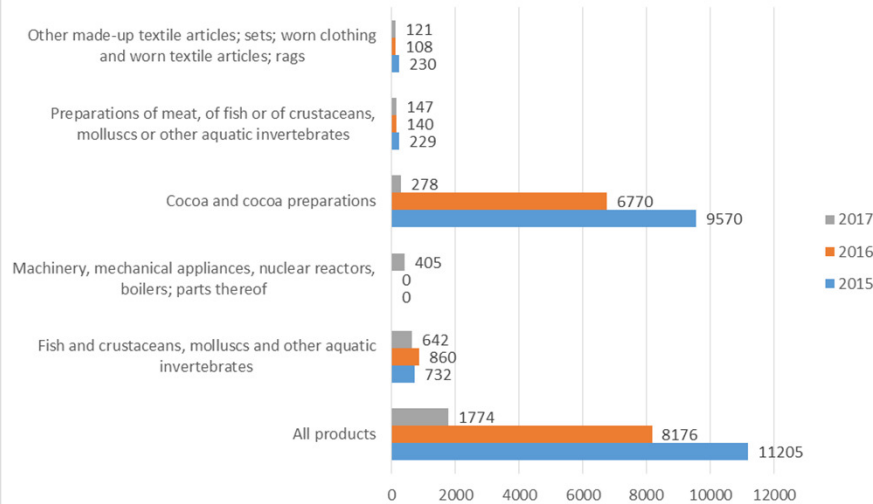
Sources : Multiple sources



# TRADE EXCHANGE ESTONIA - PERU



Peru's exports to Estonia  
in USD '000

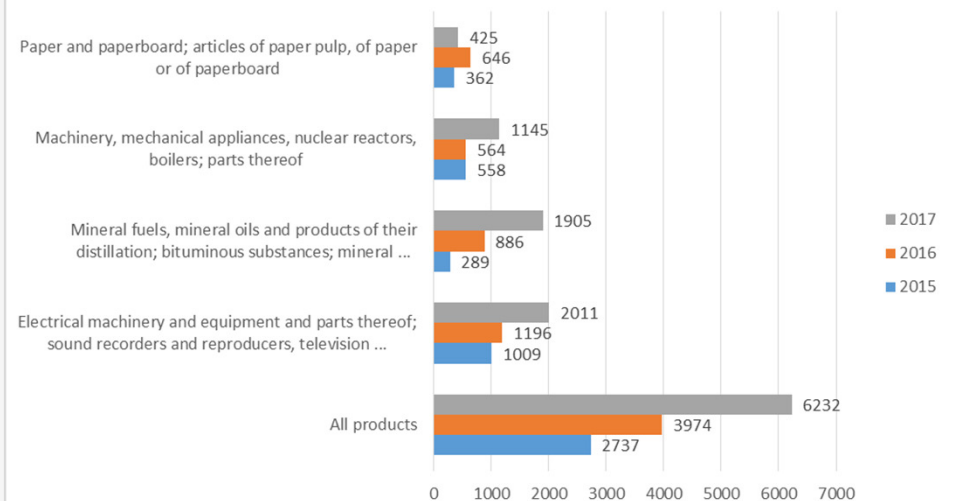


- Peru is a source of cocoa, mollusc and textiles.

- Estonia exports mainly machinery, mineral fuels and appliances.

Source : Trademap

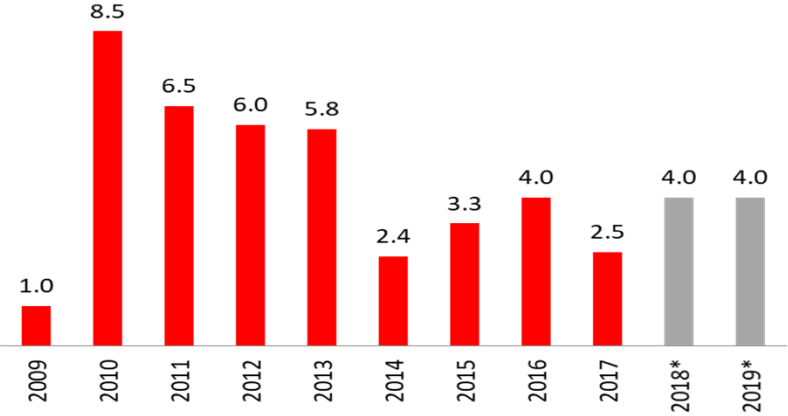
Peru's imports from Estonia  
in USD '000



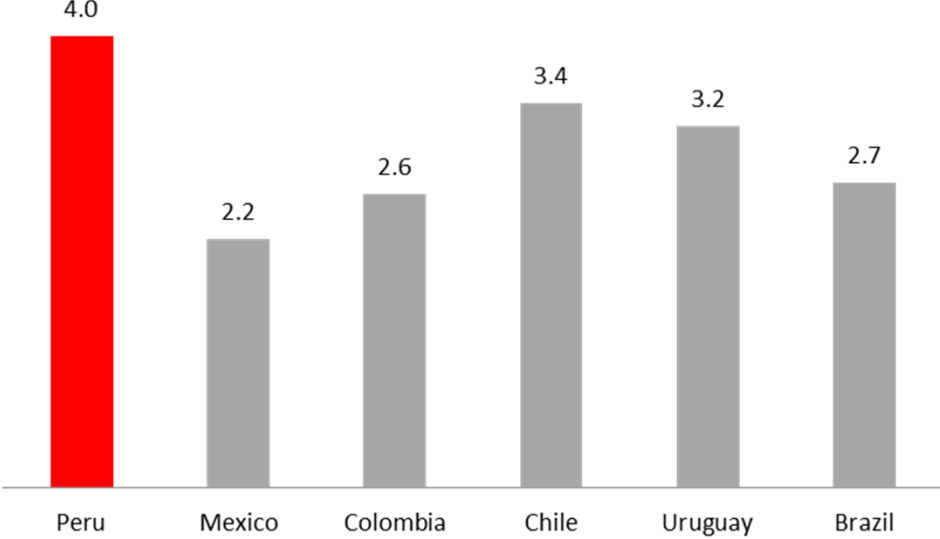
# PERU'S STRONG MACROECONOMIC CREDENTIALS



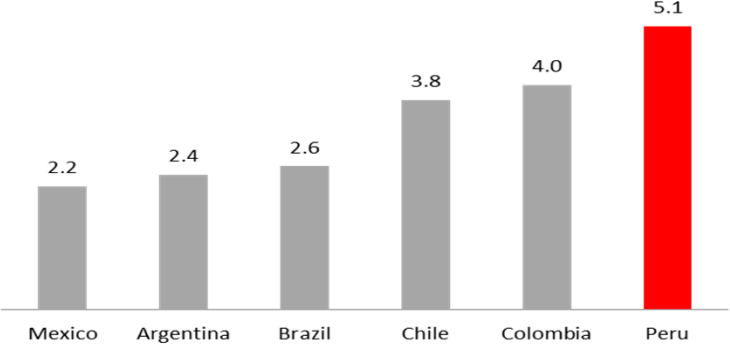
**Real GDP, 2009-2019\***  
(%Variation)



**GDP 2018 of LA6\***  
(%Variation)



**Average GDP - 2000 - 2016**  
(Average change in constant prices in dollars)

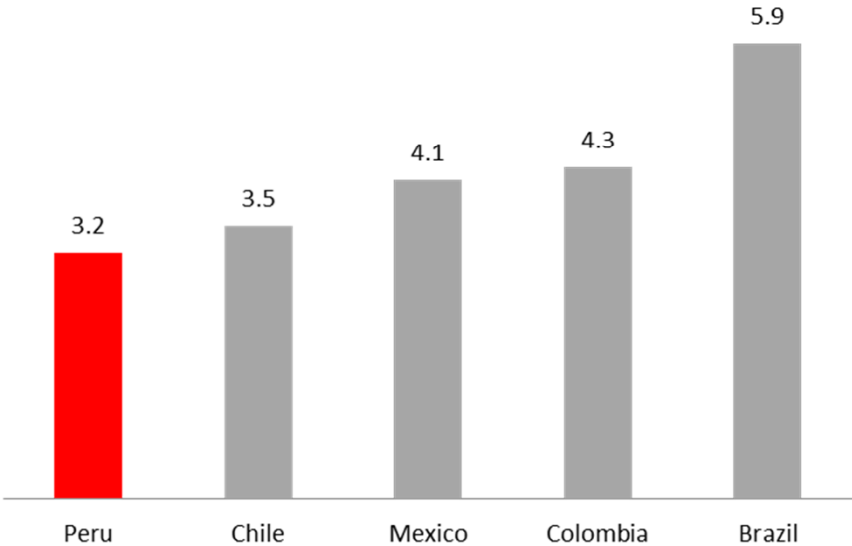


Source: Central Reserve Bank of Peru (BCRP), International Monetary Fund (IMF)  
 • Estimated figures of BCRP (Inflation report as of March 2018), IMF (World Economic Outlook Database – April 2018)

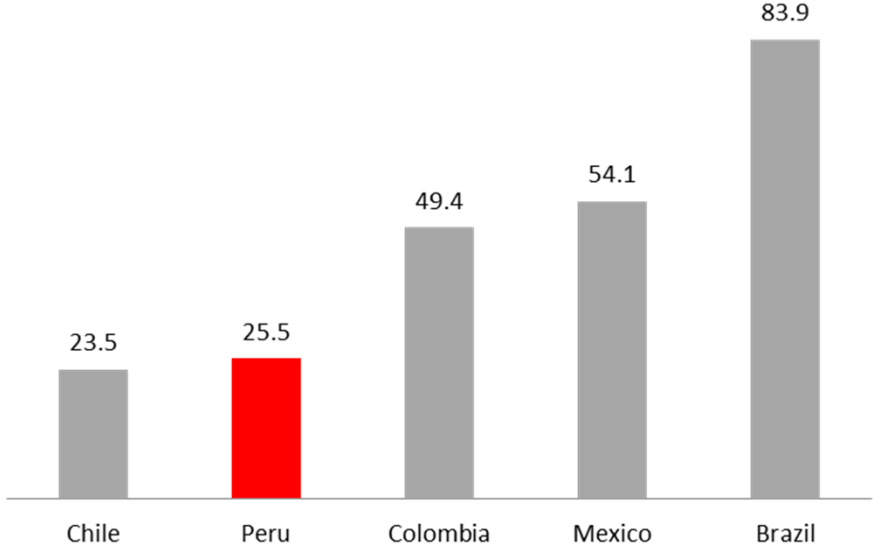
# PERU'S STRONG MACROECONOMIC CREDENTIALS



**CPI – Latin America 2007- 2017\***  
(Annual Average Variation %)



**Public Debt– Latin America 2017\***  
(% of GDP)



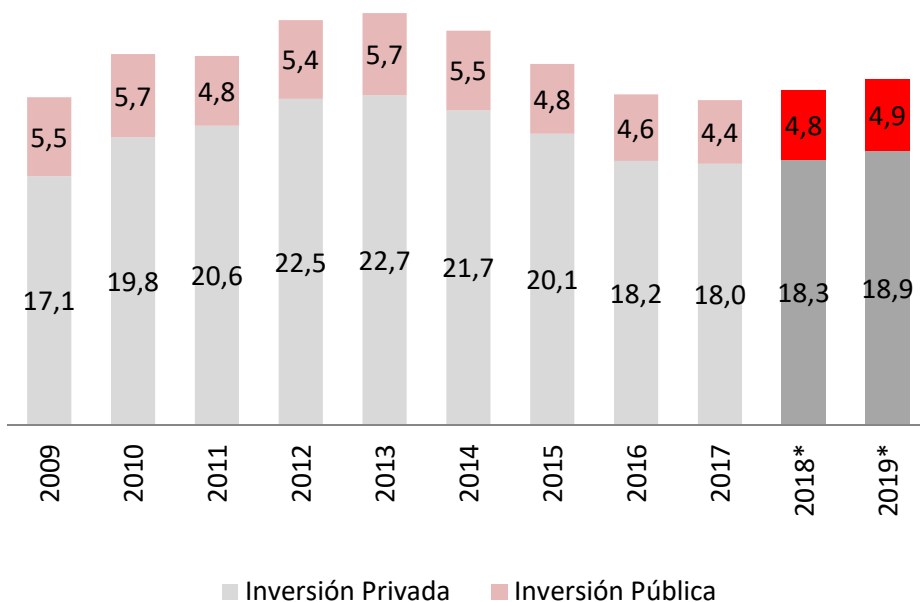
Source: Central Reserve Bank of Peru (BCRP), International Monetary Fund (IMF)  
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# STRONG MACROECONOMIC CREDENTIALS



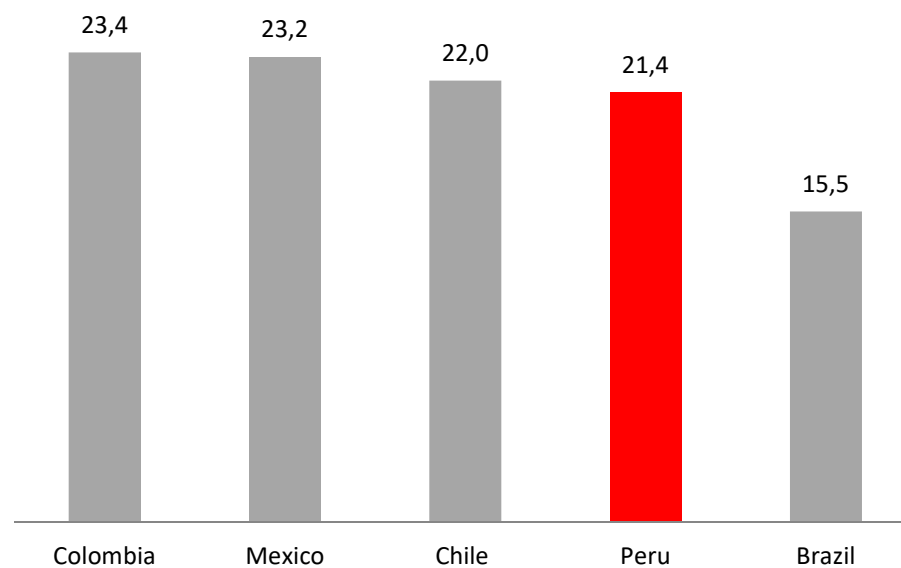
## ... Private investment accounts for almost 19% of GDP ...

**Private Investment 2009-2019\***  
(% of GDP)



Source: Central Reserve Bank of Peru (BCRP)  
\*Estimated figures of BCRP (Inflation report as of March 2018)

**Total investment – LATAM 2017**  
(% of GDP)



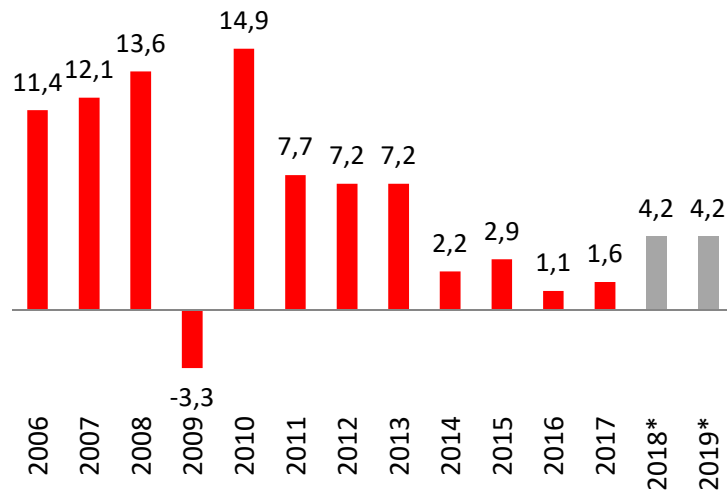
Source: International Monetary Fund (IMF)  
\*Estimated figures of IMF (World Economic Outlook Database – April 2018)

# STRONG MACROECONOMIC CREDENTIALS



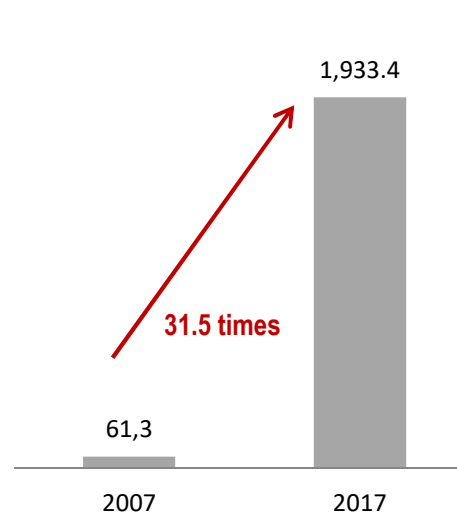
## Furthermore, the domestic demand is strengthening ...

**Real domestic demand 2006–2019\***  
(real annual Var. %)



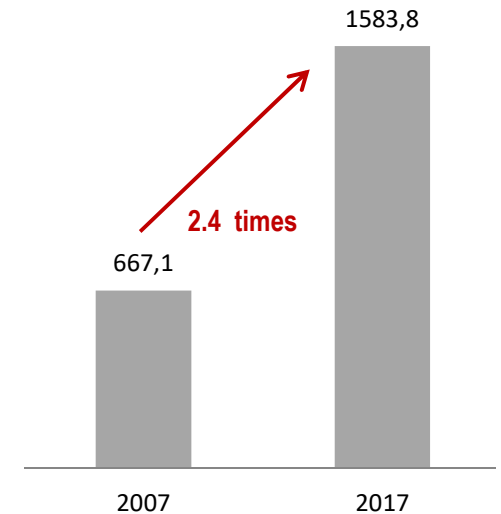
Source: Central Reserve Bank of Peru (BCRP)  
\*Estimated figures of BCRP (Inflation report as of March 2018)

**Imports of vehicles for private use**  
(US\$ million)



Source: SUNAT

**Imports of domestic assets I1**  
(US\$ million)



1/ Includes imports of machines and appliance. Furniture and other house equipment's



# STRONG FRAMEWORK FOR FOREIGN INVESTMENT



**Peru earned investment grade by practicing a responsible economic policy**

**Continuous effort to facilitate the establishment and operation of business**

**Investment grade**  
*Latin America benchmarking*

| Countries   | Moody's   | S&P         | Fitch       |
|-------------|-----------|-------------|-------------|
| Chile       | Aa3       | A+          | A           |
| <b>Peru</b> | <b>A3</b> | <b>BBB+</b> | <b>BBB+</b> |
| Mexico      | A3        | BBB+        | BBB+        |
| Colombia    | Baa2      | BBB-        | BBB         |
| Uruguay     | Baa2      | BBB         | BBB-        |
| Paraguay    | Ba1       | BB          | BB          |
| Brazil      | Ba2       | BB-         | BB-         |
| Bolivia     | Ba3       | BB          | BB-         |
| Argentina   | B2        | B+          | B           |
| Ecuador     | B3        | B-          | B           |
| Venezuela   | C         | SD          | RD          |

**3<sup>rd</sup> in the regional ranking of ease of doing business in Latin America**

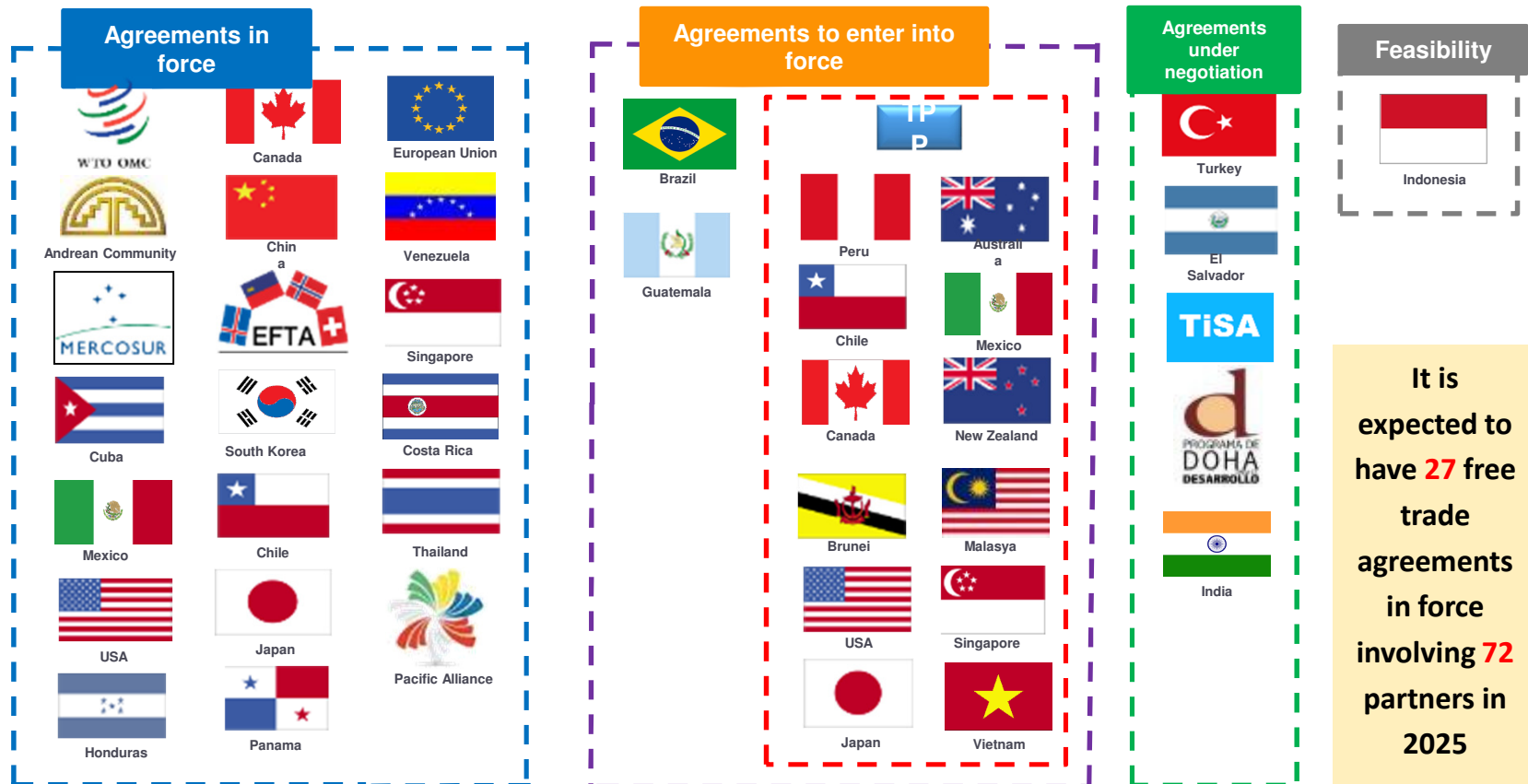
| Position | Country     |
|----------|-------------|
| 1        | Mexico      |
| 2        | Colombia    |
| <b>3</b> | <b>Peru</b> |
| 4        | Chile       |
| 5        | Panama      |

Source: Standard & Poor's, Fitch Ratings and Moody's.  
Updated as of April, 2018

Source: World Bank Doing Business 2017

# OPEN TRADE - MARKET ACCESS POLICY

Working to become a globalized economy,  
 with preferential access to the world's largest markets



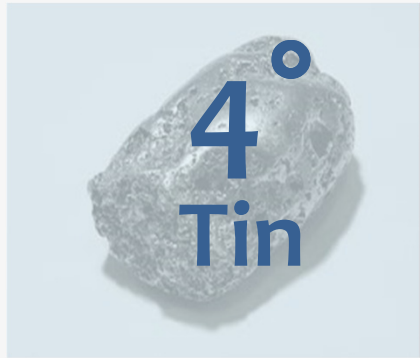
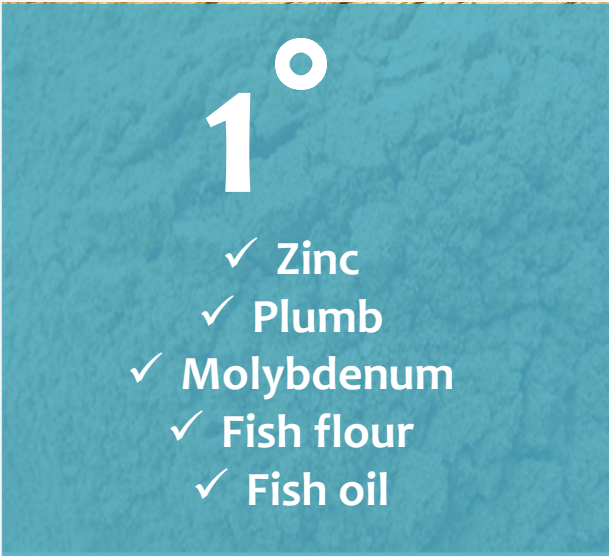
It is expected to have **27** free trade agreements in force involving **72** partners in 2025



# Peru

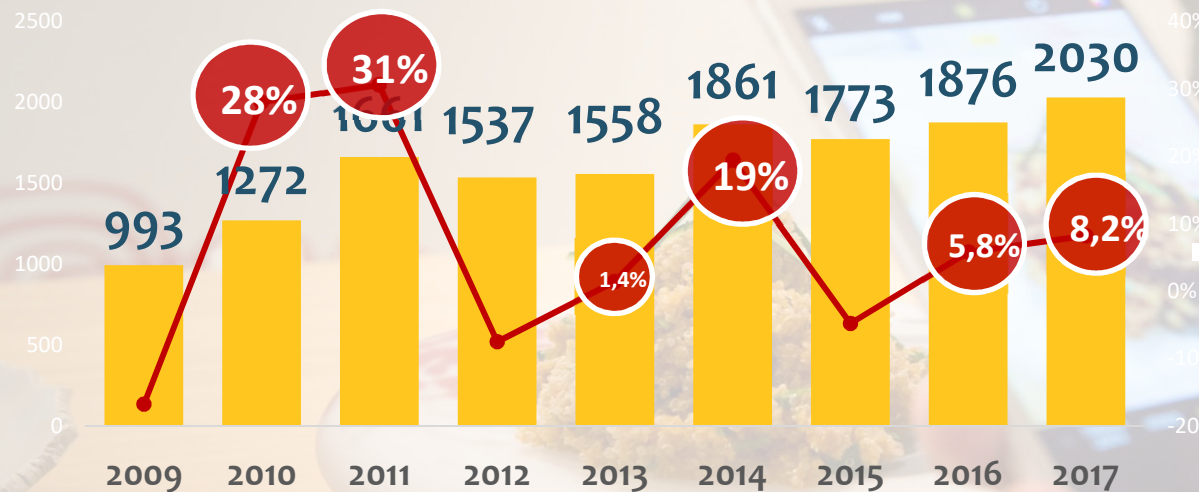
EU key supplier





## Highest level of non traditional exports to the EU

Non traditional exports US\$ millions



■ Non traditional Exports

Fuente: SUNAT

# Non traditional Exports 2017

# US\$2 Billions

## Growth Var. %

# 8,2%



# Exports diversity

90's

2000

2010

2017



ESPARRAGO



UVAS



PAPRIKA



HIGOS



GRANADA



PIÑA



JENJIBRE



PALTAS



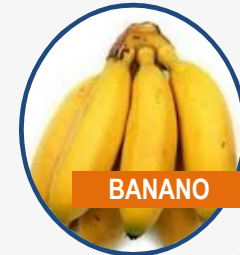
ALCACHOFA



GRANADILLA



CAPSICUM



BANANO



MACA



MANGO



CITRICOS



*Gourmet*



QUINUA

# Invest in Peru

# STRONG FRAMEWORK FOR FOREIGN INVESTMENT



- Non discriminatory treatment: Foreign investors receive the same treatment as local investors.
- Unrestrictive access to almost all economic activities.
- Free movement of capital.
- Anti-trust framework and promotion of competition.
- Guarantees to Private Property.
- No restrictions to acquire equity from locals.
- Freedom to access internal and external credit.
- Access to international disputes settlement mechanism
- Peru participates in the Investment Committee of the Organization for Economic Co-operation and Development (OECD) – It promotes the implementation of the Guidelines for Multinational Enterprises.



# INFRASTRUCTURE GAP



The government challenge is to reduce the infrastructure gap by half by 2021

| Sector               | Medium term gap<br>2016-2020 |             | Gap 2021-2025 |             | Long term gap<br>2016-2025 |             |
|----------------------|------------------------------|-------------|---------------|-------------|----------------------------|-------------|
|                      | US\$ MM                      | %           | US\$ MM       | %           | US\$ MM                    | %           |
| Transport            | 21,253                       | 31%         | 36,246        | 40%         | 57,499                     | 36%         |
| Energy               | 11,388                       | 17%         | 19,387        | 21%         | 30,775                     | 19%         |
| Telecomm             | 12,603                       | 18%         | 14,432        | 16%         | 27,036                     | 17%         |
| Health               | 9,472                        | 14%         | 9,472         | 10%         | 18,944                     | 12%         |
| Water and Sanitation | 6,970                        | 10%         | 5,282         | 6%          | 12,252                     | 8%          |
| Hydraulic            | 4,537                        | 7%          | 3,940         | 4%          | 8,477                      | 5%          |
| Education            | 2,592                        | 4%          | 1,976         | 2%          | 4,568                      | 3%          |
| <b>TOTAL</b>         | <b>68,815</b>                | <b>100%</b> | <b>90,734</b> | <b>100%</b> | <b>159,549</b>             | <b>100%</b> |

1. The water and sanitation gap only includes the services access no improvements in the existing connections and wastewater treatment.

2. The education gap only mention the coverage increase. The functional education in schools, rehabilitation or seismic design reinforcement it is no included.

Source: National plan of infrastructure 2016 – 2025 *Pacifico University*

# PPP REGULATORY FRAMEWORK HAS EVOLVED OVER TIME

2008

## PPP consolidation

- Subsume the PPPs, the different contractual modalities for the development of public infrastructure and public services.

Legislative Decree  
N°1012

Legislative Decree  
N° 1224

## • International standards

- The unique legal framework for the promotion of private investment through PPP and Assets projects

2015

2016

## • Government improvement

- Proinversión new role
- Improvement in the quality of projects
- Corruption fight and transparency enhancement

Legislative Decree  
N° 1251

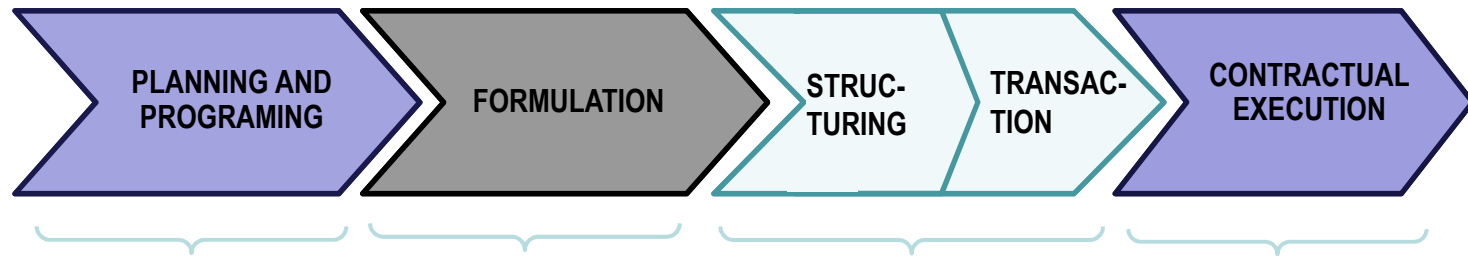
(\*) As a result, March 31, 2016 Peru has become the first non-member country of the OECD in became adherent to the Principle for Public Governance of PPP in the said organization.

# PREDICTABLE PHASES FOR PPP



## PROMOTION PROCESS

Phases



**Recent amendments**  
(Legislative Decree N° 1251)

- National Infrastructure Plan
- PROINVERSION express its opinion on PPP Multiannual Reports
- Specialization base on competencies
- Early bankability analysis
- Land identification and land acquisition goal
- Strong contracts before the call
- Comprehensive evaluation report
- Payment mechanism related to service supply
- Mechanism to avoid reckless offers
- PROINVERSION develops a coordinated evaluation and approves the financial closing
- Elimination of bankable addendums

\* Inserted by Legislative Decree N° 1251



# PERU: INVESTMENT OPPORTUNITIES



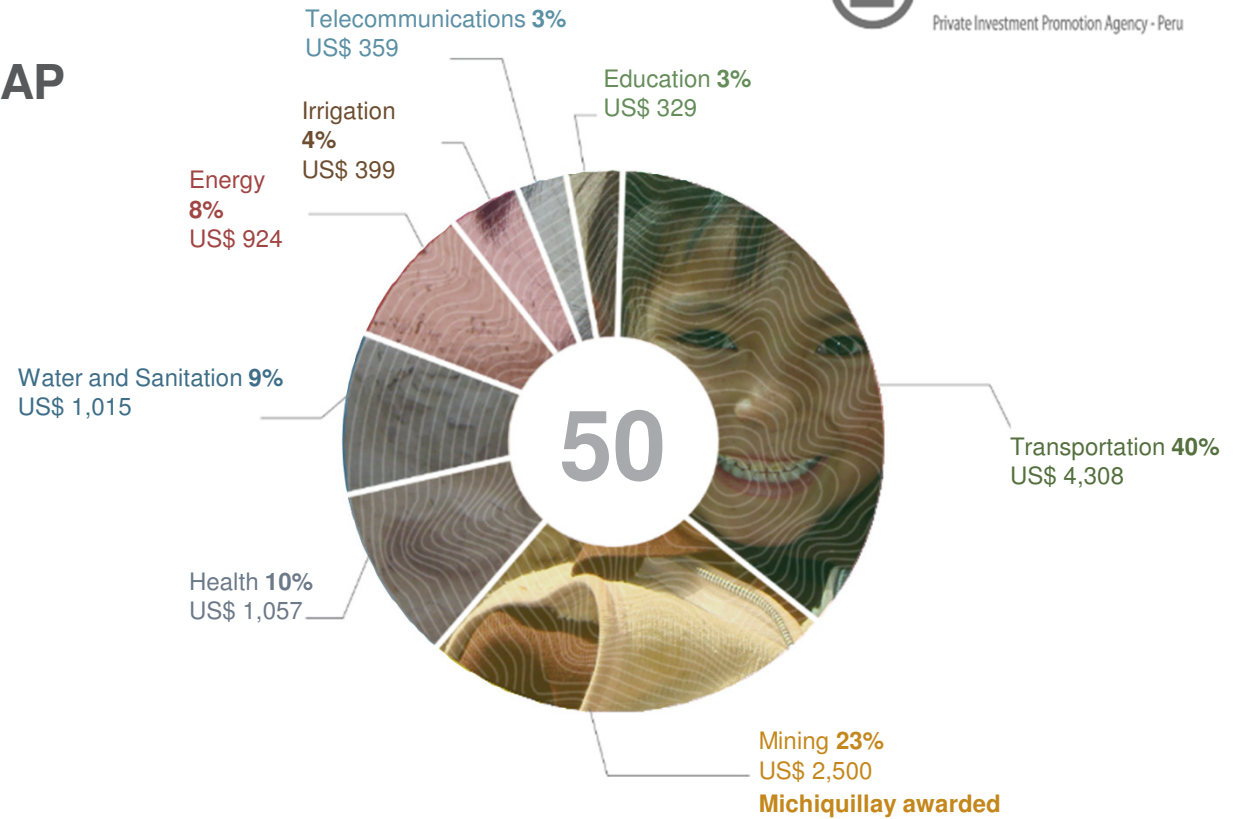


**ProlInversión**

Private Investment Promotion Agency - Peru

## INFRASTRUCTURE GAP 2018-2020

**50 PROJECTS**  
Estimated Investment:  
**US\$ 10.8 billion**



\* Not includes the projects which investment amount to be determined



**ProlInversión**

Private Investment Promotion Agency - Peru

## CHALLENGES 2018

### 19 PROJECTS - US\$ 4,357 Billion

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#### TRANSPORTATION

AMOUNT: US\$ 450 MM / #: 2

- Salaverry Port Terminal
- Huancayo Huancavelica railway

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#### TELECOMUNICACION

AMOUNT : US\$ 359 MM / #: 6

- Wide band of Áncash, Arequipa, Huánuco, La Libertad, Pasco and San Martín

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#### MINING

AMOUNT: US\$2,500 MM / #: 3

- Michiquillay mining project
- Colca mining project \*
- Jalaoca mining project \*

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#### ENERGY

AMOUNT : US\$ 744 MM / #: 7

- Mass use of natural gas
- Link 500kV La Niña – Piura
- Link 200kV Pariñas – Nueva Tumbes
- Link 200kV Tingo Maria - Aguaytia
- TLCarabayllo
- Compensator Trujillo SE Refurbishment ENOSA

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#### WATER AND SANITATION

AMOUNT : US\$ 304 MM / #: 1

- Titicaca WWTP

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*\*Amount to be defined*



**ProlInversión**

Private Investment Promotion Agency - Peru

## CHALLENGES 2019 - 2020

### 31 PROJECTS - US\$ 6,534 Billion<sup>1</sup>

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#### TRANSPORTATION

AMOUNT: US\$ 3,858 MM / #: 4

- Longitudinal Sierra Highway - Section 4
- Peripheral ring road
- North International Highway
- Marcona Port Terminal

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#### ENERGY

AMOUNT : US\$ 180 MM / #: 7

- Integrated Transportation System of Gas – South Zone of Peru\*
- Other projects

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#### WATER AND SANITATION

AMOUNT : US\$ 711 MM / #: 3

- Headwater works
- Huancayo WWTP
- Puerto Maldonado WWTP

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#### HEALTH

AMOUNT: US\$ 1,057 MM / #: 9

- ESSALUD Chimbote
- ESSALUD Piura
- Other Projects

---

#### EDUCATION

AMOUNT: US\$329 MM / #: 7

- CER Ate – San Juan de Lurigancho
- CER Comas – San Martín de Porres
- CER Villa María del Triunfo
- CER Lima Metropolitana
- COAR Centro

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#### IRRIGATION

AMOUNT: US\$ 399 MM / #: 1

- Ica Valley
- 

**CER:** Schools at risk (by its Spanish initials)  
**COAR:** High performance schools (by its Spanish initials)

*\*Amount to be defined*

*Perú*



[www.proinversion.gob.pe/investinperu](http://www.proinversion.gob.pe/investinperu)



Perú

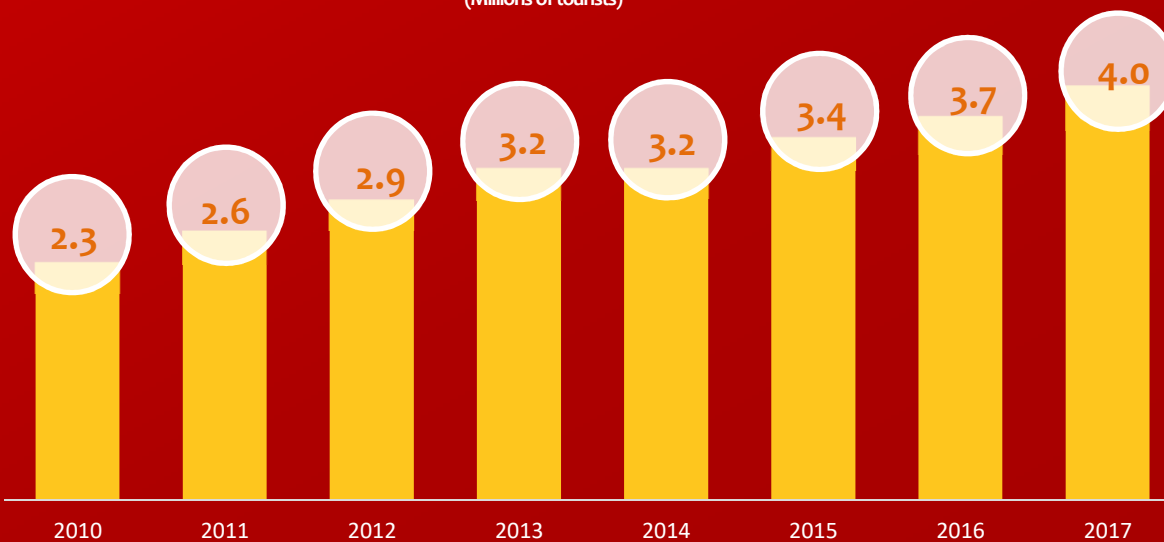
# TOURISM





14% of tourist that arrived to Peru in 2017 are from EU countries

Tourist income – Evolution  
(Millions of tourists)



NQ3



‘Machu Picchu, Best tourist attraction 2017’

‘Best culinary destination of the world 2017’

Peru got two World Travel Awards prizes



# Lima

Sur les rives de l'Océan Pacifique



Perú

# GASTRONOMY





# PISCO SOUR





THANK YOU !