



- Macroeconomic Indicators
- Business Environment
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Macroeconomic Indicators

Macroeconomic indicators

Population: 28,2 millions (2007)

Population 0-14 years: 30,5% (2007)

Area: 1.285.215,6 km²

Coast area (11,7%)

Highlands / Andean region (28,4%)

Jungle (59,9%)

Life expectancy at birth: 71 years (2005-2010)

KEY FACTS ABOUT PERU

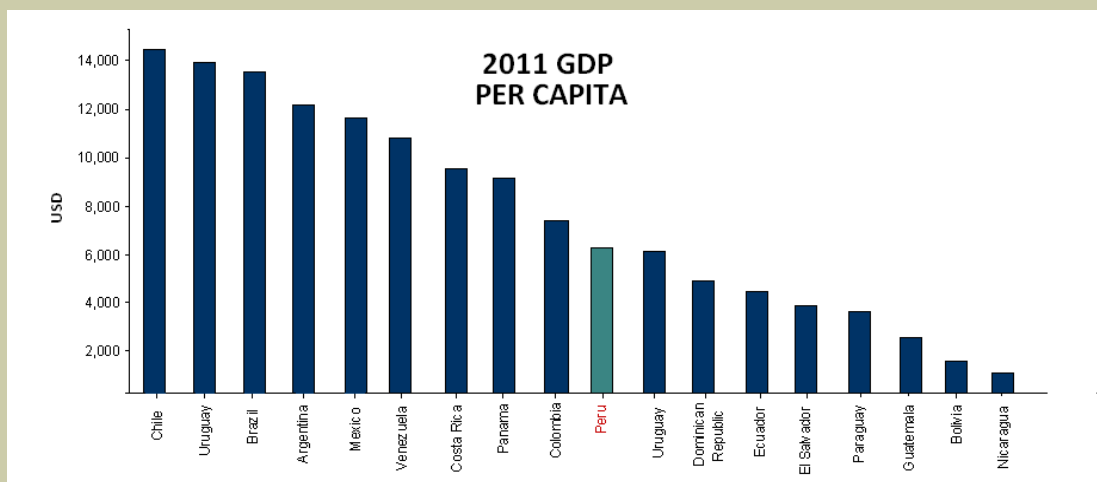
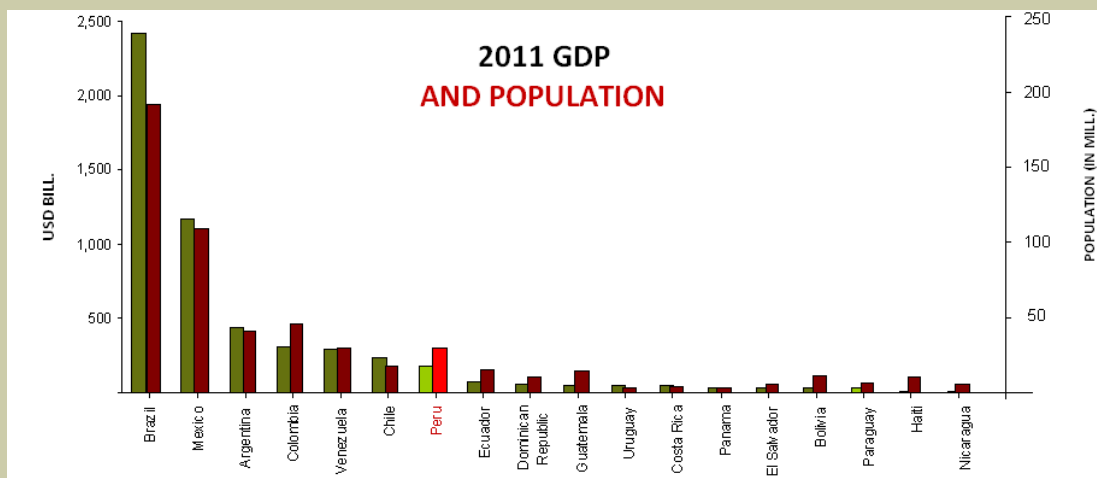


Macroeconomic indicators



Peru's GDP in the regional context

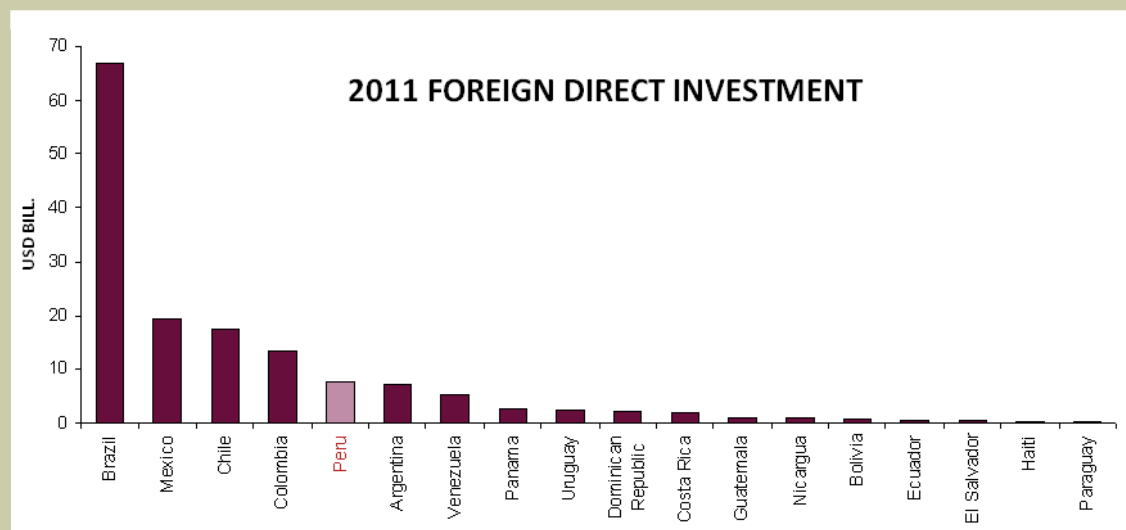
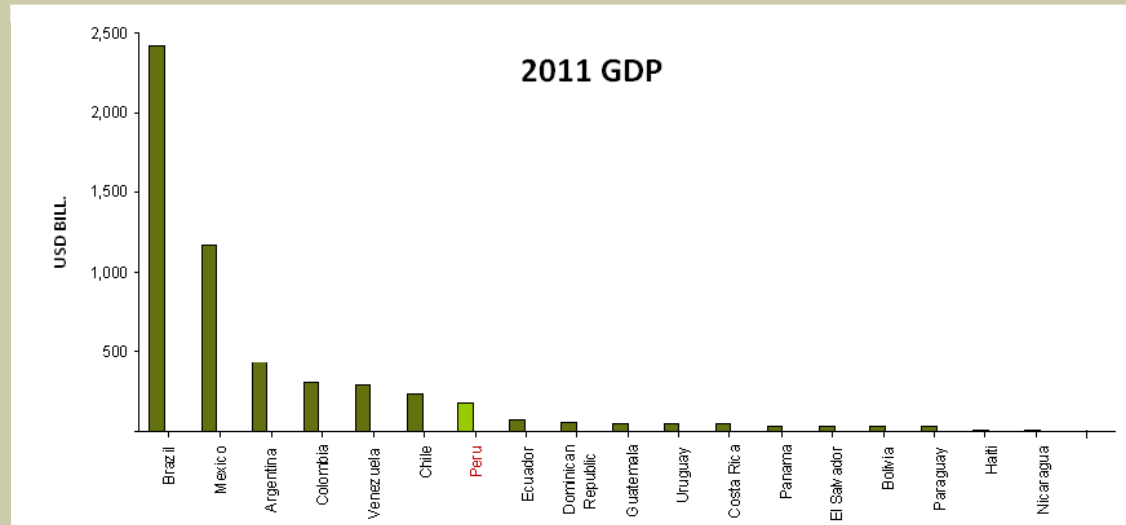
Country	2011		
	GDP (Billion US\$)	Population (Millions)	GDP per Capita (US\$)
United States	15,227.07	312.891	48,665.81
Brazil	2,421.64	194.933	12,422.94
Mexico	1,167.12	109.713	10,637.95
Argentina	456.817	40.900	11,168.98
Colombia	307.845	46.052	6,684.78
Venezuela	294.271	29.767	9,885.86
Chile	231.302	17.399	13,294.33
Peru	167.846	30.009	5,593.14
Ecuador	65.032	15.005	4,334.08
Dominican Republic	54.912	10.052	5,462.81
Guatemala	46.383	14.708	3,153.67
Uruguay	43.265	3.369	12,843.72
Costa Rica	40.297	4.626	8,710.96
Panama	29.799	3.590	8,299.70
El Salvador	23.169	5.904	3,924.08
Bolivia	22.778	10.629	2,143.05
Paraguay	22.143	6.530	3,390.94
Haiti	7.724	10.013	771.373
Nicaragua	7.05	5.889	1,197.24



Macroeconomic indicators



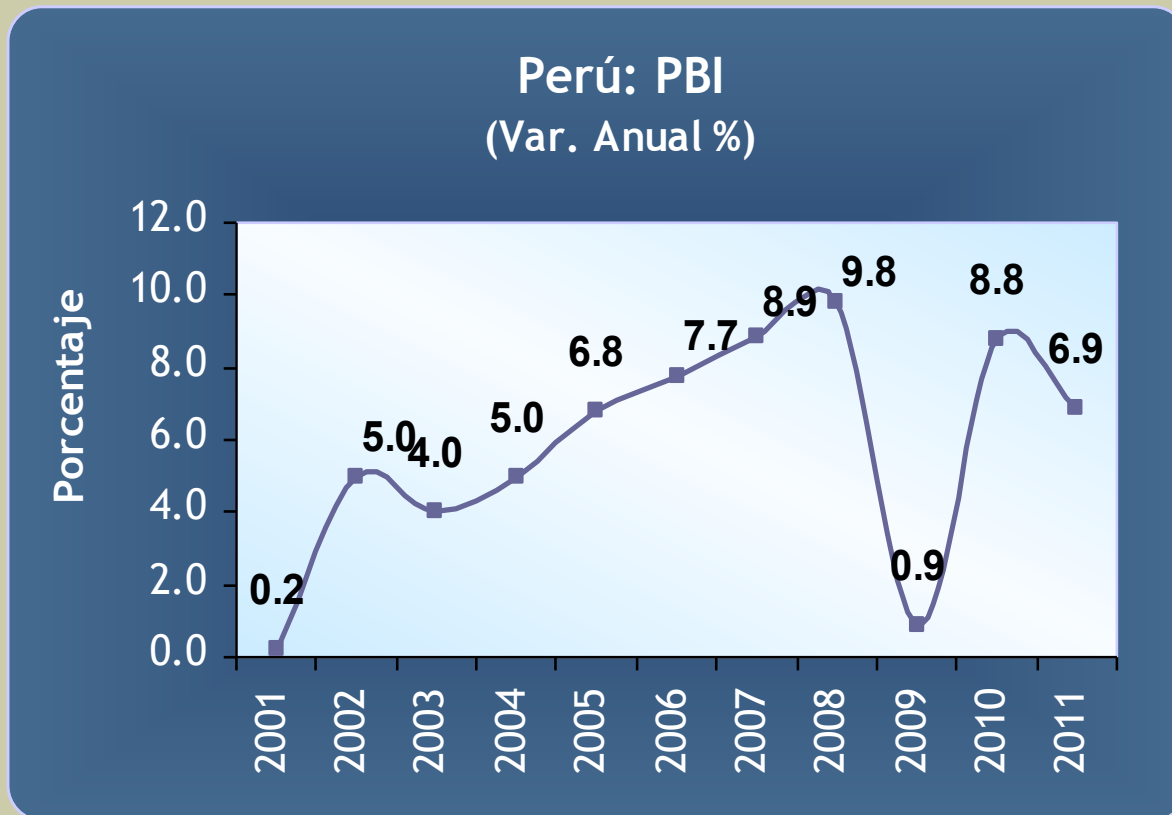
Peru receives more FDI than several larger economies



Country	2011		
	GDP (Billion US\$)	FDI (Billion US\$)	FDI (% of GDP)
Nicaragua	7.05	0.97	13.7%
Panama	29.80	2.79	9.4%
Chile	231.30	17.30	7.5%
Uruguay	43.27	2.53	5.8%
Costa Rica	40.30	2.10	5.2%
Peru	167.85	7.66	4.6%
Dominican Republic	54.91	2.37	4.3%
Colombia	307.85	13.23	4.3%
Bolivia	22.78	0.86	3.8%
Brazil	2421.64	66.66	2.8%
Haiti	7.72	0.18	2.3%
Guatemala	46.38	0.99	2.1%
Venezuela	294.27	5.30	1.8%
El Salvador	23.17	0.39	1.7%
Mexico	1167.12	19.44	1.7%
Argentina	456.82	7.24	1.6%
Paraguay	22.14	0.15	0.7%
Ecuador	65.03	0.39	0.6%

Macroeconomic indicators

According to the IMF, Peru will have the highest GDP growth rate in Latin America in 2012



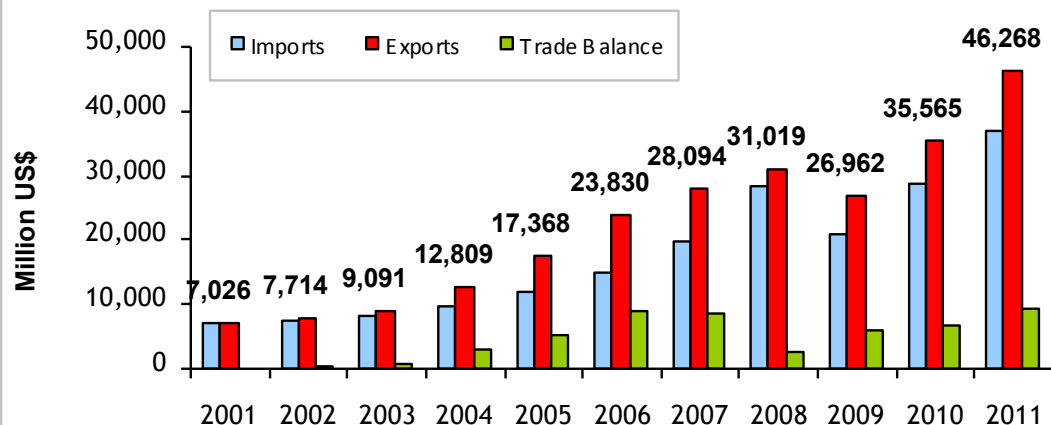
GDP estimates
2012: 5,5%

Source: BCRP

Macroeconomic indicators

TRADE

PERU: Trade Balance



Top destinations of exports in 2011

1. China
2. United States
3. Switzerland
4. Canada
5. Japan

Top origins of imports in 2011

1. United States
2. China
3. Brazil
4. Ecuador
5. Argentina

TRADE: a closer look

Composition of the Export Basket in 2011

Destination for Traditional Exports

1. China	15%
2. United States	13%
3. Switzerland	13%
4. Canada	9%
5. Japan	5%

Number of Tariff Items

1. United States	2,305
2. Canada	804
3. Japan	702
4. Suiza	421
5. China	358

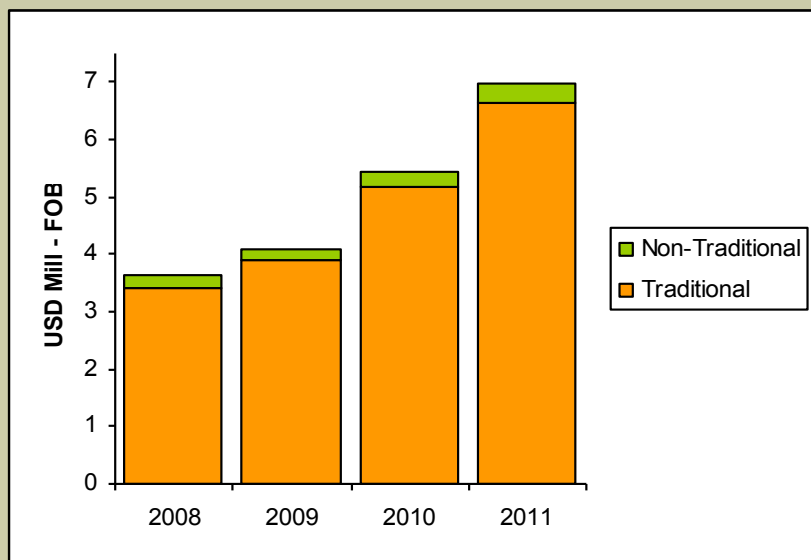
Destination for Non Traditional Exports

1. United States	23%
2. Venezuela	9%
3. Colombia	8%
4. Ecuador	6%
5. Chile	6%
10. China	3%
18. Japon	1%
19. Canada	1%

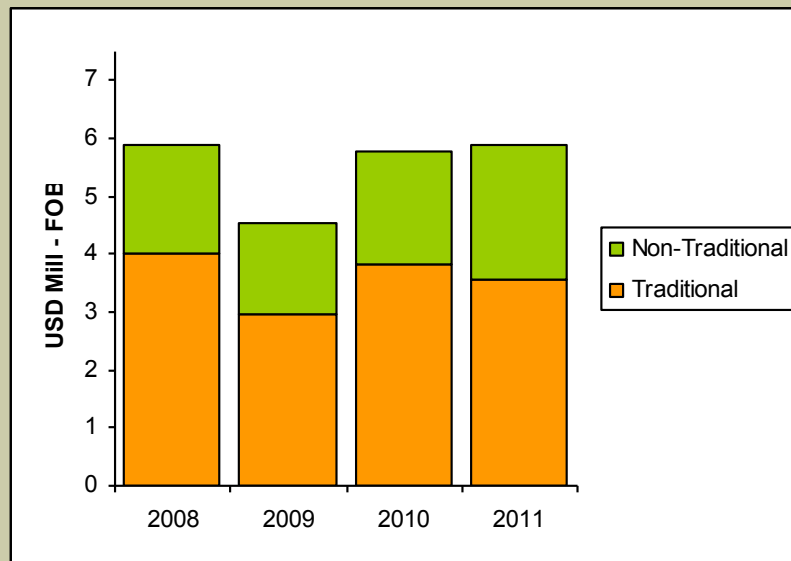
TRADE: a closer look

Trend in Export Basket Composition 2008-2011

China



United States



TRADE: a closer look

Composition of the Import Basket in 2011

Top origins of imports in 2011

1. United States
2. China
3. Brazil
4. Ecuador
5. Argentina

Origin of Consumption Goods

- | | |
|------------------|-----|
| 1. China | 15% |
| 2. Colombia | 13% |
| 3. United States | 13% |
| 4. Colombia | 9% |
| 5. Mexico | 5% |

Origin of Non Consumption Goods

(Raw and Intermediate Materials,
Capital Goods, Construction Material)

- | | |
|------------------|----|
| 1. United States | 9% |
| 2. China | 6% |
| 3. Brazil | 3% |

Macroeconomic indicators

Peru: GDP by economic activity

Annual % variation	2008	2009	2010	2011
Agriculture	6.7	2.3	4.3	3.8
Agriculture and agroindustry	6.6	0.9	4.2	2.8
Livestock	6.9	4.4	4.4	5.2
Fishing	6.2	(7.7)	(16.6)	29.7
Mining and hydrocarbons	7.6	0.4	(0.8)	(0.2)
Metallic mining	7.3	(1.4)	(4.9)	(3.6)
Hydrocarbons	10.3	16.1	29.5	18.1
Manufactures	8.5	(7.2)	13.6	5.6
Primary resources processing	7.6	0.0	(2.3)	12.3
Non primary	8.7	(8.5)	16.9	4.4
Electricity and water	7.7	1.2	7.7	7.4
Construction	16.5	6.1	17.4	3.4
Commerce	12.8	(0.4)	9.7	8.8
Other services	9.0	3.8	8.7	8.3

Source: INEI

Best performing economic sectors in 2011:

- Fishing
- Hydrocarbons
- Primary resources processing

Agroindustry

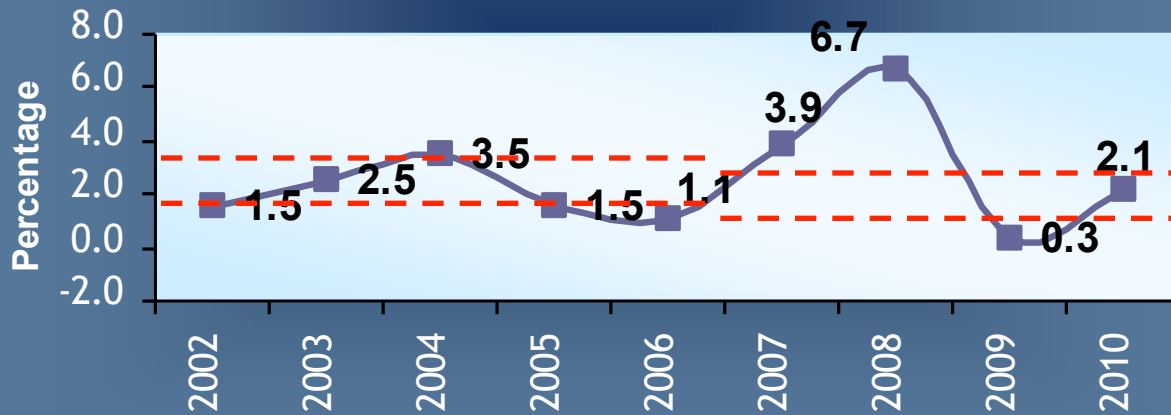
- 1st world producer of fish meal
- 1st world producer of paprika
- 2nd world producer of asparagus
- 2nd world producer of artichokes
- 6th world producer of coffee

Mining

- 1st world producer of silver
- 2nd world producer of copper and zinc
- 3rd world producer of tin
- 4th world producer of lead
- 6th world producer of gold

Macroeconomic indicators

Inflation
(Annual % var.)



Source: BCRP

**Among the lowest
expected inflations in
LA & the Caribbean
according to the IMF**



**Inflation
estimates**

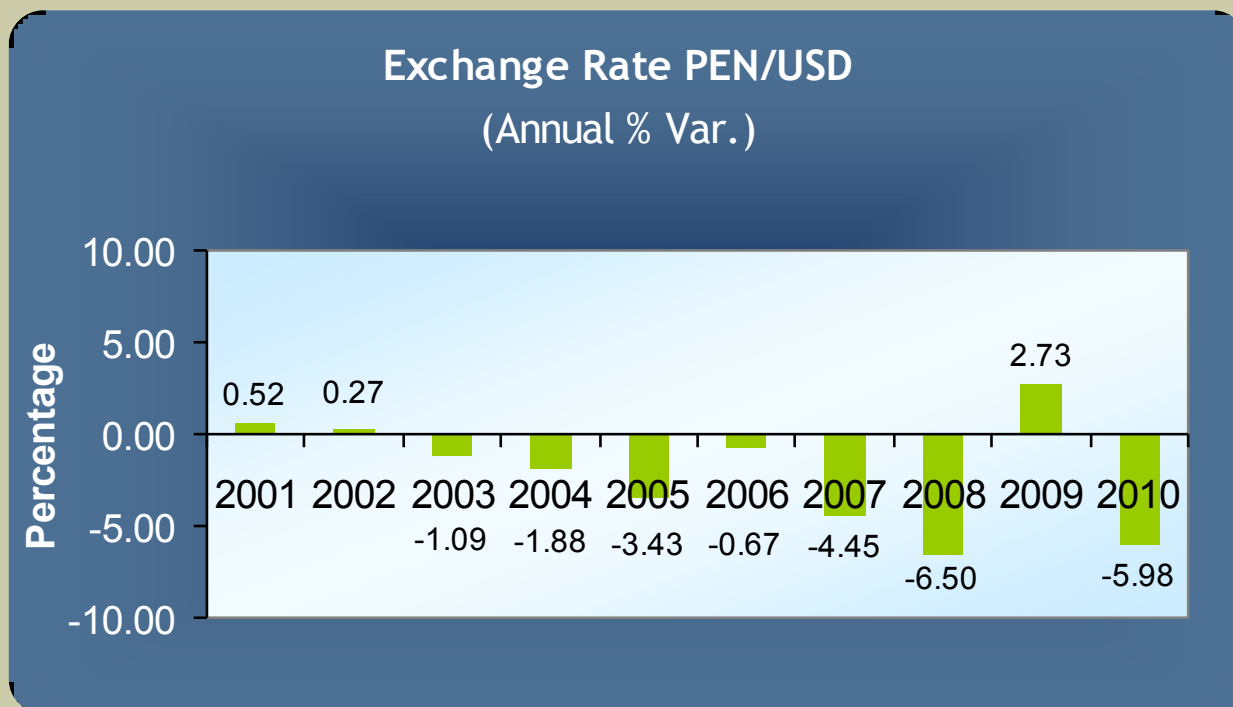
2011e = 3,3%

2012e = 2,5%

Source: IMF

Macroeconomic indicators

Year	Exchange Rate PEN/USD (Annual Average)
2001	3.51
2002	3.52
2003	3.48
2004	3.41
2005	3.30
2006	3.28
2007	3.13
2008	2.93
2009	3.01
2010	2.83



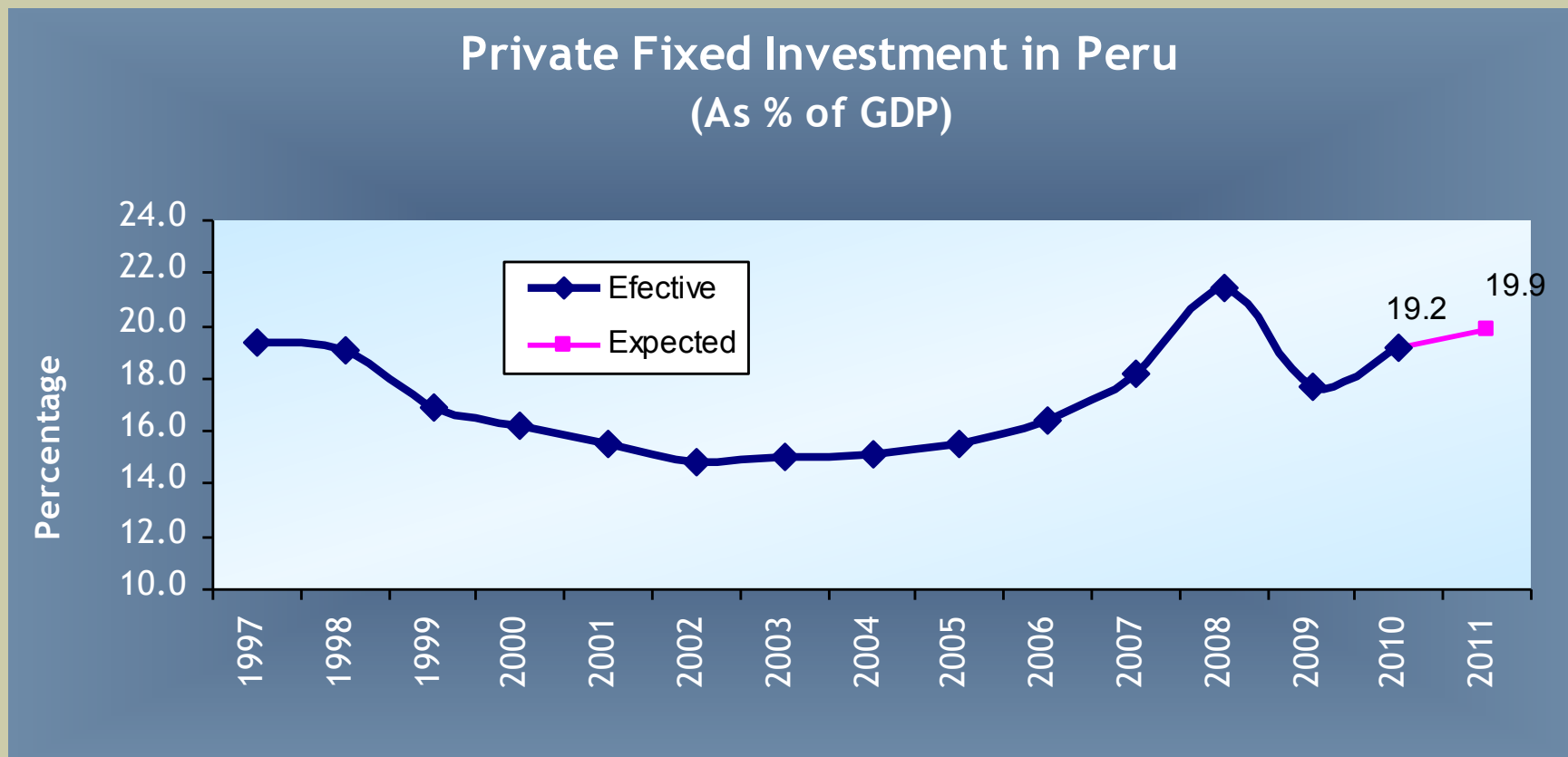
Exchange Rate ^{1/}

2011 = 2,68
PEN/USD

Source: BCRP

The Peruvian Nuevo Sol (PEN) is one of the most stable currencies in the world

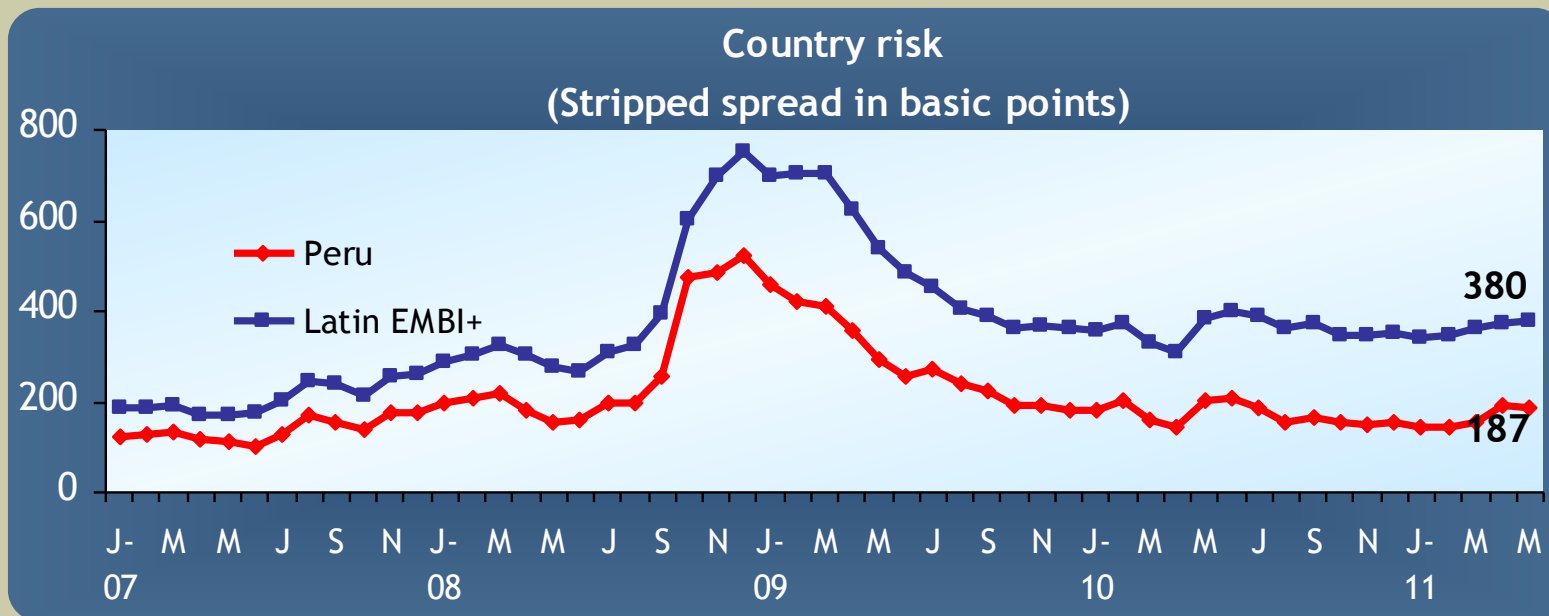
Macroeconomic indicators



Source: BCRP

Net International Reserves = US\$ 53,4 billions
(February 22nd, 2012)

Macroeconomic indicators



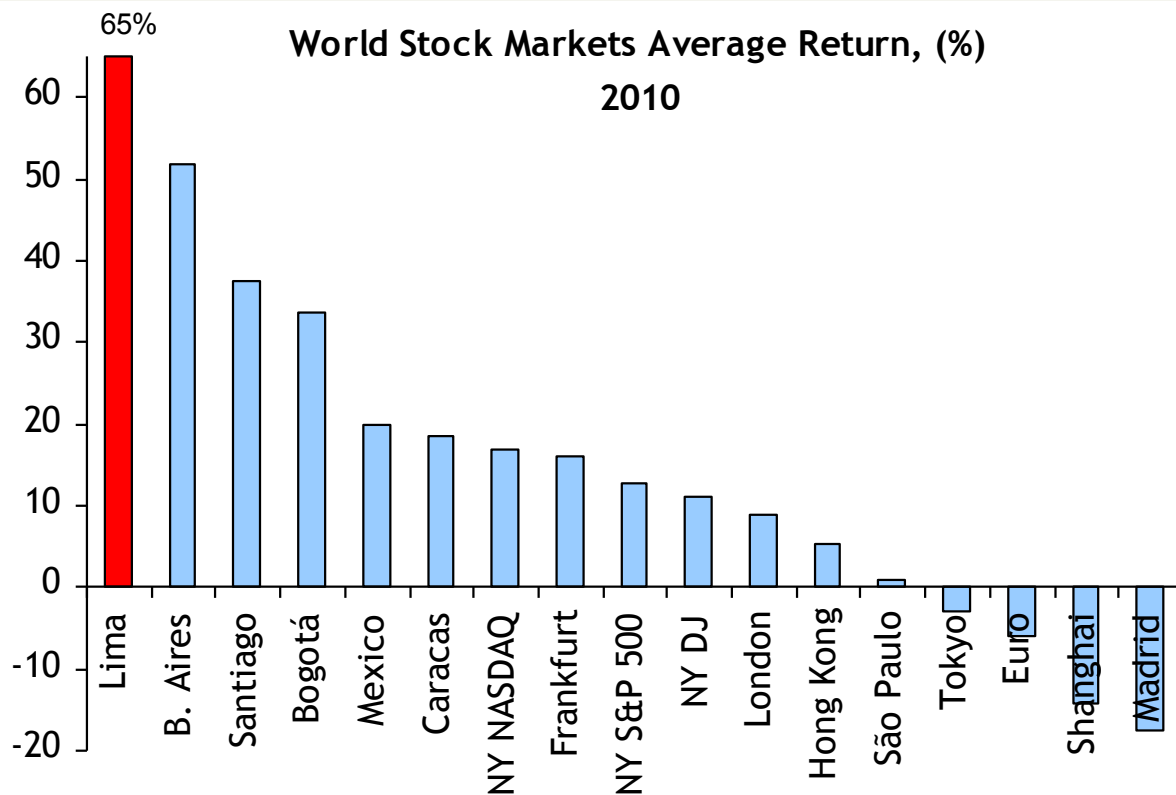
Country	S&P	Fitch	Moody's
Chile	A+	A+	Aa3
Mexico	BBB	BBB	Baa1
Brazil	BBB-	BBB	Baa2
Peru	BBB	BBB	Baa3
Colombia	BBB-	BBB-	Baa3
Venezuela	B+	B+	B2
Argentina	B	B	B3
Bolivia	B+	B+	B1
Ecuador	B-	B-	Caa2

Source: BCRP

Peru holds the **second highest Investment Grade** in the region from S&P and Fitch

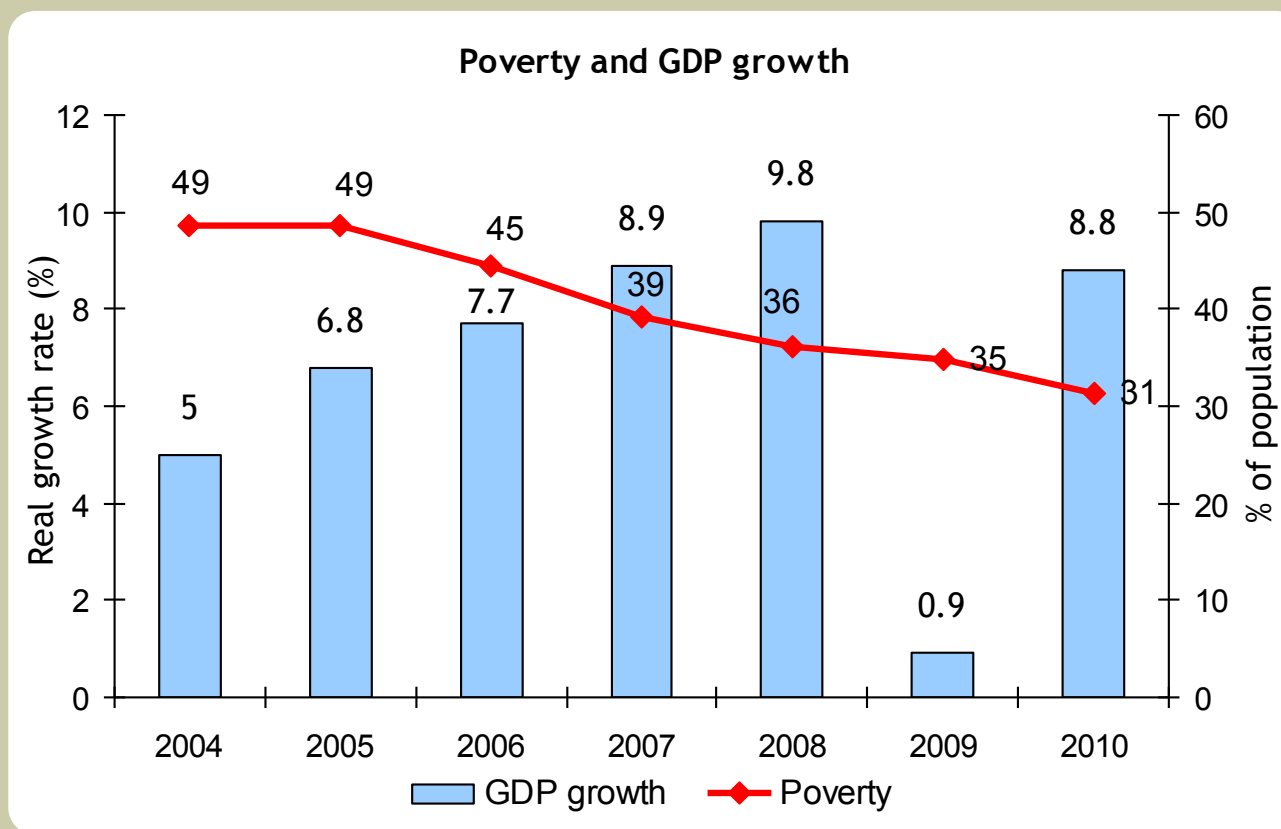
Macroeconomic indicators

Lima Stock Exchange: the 3rd most profitable stock market in the world in 2010



Macroeconomic indicators


All this has contributed to drive more than 3 million people out of poverty over the past 7 years




Business Environment

Business Environment



 Ongoing agreements

 Signed agreements

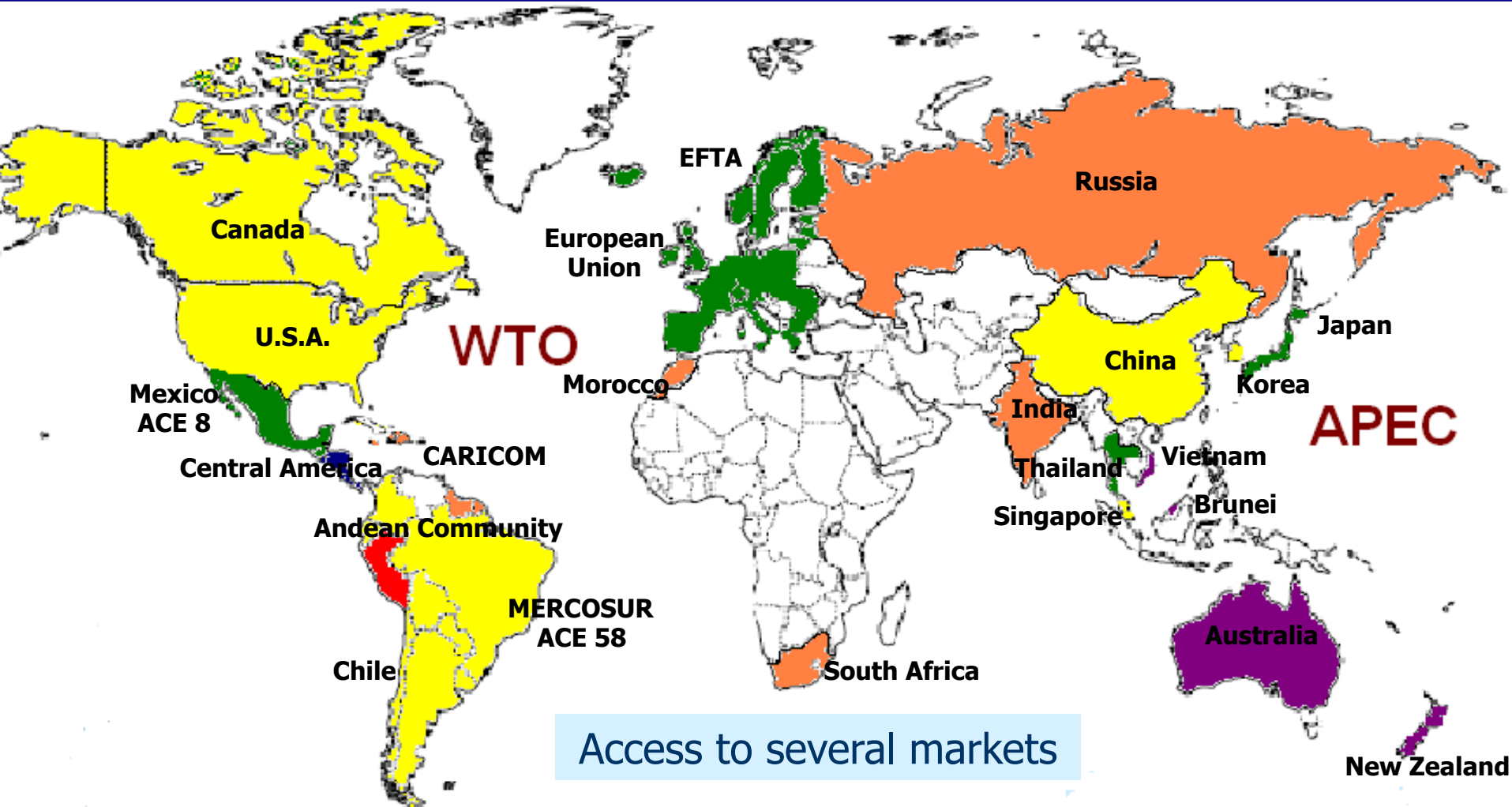





Agreements in negotiating process:



TransPacific Pact (Australia, Brunei, Chile, Darussalam, Malasia, New Zealand, Peru, USA, Vietnam)

FTA with Central America

Business Environment



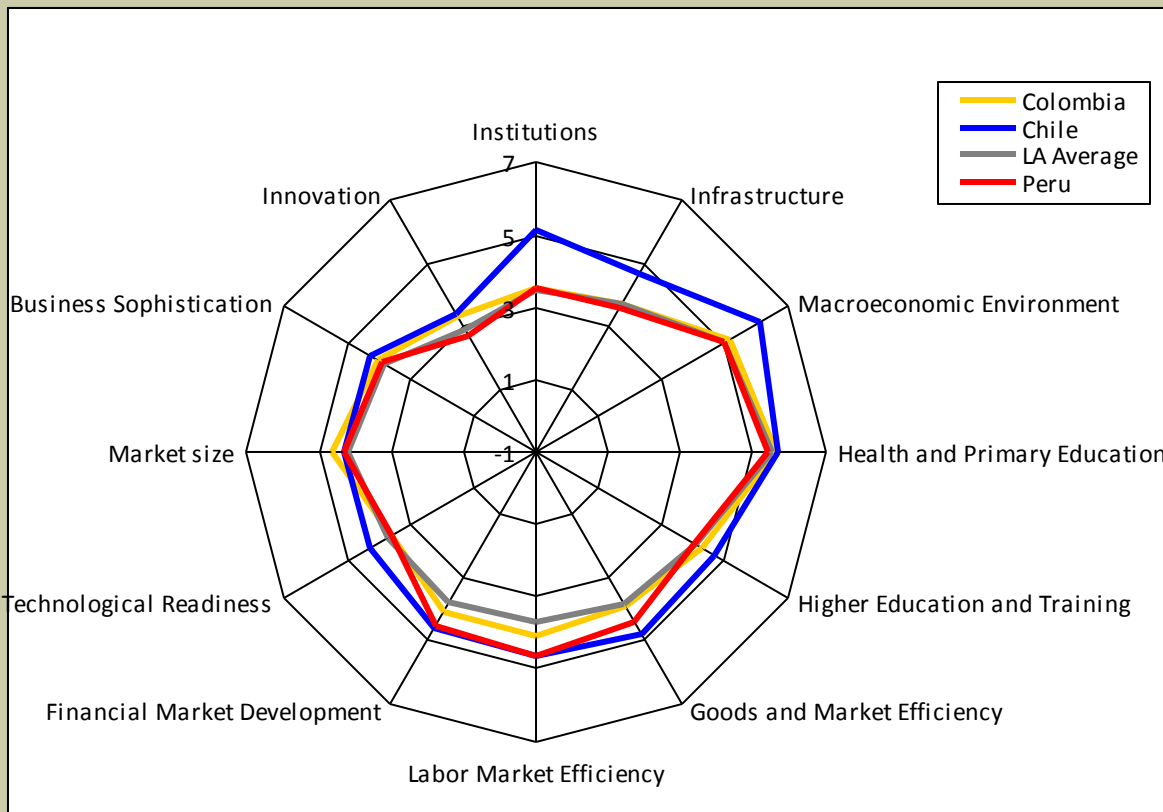
-  Ongoing agreements
-  Signed agreements
-  Under negotiation process

-  Close to start negotiations
-  Future negotiations

Business Environment



GLOBAL COMPETITIVENESS INDEX (2011-2012)



STRUCTURAL PROBLEMS

Lack of Infrastructure (mainly transport); poor health system; bureaucratic burden; weakness of institutions; bad quality education; absence of innovation and technology; restrictive labor regulations; inefficient judicial system; corruption; informality; among others

Major Characteristics

Legal system

- ✓ Constitutional provisions for private property
- ✓ Non-discriminatory treatment for international investors
- ✓ Irrestrictive access to most economic sectors
- ✓ No performance requirements
- ✓ Free transfer of capital
- ✓ Free competition
- ✓ Freedom to purchase stocks and bonds from locals
- ✓ Freedom to access internal and external credit
- ✓ Free remittance of profits, dividends and royalties

Taxes

Tax		Rate
INCOME	Corporate profits	30%
		Agriculture and aquaculture 15%
	Dividends	4.10%
	Royalties	30%
	Interest rate on loans form abroad	4.99%
Value Added Tax (VAT)		18%
Financial Transactions Tax (ITF)		0.005%
Temporal tax to net assets (ITAN) for more than S/. 1'000,000		0.4%
Excise tax (*)		Varies up to 125% for a few products

* Fuels, luxury goods, liquors and cigarettes

U.S. – Peru economic relations

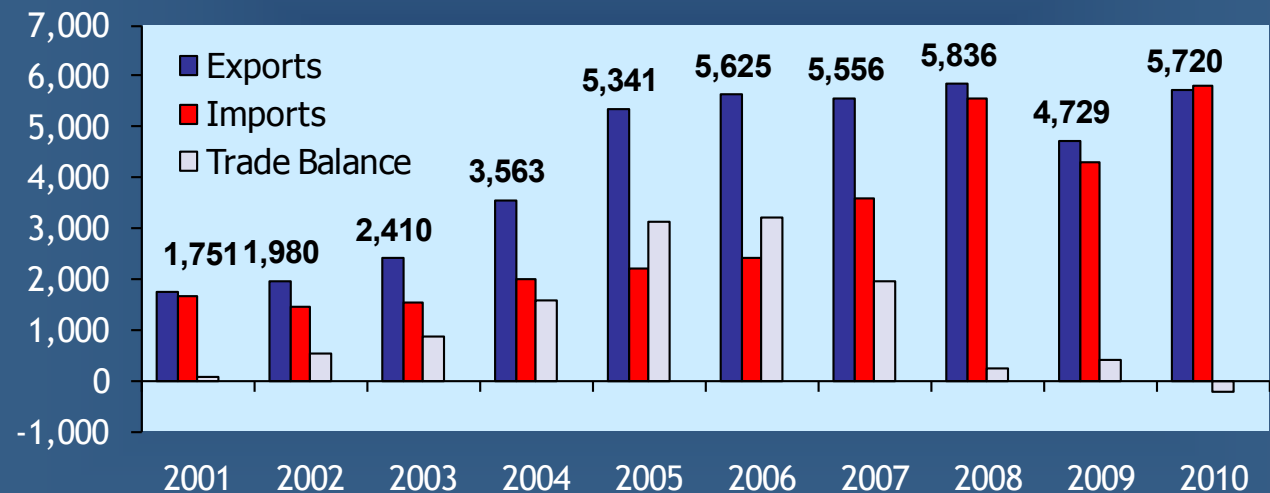
U.S. – Peru economic relations



TRADE

United States is Peru's top trading partner for both exports and imports (**18%** of total trade exchange)

Peru - U.S.: Trade Exchange (US\$ millions)



Main products exported to the U.S. in 2010

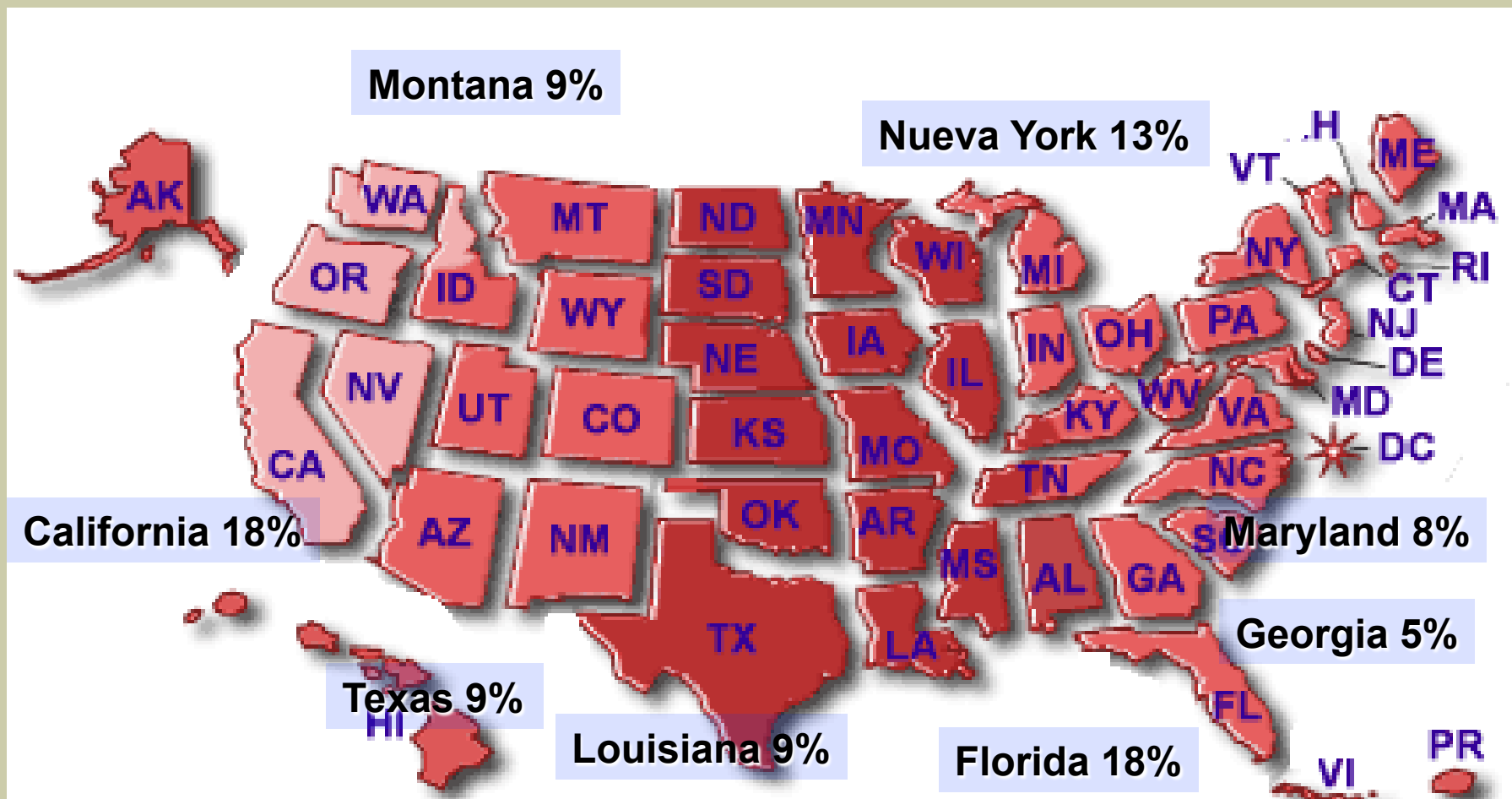
Copper cathodes, minerals (gold, molybdenum, tin, zinc, silver), petroleum-based products, coffee, asparagus, cotton apparel, artichokes, liquefied natural gas, grapes, shrimp tails, sugar, paprika, jewelry, scallops, mangoes, etc.

Main products imported from the U.S. in 2010

Petroleum-based products (diesel mainly), wheat, dumping lorries, hard yellow corn, polyvinyl chloride (PVC), Polyethylene, steel scrap, cotton, soy oil, digging machines, acrylonitrile, self-propelled front-end shovel loaders, vaccines for human medicine, etc.

U.S. – Peru economic relations

In 2010, 8 states concentrated 89% of Peruvian exports to the US

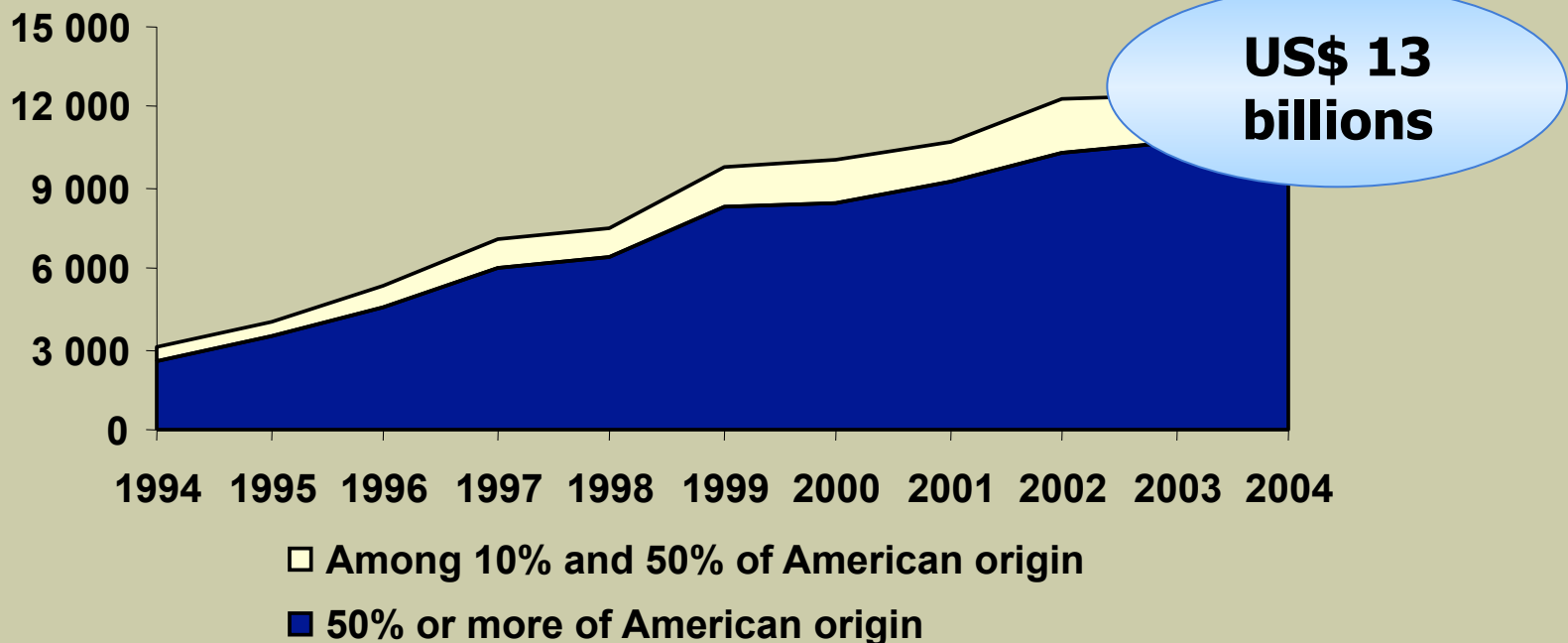


U.S. – Peru economic relations



United States is also Peru's main foreign investor

INVESTMENT STOCK OF FIRMS OF U.S. ORIGIN IN PERU 1/ (US\$ Millions, constant 2004)



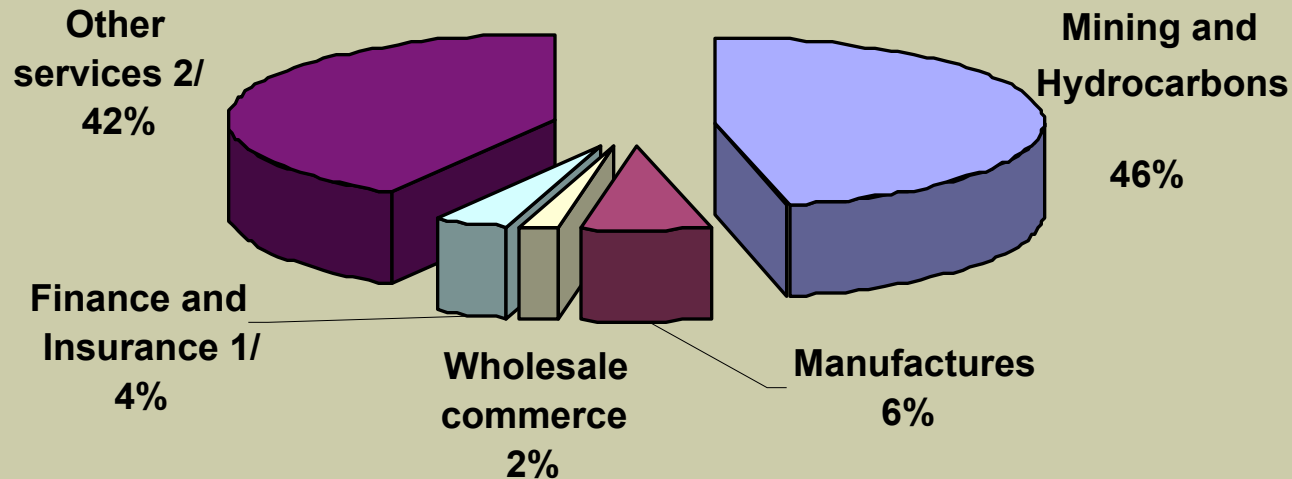
1/ Estimated for 2004.

Source: BEA, APOYO Consultoría

U.S. – Peru economic relations

Nowadays, American investment is more diversified and keeps increasing its share in more economic activities.

**STOCK OF AMERICAN INVESTMENT IN PERU
BY ECONOMIC ACTIVITIES, 2004
(%)**



1/ Excludes institutions of fund deposit.

2/ Includes public services, IT, other financial services, etc.

Source: BEA

U.S. – Peru economic relations



U.S. companies operating in Peru

- AmCham Peru groups 137 American companies from different economic sectors (banking, mining, energy, pharmaceutical, telecommunications, food, software, etc.).
- U.S. based Hunt Oil has made the largest single investment in the history of Peru (US\$ 3.8 billion invested in a natural gas export project).
- American companies with the largest operations in the Peruvian market:

3M	Colliers International	Freeport-McMoran	Microsoft
Abbott	Continental Airlines	General Electric	Mobil Oil
Adecco	Dell	Goodyear	Newmont
American Airlines	Deloitte	Hewlett-Packard	Nextel
Bristol-Myers Squibb	DHL	Hunt Oil	Owens Illinois
Caterpillar	Doe Run	IBM	P & G
Cisco Systems	Duke Energy	JW Marriott	Pepsi Cola
Citibank	Eli Lilly	Kimberly - Clark	Pfizer
Coca-Cola	Ernst & Young	Kraft Foods	Philip Morris
Colgate Palmolive	FedEx	McDonald`s	Tyco Electronics

Trade and investment opportunities in Peru



10 LARGEST PROJECTS

PROJECT	ESTIMATED INVESTMENT (US\$ MILL.)
1. Electric System of Massive Transportation Lima y Callao, Línea 2	3,000
2. Massification of Natural Gas	600
3. Hydroelectric Central Facility of Molloco	600
4. System of National Supply of LNG	400
5. Transmission Lines Moyobamba – Iquitos 220 kV	345
6. Chavimochic Project	499
7. Chinchero Airport	420
8. General San Martin Port Terminal	101
9. Navigability in Ucayali, Huallaga, Marañón and Amazonas Riverse	58
10. Panamericana Sur: Ica – Border with Chile	71
Total	6,095



Trade and investment opportunities in Peru



Opportunities in:

- Agroindustry
- Infrastructure
- Transportation
- Biofuels
- Aquaculture
- Petrochemistry
- Mining
- Forestry
- Tourism
- Hi-tech industries

Trade and investment opportunities in Peru



Imports from Peru

- Agroindustry
- Ethnic food
- Seafood, fresh and frozen
- Apparel
- Jewelry
- Handcrafts and gifts
- Home deco and furniture
- Wood products
- Mining
- Hydrocarbons

Exports to Peru

- Food Processing and Packaging Equipment
- ICT Hardware/Software
- Yarns
- Safety/Security Equipment
- Fishing/Agricultural equipment
- Plastics Material and Resins
- Mining Equipment
- Oil and Gas Equipment
- Construction Equipment
- A/C and Refrigeration Equipment
- Industrial Chemicals
- Grains
- Dairy products
- Meat and poultry

About AmCham Peru

MISSION

The American Chamber of Commerce of Peru (AmCham Peru) is an organization representing American, Peruvian and non-American foreign businesses. It promotes the free market system, fostering trade and investment between Peru and the United States, within a framework of social responsibility, values and business ethics

About AmCham Peru



- AmCham Peru has nearly 3,000 associates, representing 580 companies
- AmCham Peru gathers companies that:
 - Sell a total amount equivalent to 60% of Peru's GDP
 - Pay more than 60% of the annual Income Tax
 - Nearly 30% of them are American companies that have invested more than US\$13 billions in assets in Peru

About AmCham Peru



All AmCham Peru members are part of the **Association of American Chambers of Commerce in Latin America (AACCLA)**, which includes 23 chambers of commerce in 21 countries in Latin America and the Caribbean. AACCLA is made up of more than 20,000 members, which together represent 85% of the investments in the region

AmCham Peru is also part of the **United States Chamber of Commerce (USCC)**, the world's largest federation of businesses, with more than three million members



How can AmCham Peru help your business?



- Locating and screening of prospective trade partners in Peru or the U.S. with reduced costs
 - Coordination of one-on-one business appointments for U.S. companies looking to establish or expand their business in the region
 - Up-to-date, high quality information about Peru's business and investment climate

AmCham Peru's Premium Matchmaking Service



How can AmCham Peru help your business?



Investment Facilitation

Trade Compliance

Deliver basic information on export practices, assistance to overcome technical and tariff barriers and facilitate understanding of the TPA with the U.S.

Trade missions

Other matchmaking services

- Bullseye Contact Lists
- Webconferences
- Product Launch



