

U.S. Country Commercial Guides



Peru 2019

Table of Contents

<i>Doing Business in Peru</i>	5
Market Overview	5
Market Challenges	5
Market Opportunities	6
Market Entry Strategy	6
<i>Political Environment</i>	6
<i>Selling US Products & Services</i>	7
Using an Agent to Sell US Products and Services	7
Establishing an Office	7
Franchising	7
Direct Marketing	8
Joint Ventures/Licensing	8
Selling to the Government	8
Distribution & Sales Channels	10
Express Delivery	10
Selling Factors & Techniques	11
eCommerce	11
Pricing	14
Sales Service/Customer Support	14
Protecting Intellectual Property	15
Due Diligence	16
Local Professional Services	16
Principal Business Associations	18
Limitations on Selling US Products and Services	19
Web Resources	19
<i>Leading Sectors for US Exports & Investments</i>	20
Agricultural Sector	20
Construction Equipment and Machinery	24
Education	27
Food Processing Equipment	29
Medical Devices	31
Mining Equipment and Machinery	34
Safety and Security	37

Customs, Regulations & Standards	41
Trade Barriers	41
Import Tariffs	41
Import Requirements & Documentation	41
U.S. Export Controls	42
Temporary Entry	42
Prohibited & Restricted Imports	42
Customs Regulations	42
Standards for Trade	43
Publication of Technical Regulations	43
Trade Agreements	44
Licensing Requirements for Professional Services	45
Web Resources	45
Investment Climate Statement	46
Executive Summary	46
Openness to and Restrictions upon Foreign Investment	47
Bilateral Investment Agreements and Taxation Treaties	49
Legal Regime	50
Industrial Policies	52
Protection of Property Rights	54
Financial Sector	56
State-Owned Enterprises	59
Responsible Business Conduct	60
Corruption	61
Political and Security Environment	62
Labor Policies and Practices	63
OPIC and Other Investment Insurance Programs	65
Foreign Direct Investment and Foreign Portfolio Investment Statistics	65
Contact for More Information	65
Trade & Project Financing	66
<i>Methods of Payment</i>	66
<i>Banking System</i>	66
<i>Foreign Exchange Controls</i>	66
<i>Project Financing</i>	67
<i>Multilateral Development Banks</i>	68

<i>Financing Web Resources</i> _____	68
Business Travel _____	70
Business Customs _____	70
Travel Advisory _____	70
Visa Requirements _____	70
Currency _____	70
Telecommunications/Electronics _____	70
Transportation _____	71
Language _____	71
Health _____	72
Local Time, Business Hours and Holidays _____	72
Temporary Entry of Materials or Personal Belongings _____	73
Travel Related Web Resources _____	73

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Doing Business in Peru

All amounts are USD unless otherwise indicated

Market Overview

Peru continues to lead Latin America as one of the fastest growing economies in the region, with an average annual growth rate of 5 percent per year between 2005 and 2017. The government recently cut its 2019 growth projections to under 3 percent based on slowing natural resource demand, lower commodity prices and reduced public investment, but projects an uptick to 4 percent in 2020. Peru's export-oriented growth model, coupled with its mining and agricultural sectors, continues to produce solid growth despite Peru's ongoing challenges in reducing corruption, increasing productivity, and improving infrastructure. The central government has initiated plans for Public-Private Partnership infrastructure projects and announced an updated catalog of 51 projects valued at \$ 9.2 billion, to be realized between 2019 and 2022 ([ProInversion](#)). As the economy has grown, poverty in Peru has steadily decreased, falling by more than half. According to the Peruvian Informatics and Statistics Agency (INEI) poverty levels fell from 56% in 2005, 21.7% in 2017 and 20.5% in 2018. Peru's steady economic growth began with the pro-market policies enacted by former President Alberto Fujimori in the 1990s. All subsequent governments have continued those policies, including current President Martín Vizcarra. Peru's currency, the Sol (PEN), has been among the least volatile of all Latin American currencies in the past few years. Since the mid-1990's, the PEN's exchange rate with the USD has fluctuated between 1.25 and 3.55. The PEN averaged 3.35/USD on September, 2019. In its *Doing Business 2019* publication, the World Bank ranked Peru 68th among 190 countries surveyed in terms of ease of doing business. The report rates the ease of processes like starting a business, dealing with construction permits, registering property, and obtaining credit. For the complete report please see [Doing Business in Peru](#).

Market Challenges

One of the main challenges expressed to the U.S. Embassy in Lima from the private sector is Peru's cumbersome and inefficient government procurement processes. The Embassy continues to work with the government of Peru to encourage government contracting procedures that are in accordance with international procurement standards. One persistent challenge is the use of a government-to-government procurement mechanism that restricts the ability of U.S. companies to participate in certain areas. Other challenges include the reluctance of some government officials to make final contracting decisions for fear of legal liabilities and oversight investigations and the tendency to base awards on lowest cost rather than value for money. Further detail can be found in the "Selling to the Government" Section. U.S. exporters interested in pursuing public tenders in Peru are strongly encouraged to apply for support from the U.S. Department of Commerce's Advocacy Center so that the U.S. Commercial Service office at Embassy Lima can provide support via government-to-government communication channels.

Business owners often find it difficult to resolve disputes with the government, and therefore it is recommended to include an arbitration clause in commercial agreements. In 2004, the Peruvian government established commercial courts to rule on business disputes. With specialized judges, these courts reduced the amount of time to resolve a case from an average of two years to just two months. However, with the exception of the commercial courts, the judicial system is often extremely slow to hear cases and to issue decisions. A large backlog of cases further complicates businesses' operations. Court rulings and the degree of enforcement are often inconsistent and unpredictable. Allegations of political corruption and outside interference in the judicial system are common, a situation analysts believe results in the judiciary system receiving low approval rates in public opinion polls. Also, frequent use of the appellate processes as a delay tactic leads to the belief among foreign investors that contracts can be difficult to enforce in Peru. Firms operating in Peru also note difficulties in securing legal solutions to commercial disputes or enforcing arbitration awards.

While the legal framework for protection of intellectual property (IP) in Peru has improved over the past decade, enforcement mechanisms remain weak. Despite the Peru Trade Promotion Agreement (PTPA) implementation and recent changes in laws, which created stricter penalties for some types of IP theft, certain PTPA obligations remain unimplemented and the judicial branch has yet to vigorously pursue investigations, convictions, and stiff penalties for IP violations. In response, the U.S. Embassy in Peru established a regional IP attaché office in 2016 to support U.S. exporters facing issues and to provide capacity building for the Peruvian government.

Both domestic and foreign firms continue to identify cumbersome bureaucratic procedures as impediments to doing business in Peru. For example, shipments are regularly held up for various reasons, including typographical errors on shipping documents.

Market Opportunities

The best prospects for U.S. exports of non-agricultural products to Peru include the following sectors:

- Construction Equipment
- Education
- Food Processing & Packaging Equipment
- Medical Equipment
- Mining Industry Equipment
- Safety & Security Equipment
- Water Resources

The best prospects for U.S. agricultural products include:

- Beef & Offal
- Biofuels (Ethanol)
- Cheese
- Cotton
- Forest Products
- Hard Wheat
- Pet Food
- Soybean Meal
- Whey
- Yellow Corn

Market Entry Strategy

U.S. companies often find it convenient to appoint a local representative to investigate market opportunities and establish sales networks. Retention of local legal counsel is often required to successfully navigate Peru's business practices and bureaucracy. U.S. exporters, especially those targeting government agencies, are encouraged to contact their local U.S. Commercial Service (U.S. Department of Commerce) Export Assistance Center (EAC) prior to travel for a briefing on how the organization assists U.S. businesses. In turn, the EAC can put businesses in touch with the Commercial Service at the U.S. Embassy in Lima to obtain a market briefing, receive assistance in arranging appointments during a business trip to Peru, and to learn how the Advocacy Center can support their efforts competing in government tenders. For more information on these services, please refer to www.export.gov. The Foreign Agricultural Service, FAS, and the U.S. Department of State Economic Section (ECON) can also provide briefings on the economic, financial, and investment climate in Peru.

Political Environment

For background information on the political and economic environment of PERU, please read [U.S. Department of State Background Notes](#).

Selling US Products & Services

Using an Agent to Sell US Products and Services

Peruvian law does not require the use of local distributors for private sector commercial sales. However, when selling to the government, it is recommended that U.S. companies contract and register a local agent (see "Selling to the Government"). Exporters to Peru often find it advantageous to have a local representative to remain well-informed of the latest opportunities and developments within the company's area of interest. The Commercial Service in Lima recommends companies be thorough when selecting an agent or representative in Peru. U.S. companies are encouraged to take advantage of U.S. Department of Commerce services by contacting the local Export Assistance Center (EAC), located in most states (including Alaska and Hawaii) and in major cities throughout the U.S. Services regarding the Initial Market Check (IMC), which provides a general assessment of the viability of products in the Peruvian market, the Gold Key Service (GKS), which arranges meetings in-country with potential company representatives (agents or distributors), and the International Company Profile (ICP), which reports on the credit and business history of individual local companies. For detailed information, contact the [U.S. Export Assistance Center serving your area](#).

Establishing an Office

It is essential for companies planning to operate in Peru to retain reputable legal counsel. Law firms are referred to as "Estudios" and attorneys as "Doctor" or "Doctora," followed by their last name. An attorney should be proficient in matters concerning taxes on corporate and branch income, corporate residence, value-added taxes, income determination, capital gains, inter-company dividends/pricing, stock dividends, depreciation and depletion, net operating losses (tax losses) and payments to foreign affiliates. Other significant issues to consider include workers' benefits, payroll and withholding taxes, municipal operating permits, intellectual property and labor laws that will impact the business when it starts operations. Many U.S. companies retain the local representative of their U.S.-based auditor. A partial list of local lawyers and/or tax and audit firms can be found below under "Local Professional Services". Foreign corporations interested in doing business in Peru on a permanent basis must be formally incorporated and registered in the Peruvian Mercantile Registry (Registro Mercantil del Perú). There are two main types of business organizations that can be used for these purposes: branch offices and incorporated subsidiaries. Real estate may be acquired by any foreign entity without the need to establish a local office. It is only necessary to vest a local individual with sufficient powers to conduct and close the sale. Office spaces suitable for international companies have substantially increased in the last ten years within several districts of Lima. Rental prices for newly built offices have increased due to the establishment of numerous foreign companies' operations in Peru. With quality housing built in Lima's residential areas, as well as in cities outside of the capital, foreign managerial staff can easily relocate to Peru. Industrial space is scarce within and around Lima's boundaries. As a result, new operations have established bases in areas south and east of Lima.

Franchising

The franchise sector in Peru includes approximately 473 companies, of which 70% are primarily concentrated in food and beverage services. According to Franquiguía 2017-2018, the Peruvian franchise market is evenly split between Peruvian and foreign ownership with 50% of franchises being foreign-owned. Experts report that the franchising sector has experienced rapid growth over the last 10 years with an estimated annual growth rate of 20%. Shopping Malls continue to be the ideal locations to establish foreign franchises due to the large amount of foot traffic and shoppers. In Peru, there are 85 Shopping Malls (45 within Lima and 40 in provinces), that have surpassed \$7 billion in sales with more than 60 million monthly visitors.

Growth in the Peruvian franchising sector can be attributed to the burgeoning middle class and its newfound purchasing power. Due to Peru's reputation as one of the most gastronomically advanced countries in Latin

America, food and beverage services continue to be the most represented among franchises in Peru. In addition, the Peruvian market remains a highly fragmented one—more than 90% of retail businesses are small family-owned enterprises—which leaves vast opportunities for U.S. franchises to expand to Peru. The average Peruvian consumer still views U.S. brands as “aspirational,” meaning that U.S. franchises espouse cultural values that Peruvians relate to. Because of the strength of U.S. brand affinity, there is ample potential for growth of U.S. franchises in Peru.

Although franchises in Peru are subject to general commercial law, general antitrust law, and Decisions 486, 608, and 291 of the [Andean Community](#), there is no specific legislation governing franchising. According to Articles 162 through 164 of Decision 486, a written license agreement must be registered with the [Peruvian Government’s Patents and Trademarks Office \(INDECOP\)](#). Prospective franchisors must be aware of a 30% income tax on royalties, 18% value added tax (IGV) (paid by the local company), and import tariffs dependent on the type of good. Countries that have signed double taxation agreements with Peru maintain separate regulations for royalties and income tax withholding (the U.S. not included).

The U.S. Commercial Service in Lima, in cooperation with the American Chamber of Commerce – AmCham, and Grupo Nexo Franquicia, founded a Franchise Committee in order to promote and market U.S. franchises in the country. This committee is composed of key investors in the franchise sector in Peru and works with prospective U.S. based franchisors interested in entering the Peruvian market.

In addition to food services, franchise sectors with strong growth potential include:

- Aesthetics, beauty and health (beauty salons, spas, salons, gyms, etc.)
- Clothing and accessories (clothing, footwear, jewelry, accessories, gifts, etc.)
- Specialized services (entertainment, leisure, playgrounds, etc.)
- Education (universities, colleges, etc.)

Direct Marketing

Direct marketing is well established in Peru’s service sector, particularly among financial institutions and seminar organizers. Direct marketing often includes hiring personnel or contracting a company for telemarketing and mailing campaigns. Databases for direct marketing are kept private by their owners, and are therefore not readily available. Nevertheless, commercial information can be obtained through Peru’s Chambers of Commerce and trade associations.

Catalog sales for consumer goods in Peru remain low due to consumer preference for in-store purchasing, guaranteeing product quality and warranty. Additionally, consumers find parcel delivery through Peru’s postal system unsatisfactory. Courier companies are taking advantage of this opportunity to promote their services.

Joint Ventures/Licensing

Peruvian law allows for joint ventures and licensing agreements with a legally established local partner accountable for all legal matters. In particular, the textile manufacturing industry has attracted significant licensing and joint venture activity.

Selling to the Government

Many governments finance public works projects through borrowing from Multilateral Development Banks. Please refer to “Project Financing” Section in “Trade and Project Financing” for more information. When selling to the Peruvian government, interested suppliers must participate in a tender process, in which registration with the National Registry of Suppliers (Registro Nacional de Proveedores, or RNP) is necessary. The RNP includes the following categories:

- suppliers of goods
- services
- goods and services
- construction firms
- construction consultants

To [register](#), a company must follow several steps (in Spanish), including a fee of approximately \$80 for non-domiciled foreign suppliers of goods and/or services, or approximately \$150 for non-domiciled foreign consultants. Companies must appoint local legal representation registered with the Peruvian Public Registry and are required to provide proof of incorporation demonstrating the company's legal status, duly apostilled. The documents need to be translated into Spanish by an official Peruvian interpreter.

Peruvian law allows an independent distributor to pay commissions or fees to third parties in connection with sales to the government. For example, a company in Peru can purchase products from a company in the United States and then pay a third-party fee to resell them to the Peruvian government. There are no Peruvian restrictions on commissions or mark-ups on sales to the government by either agents or distributors, and the rates vary depending on product, client, and competition.

Government agencies must announce tender notices for all major purchases in their official publications, and at times, in the main local newspapers. Peru is not a signatory to the World Trade Organization (WTO) Agreement on Government Procurement; however, the United States - Peru Trade Promotion Agreement (PTPA) includes a chapter on Government Procurement ("Contratacion Pública" in Spanish).

In spite of the PTPA's stipulations, selling to government agencies remains problematic. In 2007, the Peruvian government passed the Government Procurement Law (Legislative Decree No. 1017 (LD 1017)) that regulates public tenders for major purchases of goods, supplies, and works by government agencies. However, the Armed Forces and National Police have continuously favored government-to-government procurements (i.e., purchases by a Peruvian government agency from a foreign government entity or government-owned company) in lieu of open tenders. In July 2012, the Government Procurement Supervisory Agency (OSCE) stated that government-to-government procurement does not fall under the jurisdiction of Peru's government procurement law. This ruling is further substantiated in an article within the 2013 Budget Law. These legal precedents have allowed the Ministries of Defense and Interior to lobby further legislation regarding procurement contracts.

Another mechanism U.S. firms can use to sell to the Peruvian government is through Peru's Public-Private Partnership programs. A Public-Private Partnership (PPP) allows for the participation of private investors in public infrastructure projects and/or services derived from them, either in the construction, operation and maintenance stages of a project or only in the operation and maintenance of existing infrastructure. Under Peruvian law, the types of PPPs include concession contracts, account participation, contracts for management, shared risk contracts, specialization contracts, joint ventures in addition to other contractual modalities allowed under Peruvian law.

In the PPP process, the government maintains property rights to the project infrastructure, including any new facilities built by the private investor. At the end of the contract, the property is transferred to the government. A full listing of PPP projects can be viewed at the [Peruvian Private Investment Promotion Agency's](#) (Proinversion) website. Additionally, many governments finance public works projects through borrowing from the Multilateral Development Banks. Please refer to "*Project Financing*" Section in "*Trade and Project Financing*" for more information.

Distribution & Sales Channels

Peru's population is highly centralized, with 30% of all inhabitants living in the capital city of Lima. Fifty percent of GDP is generated in and around Lima, with the national government serving as a key buyer. As a result, a large portion of sales activities of U.S. firms occur in Lima. Sales opportunities exist and are growing in other major cities such as Arequipa, Chiclayo, and Trujillo, and representatives in Lima typically have sales agents in these areas.

Sending letters internationally via express delivery can take up to two weeks, or longer for packages due to lengthy administrative procedures by Peruvian customs. Appointment of a local representative is the most common method of distribution in Peru. This practice is recommended for U.S. companies pursuing business opportunities to maintain a sustainable market. The Government of Peru is decentralizing elements of government authority and decision-making, including implementation of spending programs utilizing the "canon" (a revenue-sharing scheme of taxes imposed on some extractive industries). This increase in regional authority is an important consideration when contemplating a local representative outside of Lima. Decentralization of government budgeting and spending authority can further complicate the fulfillment of sales, especially in municipalities or provinces where government agencies lack experience in project implementation, financing, and procurement.

An alternative approach to distribution is establishing a local subsidiary or branch office. Companies with a complicated product or service pursue this method to improve promotion and after-sales service of products. In general, commercial and industrial spaces are relatively costly in Lima and several other main cities.

Express Delivery

Consumers are often unsatisfied with parcel delivery through Peru's postal system. Courier companies are capitalizing on this opportunity to promote their services, including express delivery.

The express delivery has implemented the advance clearance, which has permitted the reduction of release times. The average time for the release of packages is two days, of which a significant proportion is on the day of the aircraft arrival. On September 12, 2018, representatives from the Peruvian Customs Agency and the U.S. Customs and Border Patrol signed the Authorized Economic Operator agreement. This program streamlines the customs processes between the two countries and is a very important step towards the promotion and trade facilitation. Also, the United States - Peru Trade Promotion Agreement (PTPA) explicitly addresses express delivery services.

A number of express delivery companies service the Peruvian market including:

- [FedEx Express](#)
- [UPS Courier Service](#)
- [DHL](#)
- [Skynet Worldwide Express](#)

The express shipments industry has expressed concerns over policies that appear to disproportionately penalize manifest discrepancies for low value shipments. Express delivery managers are subject to criminal penalties for discrepancies in the value of invoices of low value. Additionally, express delivery carriers are subject to the same fixed monetary penalty as containerized cargo, regardless of the differences in shipment size or value.

For more details please contact the U.S. Foreign Commercial Service at the Embassy in Lima. Points of contact are included below:

- Val Huston, Commercial Counselor
- Leon Skarshinski, Commercial Attaché
- Jorge Prado, Commercial Specialist

Phone: (511) 618-2442

Selling Factors & Techniques

A key selling factor in the Peruvian market is product pricing. Products from Asian markets, such as China, Taiwan, and South Korea often outsell more expensive European or North American products in the consumer electronics, appliances, and automobile industries. Additionally, counterfeit and pirated goods prove problematic. With investment in sales promotion, intellectual property enforcement, and post-sales service, U.S. goods can ensure competitiveness. In the capital goods market, including advanced electronics and construction machinery, equipment performance and efficiency are critical. Consumers often prefer more expensive U.S. or European products, due to their higher levels of quality, durability, technology, customer support, and regional service. Many larger representatives own regional offices in cities outside of Lima. This portion of Peru is under-populated and under-developed, and it does not offer an attractive market potential. Certain exceptions exist, including large-scale mining operations located along Peru's Andes mountain range and petroleum operations in the Amazon jungle. Payment for major purchases is generally made on a net 30-day basis. It is advisable to request up-front payment or work on a confirmed, irrevocable letter of credit basis when entering a new market or dealing with new customers. Over the counter purchases are made in cash (U.S. dollars are widely accepted), wire transfer or credit card. Most retailers use credit terms as a sales technique and major department stores issue their own credit cards. U.S. exporters are encouraged to explore the programs and services offered by the Export-Import Bank of the United States to enhance the credit terms offered to Peruvian buyers.

eCommerce

Overview

Electronic Commerce opportunities have significantly increased between 2016 and 2018 through the use of the internet and smartphones. The percentage of individuals with access to the internet increased from 61% in 2016 to 85% in 2018-- these Peruvian users are spending an average of 3.6 hours on their smartphone per day.

The latest Datum study reveals that of surveyed individuals using the internet, 23% of the respondents said they bought online, which is 20 points more than in 2016; furthermore, 49% said they used their smartphone to acquire services. On the other hand, the participants who claim not to have made online purchases showed 17% used applications from financial institutions to make a transaction, 9% ordered food through a delivery service, 6% bought tickets to the cinema through an app, 3% bought in supermarkets, 5% bought air tickets, among others.

Current Market Trends

Online purchases are projected to increase even further, since 26% say they will buy the same or more than last year and only 16% believe they will buy less, and the remaining individuals answered that they were unable to determine their future decisions. This information depicts a change in consumer behavior; consumers are more willing to try new products and services, but at the same time, if the experience is not up to their standards, they will not use the service again.

There has been a monumental change in the digital life of Peruvians. Some consciously and others not, but the reality is, that it has significantly increased the online shopping experience. If the trend continues, companies should focus their efforts on improving the experience and on increasing services and promotions, since those who want to boost electronic commerce must differentiate their online offer from the offline offer.

Domestic eCommerce (B2C)

Several domestic e-marketplaces are taking advantage of eCommerce opportunities in Peru. Some of the most popular sites being those that follow:

[Mercado Libre](#): Online platform in Latin America and Portugal for buying and selling a wide range of items. It has two types of accounts: free and paid.

[OLX](#): Classified ad platform present in 114 countries, especially in emerging markets, which puts buyers in contact with sellers.

[Linio](#): A platform where many different suppliers sell a wide range of products. Available in Mexico, Chile, Argentina, Peru, Ecuador, Colombia, Venezuela and Panama.

[Falabella](#): Department store with a presence in Chile, Argentina, Peru, Colombia, Uruguay, and Brazil. Belongs to the SACI Falabella group and their main business areas are clothing, accessories, and homeware retail.

[Ripley](#): Chilean chain of department stores, with presence in Chile, Colombia and Peru. Its main businesses are clothing, accessories, and homeware retail.

[Platanitos](#): A group that sells fashion, especially footwear and accessories, by Platanitos Boutique and other brands. Available in Peru.

[Wong](#): Peru's largest supermarket chain. This website allows for ordering via internet from local and foreign-based consumers for local delivery.

[Rosatel](#): Rosatel allows online orders of flowers and gift baskets.

B2B eCommerce

For B2B eCommerce, businesses are beginning to use their own custom email domain servers instead of using an informal personal email address (Hotmail or Gmail) to conduct business. This new trend of owning one's own email domain servers allows Peruvian businesses to legitimize their online presence.

eCommerce Services

There have been advances in the use of the internet in several Peruvian government institutions, including the tax collection agency, [SUNAT](#), the public registry, [SUNARP](#), and the Peruvian state-owned bank, [Banco de la Nación](#) (which handles the Treasury accounts). Additionally, the National Elections Bureau, [ONPE](#), is testing electronic voting and improving internet usage.

The consumer expects different prices and offers as opposed to promotions created to deplete a stock. The Datum survey participants noted that making purchases electronically is preferred over visiting the store. At the same time, they expect variety and simplicity, as navigation can be a barrier at the time of purchase. Additionally, it is important to highlight other benefits that promote online access and electronic commerce purchases. For example, delivery companies or taxi services have managed to convey differential advantages that have quickly resulted in their growth. These changes are a reality and growth is usually exponential once technological adoption occurs. Companies should be looking at how to take advantage of this situation and strengthen this channel.

Intellectual Property Rights

With regards to Intellectual Property (IP), Peru has signed the World Intellectual Property Organization Treaty and the 1996 Interpretation and Phonograms Treaty. Within the framework of the United States – Peru Free Trade Agreement there is a chapter on Intellectual Property that includes aspects of IP such as brands,

geographical indications (GI), Internet domain names, innovation, and technological development. It also seeks to protect the moral and economic rights of the authors who own the intellectual property. The aspects covered in the chapter of Intellectual Property of the United States - Peru Free Trade Agreement were incorporated into national legislation through the Law No. 29316 on January 14th, 2009. However, Peru remains on the U.S. Trade Representatives section 301 “Watch List” since 1992 because of continued high piracy rates, inadequate enforcement of IP laws, and weak or unenforced penalties for IP violations.

Online Payment

The Peruvian government has established a special task force, E-Gob Peru focused on online payments. It is managed by the [National Office of E-Government and Information Technology \(ONGEI\)](#) under the President of the Council of Ministers. This office is continuously developing Gov2Citizens solutions for tax payments, and providing [information](#) on customs and foreign trade, as well as Gov2Gov transactions to reduce expenses within different agencies. Operational services include a citizen ID service [portal](#) and business-[assistance services](#) for small and medium-size companies. Additionally, the Peruvian government is implementing an Electronic Procurement System ([SEACE: Sistema Electrónico de Adquisiciones y Contrataciones del Estado](#)) with a goal of improving transparency and efficiency of government purchasing.

Mobile eCommerce

Peru has the lowest smartphone utilization among the main economies in Latin America, but estimates show e-commerce purchases to reach 57% by 2020. It has been projected that 6.2 million Peruvians will acquire a smartphone by 2018 and 10.1 million Peruvians will own a smartphone by 2019. In 2015, according to the latest report of ASBANC, the number of mobile banking transactions in national currency with debit card and account transfers reached 109,233 in January and 198,210 in February of that year.

Digital Marketing

Currently the main means of digital marketing in Peru are:

- E-mail marketing
- Social networking sites
- Search engine optimization (SEO)
- Publicity (banners) in search engines

In 2013, 56% of online shoppers reached vendor sites through social networking sites. Additionally, according to recent surveys, the main retail companies plan to develop mobile marketing strategies.

Major Buying Holidays

Since 2012, the Lima Chamber of Commerce of Lima promotes “Cyber Monday” which takes place on the Monday after the U.S. Thanksgiving holiday. “Cyber Monday” usually occurs in late November or early December. Additionally, the Lima Chamber of Commerce promotes “CyberMami” held on Peruvian Mother’s Day which is the second Sunday in May. Some companies, like Saga Falabella, a large retailer, also launch their seasonal offers like “Madrugo” which take place at the arrival of a new season. In the travel and tourism sector, tour packages and promotions with pre-determined dates occur around major Peruvian holidays such as Christian Holy Week, Peruvian Independence Day in July, and the New Year’s Holiday.

Trade Promotion & Advertising

In 2018, Peruvian advertising totaled \$620 million, a 7.2% decrease from the previous year. (Advertising expenditures have declined since 2015, following an overall trend of increases since 2004). In 2018, television garnered the largest share of ad revenue, totaling \$284 million, an 11% decrease from 2017. Internet advertising totaled \$107 million, 17.3% of the market share and an increase from 2.9% in 2017. Radio and newspaper ad spending totaled approximately \$82 million and \$59 million, respectively. The El Comercio Group owns the most influential paper with the same name and five other major dailies aimed at different audiences: *Perú21*, business journal *Gestión*, popular *Correo*, and tabloids *Trome* and *Ojo*. Other major dailies include *La República*, *Expreso*, *Diario Uno*, *La Razón*, and *El Popular*. *El Peruano*, founded in 1825, is the government's newspaper of record, publishing all legislation and decrees, and also reports news. *Caretas*, a weekly magazine founded in 1950, is also one of Lima's most influential news publications. In January 2018, the Ministry of Transportation and Communications (MTC) reported there were 1,686 television stations and 5,257 radio stations in Peru. The highest number of television stations are in Cusco region (with 158 stations), followed by Puno (141 stations), Lima (134), and Áncash (129). For radio stations, Cusco region is also the leader (491 stations), followed by Cajamarca (446), Áncash (390), Lima (356), and Puno (346). Radio has the largest audience of all communications media, reaching even the most isolated populations in Peru. It is often the first source of current news and is the principal means for transmitting information about local issues and events in the regions outside of Lima.

The key Peruvian television providers are the six major Lima-based networks: Latina, América, Panamericana, ATV, ATV+, and RBC, along with TV Perú, the state-owned network, which is the only station available in many parts of Peru. These seven broadcasters use affiliates in the provinces, much like their counterparts in the United States. Additionally, there are numerous smaller, independent stations that serve particular cities and regions. A report by TV regulatory agency Osiptel concluded that 60% of households used cable television as of 2018, a 12% increase from 2017, with most of it from pirated cable TV connections. Canal N, a 24-hour cable news channel owned by El Comercio Group, and RPP, the cable channel for one of the most widely heard radio stations, are highly influential. The main cable service companies are Spain's Telefónica del Perú, offering "Movistar TV" with 69.32% market share, the U.S. DirecTV Group with 15.7% market share, and Mexico's America Móvil Perú, offering "Claro" with 8.97% market share.

Pricing

Peru is generally an open market with minimal trade restrictions. The imports-weighted average tariff is 1.0% and the simple average is 2.2%. Distributor mark-ups vary according to type of product, but usually ranges between 12% and 25%. All imports are subject to an 18% value-added local sales tax, which can be used as a tax credit by the importer. Some exceptions include enterprises established in industrial free zones and special treatment zones, and companies with operations in the jungle regions of Loreto, Ucayali, Madre de Dios, Amazonas, and San Martín, in accordance with the Peruvian-Colombian Amazon Cooperation Treaty. Some luxury items have higher tariffs and a few specific goods such as cigarettes, beer, wine and liquors pay an excise tax, in accordance with the lists and rates mentioned in Appendices III and IV of Legislative Decree No. 821 (passed on April 23, 1996). In May 2018, a 10% excise tax for new automobiles was established. However, the 30% excise tax applied to used cars was reduced to 10%. Imports from countries with which Peru has bilateral or regional agreements are covered by separate, preferential tariff schedules.

Sales Service/Customer Support

Peruvians consider customer service and support as critical factors in making a final purchasing decision, especially for products requiring periodic services. Therefore, it is important for the product to be sold through a reliable distributor to guarantee quality assurance. For example, two of the perceived advantages that Asian-manufactured automobiles enjoy in Peru in comparison to their U.S. counterparts are servicing and availability.

A similar advantage is found with mining equipment, where U.S. after-sales service has a superior reputation in comparison to third-country competitors.

Protecting Intellectual Property

In 2018, Peru made significant progress in IPR protections. Peruvian law provides the same protections for U.S. companies as for Peruvian companies in all IPR categories under the U.S.-Peru Trade Promotion Agreement (PTPA) and other international commitments, such as the World Intellectual Property Organization (WIPO) and the World Trade Organization's (WTO) Agreement on Trade-Related Aspects of Intellectual Property (TRIPS). In 2018, Peru joined two additional intellectual property (IP) treaties -the Singapore Treaty on the Law of Trademarks and the Global Patent Prosecution Highway (GPPH)- and passed a law to provide for secondary trademark liability against third parties in 2018, bolstering its already strong IPR protection framework. The Government of Peru signed a Memorandum of Understanding with WIPO in 2018 to design directives and guidelines committing Peru to respect, value, and use the IP system in line with WIPO standards. The GOP is also working with WIPO to develop a National Policy for Intellectual Property (PNPI), to further strengthen Peru's IP policy framework. In addition to INDECOPI, IPR enforcement also involves other GOP agencies and offices: INDECOPI, the Public Ministry (Fiscalia), the Peruvian National Police (PNP), the Tax and Customs Authority (SUNAT), the Ministry of Production (PRODUCE), the Judiciary and the Ministry of Health's (MINSA) Directorate General for Medicines (DIGEMID). The Government of Peru increased enforcement actions in 2018, more than doubling the number of seizures of counterfeit goods from 2017 and continued to be a leader in fighting online piracy. Peru is also a signatory of the Paris Convention on Industrial Property, the Geneva Convention for the Protection of Sound Recordings, the Berne Convention for the Protection of Literary and Artistic Works, the Brussels Convention on the Distribution of Satellite Signals, the Universal Copyright Convention, the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure, the WIPO Copyright Treaty, the WIPO Performances and Phonograms Treaty, the Patent Cooperation Treaty, the Trademark Law Treaty, the Marrakesh VIP Treaty, and the International Convention for the Protection of New Varieties of Plants (1991 UPOV Convention). INDECOPI continues to be the most engaged GOP agency and is a reliable partner for the USG, the private sector, and civil society. The Peruvian interagency also demonstrated advances in coordination, training, and public outreach although counterfeit and pirated products are widely available in Peru.

Contact for More Information on Intellectual Property

U.S. Department of Commerce ([U.S. Embassy Lima, Peru](#))

U.S. Commercial Service Lima

3230 Lima Place

Washington, DC 20521

Tel.: (511) 618-2442

E-mail: USPTOAndeanRegion@trade.gov

Staff:

- Ann Chaitovitz, Regional Intellectual Property Attaché
- Silvia Solis, Intellectual Property Legal Specialist

With its network of 108 offices across the United States and in more than 75 countries, the U.S. Commercial Service of the U.S. Department of Commerce utilizes its global presence and international marketing expertise to help U.S. companies sell their products and services worldwide. Locate the U.S. Commercial Service trade specialist in the U.S. nearest you by visiting <http://export.gov/usoffices>.

[U.S. Department of Commerce](#) (Washington,D.C.)

14th & Constitution Avenue ,N.W. Room C-300

Washington, D.C. 20230

Matthew Gaisford, Peru Desk Officer

Email: matthew.gaisford@trade.gov

Tel.: (202) 482-0057

Due Diligence

U.S. businesses considering exporting to or investing in Peru should perform due diligence on their potential clients, associates, or partners. As a first step, the International Company Profile (ICP) program of the U.S. Commercial Service can provide a background check on the reliability of potential clients or partners. The ICP report includes information on a company's owners, year established, size, sales, financial information and reputation in the market. The Commercial Service and the Economic Section of the U.S. Embassy in Peru are also available to provide commercial and economic briefings to U.S. businesspersons traveling to Peru.

Local Professional Services

Private Banks

[Banco Azteca](#)

[Banco Cencosud](#)

[Banco de Comercio](#)

[Banco de Crédito](#)

[Banco Falabella](#)

[Banco Pichincha](#)

[Banco GNB Peru](#)

[Banco Interamericano de Finanzas](#)

[Banco Internacional del Peru – Interbank](#)

[Banco Pichincha](#)

[Banco Ripley](#)

[Banco Santander](#)

[BBVA Banco Continental](#)

[Citibank del Peru](#)

[ICBC Bank](#)

[Mibanco](#)

[Scotiabank](#)

Accounting/Business Consultants

[Apoyo S.A.](#): economic studies, business consulting, market research, opinion surveys, multi-customer studies, strategic communication (Bilingual)

[ConsultAndes](#): executive advisory, business development, public relations, community relations and public responsibility, crisis management, corporate communications, security (Bilingual)

[DBM](#): outplacement consultant and career transition services

[Deloitte](#): auditing, consulting, tax, and legal services

[ERM](#): environmental consulting services

[Ernst & Young](#): accounting, auditing and tax advisory

[KPMG Caipo y Asociados](#): auditing, tax and financial advisory

[LB&C Logistics Business & Consulting](#): supply chain security, international trade, legal services

[Macroconsult](#): economic studies, business consulting, market research, infrastructure, regulation and competition, investment banking. (Bilingual)

[Malaga - Webb & Asociados](#): business restructuring, continuous improvement, corporate finance

[Organizacion Cuanto](#): economic studies, social studies, polls, market research

[Pricewaterhouse Coopers SCRL](#): auditing, accounting, tax and legal services

Credit Rating Agencies

[Accuratio Credit Rating Agency ECR S.A.](#)

[Apoyo & Asociados Internacionales](#)

[Class & Asociados S.A.](#)

[Equilibrium](#)

[Microrate Latin America S.A.](#)

[PCR \(Pacific Credit Rating\)](#)

Credit Reporting Agencies

[Experian](#)

[Infocorp/Equifax](#)

[Sentinel](#)

[Xchange Peru](#)

Executive Search

[Amrop Hever](#)

[Boyden International](#)

[Korn/Ferry International](#)

[Tasa Worldwide](#)

Law Firms

[Barreda Moller](#) (Bilingual)

[Barrios & Fuentes Abogados](#) (Bilingual)

[Estudio Aurelio Garcia Sayan Abogados](#) (Bilingual)

[Estudio Eche copar](#) (Bilingual)

[Estudio Ferrero Abogados](#)

[Estudio Grau Abogados](#) (Bilingual)

[Estudio Olaechea](#) (Bilingual)

[Miranda & Amado Abogados](#) (Bilingual)

[Muniz, Ramirez, Perez-Taiman & Luna Victoria Abogados](#) (Bilingual)

[Payet, Rey, Cauvi Abogados](#) (Bilingual)

[Rey & de los Rios Abogados](#) (Bilingual)

An additional list of local law firms can be found on the U.S. Embassy Lima's website under the section titled "[Legal Information](#)"

Logistics

[Maersk Sealand](#): ocean carrier (Multilingual)

[Neptunia S.A.](#) (Bilingual)

[Ransa, logistics operator](#) (Bilingual)

[Scharff Logistica Integrada S.A.](#) (Bilingual)

Moving

[Atlas International Service S.A.](#) (Bilingual)

[Express Transports S.A.](#) (Bilingual)

[Security International Moving S.A.C.](#): national and international moving: (Bilingual)

Telecommunications

[Bitel](#) (Viettel Peru S.A.C.): telecommunications services

[Claro](#) (Telmex Perú S.A.): telecommunications services

[Entel](#) (Entel S.A.): telecommunications services

[Movistar](#) (Telefonica S.A.): telecommunications services

Principal Business Associations

[American Chamber of Commerce of Peru – AmCham Peru](#)

[Exporter's Association - ADEX](#)

[International Trade Society of Peru - ComexPeru](#)

[Lima Chamber of Commerce - CCL](#)

[National Society of Industries - SNI](#)

[National Society of Mining, Petroleum, and Energy - SNMPE](#)

[Peruvian Society of Hydrocarbons - SPH](#)

Limitations on Selling US Products and Services

Peru is open to trade and there are few limitations on selling U.S. products and services. The main limitations are the bureaucratic processes needed to set up a business or operate in Peru. For example, foreign corporations interested in doing business in Peru on a permanent basis must be formally incorporated and registered in the Peruvian Mercantile Registry (Registro Mercantil del Peru).

Web Resources

Antitrust, Unfair Competition Intellectual Property Protection, Consumer Protection, Dumping, Standards and Elimination of Bureaucratic Barriers -Agency ([INDECOPI](#)): (Bilingual)

[Central Bank](#): (Bilingual reports and statistics)

[Government Procurement Supervisory Agency](#): (Spanish)

[Ministry of Energy and Mines](#): (Spanish with limited bilingual content)

[Ministry of Foreign Affairs](#)

[National Interconnected System Operation](#) (Comité de Operación Económica del Sistema Interconectado Nacional, COES-SINAC). (Spanish)

[OSCE's opinion on "government to government" procurement](#) (Spanish)

[Peru Export and Tourism Promotion Board, PromPeru](#) (Spanish)

[Peru Travel, Peru Travel Information and Vacations Guide](#)

[Private Investment Promotion Agency – ProInversión](#) (Bilingual)

[Public Registry \(SUNARP\)](#) (Spanish)

[Securities and Exchange Supervisory Agency \(SMV\)](#) (Spanish)

[SUNAT – Peruvian foreign trade statistics](#)

[U.S. Trade Representative \(USTR\)](#)

Leading Sectors for US Exports & Investments

Agricultural Sector

Peru produces approximately 240,000 metric tons (MT) of soft wheat annually, used locally for traditional foods such soups and pourees, and is not milled. Most wheat is processed into flour for bread and pasta. The U.S. market share in 2018 was 38%. Other important suppliers are Argentina and Canada. Wheat imports into Peru are duty-free. An 18% value-added tax remains in place.

Product Statistics & Data (PS&D) Code: Hard Wheat (1000 MT—not USD)

	2016	2017	2018	2019 Estimated
Total Local Production	225	215	240	240
Total Exports	0	0	0	0
Total Imports	1,883	1,772	2,050	2,100
Imports from the U.S.	415	385	700	800
Total Market Size	2,108	1,987	2,290	2,340
Exchange Rates	3.38	3.26	3.29	3.40

Total Market Size = (Total Local Production + Imports) - Exports

Peruvian textile and apparel exports are undergoing a severe crisis due to competition from other countries such as Vietnam. Value of exports is expected to reach \$1.9 billion in 2019. The United States - Peru Trade Promotion Agreement (PTPA) grants duty-free access to Peruvian textiles.

Product Statistics & Data (PS&D) Code: Cotton (1000 MT)

	2016	2017	2018	2019 Estimated
Total Local Production	32	30	32	32
Total Exports	1	0	1	1
Total Imports	55	37	48	50
Imports from the U.S.	55	37	48	50
Total Market Size	86	67	79	81

Peru imports corn from the United States and Argentina. Corn from all origins is imported into Peru duty-free. However, due to the PTPA, Peru cannot assess the price band levy within the United States' tariff-rate-quota (TRQ) for U.S. corn. Yellow corn in Peru is used mainly for poultry production. At about 47 kilograms per capita, the consumption rate of poultry is one of the highest in the region. Another good export prospect is Dried Distillers Grain.

Product Statistics & Data (PS&D) Code: Yellow Corn (1000 MT)

	2016	2017	2018	2019 Estimated
Total Local Production	1,650	1,300	1,210	1,200
Total Exports	0	0	0	0
Total Imports	2,684	3,040	3,520	3,600

Imports from the U.S.	2,130	2,857	3,150	2,500
Total Market Size	4,334	4,340	4,730	4,800

Peru imports soybean meal primarily for poultry feed. Bolivia was the leading soybean meal exporter to Peru in calendar year (CY) 2018 . Soybean meal from all origins enters Peru duty-free

Product Statistics & Data (PS&D) Code: Soybean Meal (1000 MT)

	2016	2017	2018	2019 Estimated
Total Local Production	2	1	1	2
Total Exports	0	0	0	0
Total Imports	1,100	1,255	1,330	1,500
Imports from the U.S.	215	250	254	600
Total Market Size	1102	1256	1331	1502

Total whey imports into Peru reported an increase of 3% in 2017 that regain market share mainly driven by a fall in the supply from EU suppliers. Imports from the United States experienced an upturn and grew 20% in 2017 compared with 2016 due to higher prices than other competitors from EU and from the region such as Chile. The U.S. imports market share remained in second position accounting for 28% of total imports while Chile accounted for 53% in 2017. The whey market continues a variable trend over the last three years, mainly price-driven. Local sources report a similar performance of the sector throughout 2018 due to uncertainties in animal feed growth.

Product Statistics & Data (PS&D) Code: Whey (MT)

	2016	2017	2018	2019 Estimated
Total Local Production	0	0	0	0
Total Exports	0	0	0	0
Total Imports	10,362	9,954	10,253	10,300
Imports from the U.S.	2,927	2,411	2,900	2,950
Total Market Size	10,362	9,954	10,253	10,300

The food processing and food service industries are main destinations for cheese products. The consolidation of franchises as well as new players in the market is pushing up cheese imports that totaled 6,228 MT in 2017. The PTPA provides a TRQ of 2,500 MT with a 12% increase per year. Currently the quota is 6,933 MT.

Product Statistics & Data (PS&D) Code: Cheese (MT)

	2016	2017	2018	2019 Estimated
Total Local Production	27,950	28,150	27,645	28,100
Total Exports	85	164	292	300
Total Imports	4,858	5,343	6,228	6,950
Imports from the U.S.	2,576	2,950	2,704	3,000
Total Market Size	32,723	33,329	33,581	34,750

Peru's beef and offal market size sector decreased 2.5% in 2017 with respect to the previous year due to lower domestic production. Peru's stellar economic performance over the last 15 years has been instrumental in

driving consumer preferences towards high-quality products. Almost 80% of U.S. beef exports go through the food service channel which represents 6% of GDP. U.S. beef and offal exports have experienced a recovery during the first three months of the year.

Product Statistics & Data (PS&D) Code: Beef and Offal (MT)

	2016	2017	2018	2019 Estimated
Total Local Production	235,929	235,730	228,658	230,000
Total Exports	313	126	10	5
Total Imports	18,513	17,839	18,632	18,750
Imports from the U.S.	5,105	4,608	6,494	6,500
Total Market Size	254,129	253,443	247,280	248,745

The pet food market offers growth possibilities since only 30% of Peruvian dogs and cats are fed with adequate pet food. Three companies dominate the pet food market, in the following order of largest to smallest market share: Intesa, Nestlé and Mars. Eighty percent of total imports were of dog food and 20% of cat food. Ninety-five percent consisted of bagged food (pellets) and five percent were canned/wet products. Sales at veterinary clinics and pet shops are important channels for premium, therapeutic, and wet products.

Product Statistics & Data (PS&D) Code: Pet Food (MT)

	2016	2017	2018	2019 Estimated
Total Local Production	37,275	38,634	43,270	45,000
Total Exports	2,059	2,704	2,767	2,900
Total Imports	18,550	21,958	23,026	24,000
Imports from the U.S.	4,289	4,503	4,775	5,000
Total Market Size	53,766	57,888	63,529	66,100

*OECS Data

Web Resources

Asociación de Industriales Lácteos
(Dairy Product Producers Association)

Sociedad Nacional de Industrias

Los Laureles 365 San Isidro

Lima 27 - Peru

Tel.: (511) 442-1218

E-mail: correo@perulactea.com

Rolando Piskulich, President

[Asociación Peruana de Porcicultores](#)

(Pork Producers Association)

Pomalca 351 Urb. Centro Comercial Monterrico, Surco

Lima - 33, Perú

Tel.: (511) 436-3729, 436-4168

E-mail: info@asoporci.org.pe

Guillermo Vidal, President

Ana Maria Trelles, General Manager

[Asociación Peruana de Avicultura](#)

(Poultry Producers Association)

Av. Esmeralda 255 Chacarilla del Estanque, San Borja

Lima – 33, Perú

Tel.: (511) 372-1540

E-mail: apacomunicaciones@apa.org.pe

Apolonio Suarez, President

Mario Berrocal, General Manager

Asociación de Ganaderos Lecheros del Peru (AGALEP)

(Dairy Producers Association)

Mateo Pumacahua No. 877, Oficina 306 Jesus Maria

Lim- 11, Peru

Tel: (511) 423-4642 / (501) 431-0549

E-mail: agalep@infonegocio.net.pe

Hector Guevara, Manager

Comité de Molinos de Trigo

(Wheat Millers Committee)

Los Laureles 365 San Isidro

Lima – 27, Peru

Tel.: (511) 616 4444, ext. 131 and (511) 442-2460

E-mail: adaly@sni.org.pe

Alejandro Daly, President

[U.S. Department of Agriculture/ Foreign Agricultural Service \(FAS\)](#)

(U.S. Embassy Lima, Peru)

Unit 3230, Box 381

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- Vacant, Regional Agricultural Counselor
- Kirsten Luxbacher, Regional Agricultural Attaché
- Gaspar Nolte, Senior Agricultural Specialist
- Alvaro Loza, Agricultural Marketing Specialist
- Miluska Camacho, Agricultural Marketing Assistant

U.S. Department of Agriculture

1400 Independence Avenue, S.W. - MS 1071

Washington, D.C. 20250

Vacant, Western Hemisphere Area Director, Office of Foreign Service Operations

Email:

Tel: (202) 720-3223; Fax: (202) 720-5183

[U.S. Department of Agriculture/ Foreign Agricultural Service](#)

Trade Assistance and Promotion Office

Tel: (202) 720-3935

Construction Equipment and Machinery

Overview

Peru's economy continues to grow driven by sound fiscal and monetary policies and a government that is supportive of business and international trade. Corruption stemming from the Odebrecht scandal has been addressed by the Vizcarra administration through anti-corruption reforms, although it remains a concern. Despite the resulting political instability, the construction sector outperformed expectations, growing at 2.2% through the end of 2017. According to Peru's Central Bank, construction growth is forecasted to reach 9.5% by the end of 2019. Strengthening institutions as well as reducing economic informality and inequality are some of the top priorities on the Peruvian government's agenda, particularly as it aims to secure OECD membership by Peru's Bicentennial in 2021.

In 2017, the coastal El Niño phenomenon caused flooding and landslides which led to widescale damage concentrated in northern Peru. A nearly USD 8 billion reconstruction effort is currently underway. The coastal El Niño caused a \$3.1 billion loss (1.8% of GDP) in damages to houses, crops, roads and bridges affecting more than a million people. The government responded by setting up a Reconstruction Authority within the Prime Minister's office, aiming to spend the aforementioned USD 8 billion in infrastructure projects over the course of 2017 to 2020, mainly in Peru's northern regions. The Reconstruction Authority estimated that approximately 3,500 infrastructure projects would begin in 2018, including the construction of 37,600 homes. In order to close the housing gap of 389,745, an estimated 39,000 homes would need to be built annually. The program budget allocates USD 6.1 billion for reconstruction, USD 1.7 billion for disaster prevention and urban development, and USD 138.6 million on institutional strengthening. While the Reconstruction Authority has transferred funds to finance these projects, critics note that the project schedules are farther behind than intended.

In order to cover Peru's general infrastructure needs by 2025, Peru would need to invest close to \$160 billion, involving an annual investment of 8.3% of GDP for nine consecutive years. In almost every area of the country there is pent-up demand for both public and private infrastructure in a broad range of areas, such as roads, telecommunications, ports, airports, water and sewage, health and education, and energy.

Public-Private Partnerships (PPPs) legislative decree continue to incentivize private sector involvement with public construction projects and facilitate private investment through the creation, development, improvement, operation, and maintenance of public infrastructure. The Works for Taxes law (Obras por Impuestos) complements the PPP legislative decree since private companies may finance and implement public projects chosen by regional and local governments, and subsequently deduct a percentage of investment amount from its income tax.

	2016	2017	2018	2019 (Estimated)
Total Local Production	N/A	N/A	N/A	N/A
Total Exports	103.5	107.9	112.9	115.6
Total Imports	2,449.6	2,556.3	2,676.4	2,740.6
Imports from the U.S.	507	541.9	567.4	581.0
Total Market Size	2,345.2	2,448.4	2,563.5	2,625.0

Unit: USD millions

Total Market Size = (Total Local Production + Imports) - Exports

Data Sources: Global Trade Atlas

Leading Sub-Sectors

The figures below represent each product's share of Peru's 2016 total imports in this sector.

HTS Code	Description	%
842952	Mech Shovels Excavators Etc. W 360 Degree Sprstruc	18.6
842951	Mech Front-End Shovel Loaders, Self-Propelled	15.4
843149	Parts And Attachments Nesoi For Derricks Etc.	13.1
847490	Parts Of Mach For Sorting Etc. Earth Stone Ores Etc.	8.4
847420	Crushing/Grinding Mach For Earth Stone Mnerl Subs	5.8
843049	Boring Or Sinking Mach Nesoi, Not Self-Propelled	4.7
843041	Boring Or Sinking Machinery, Nesoi, Self-Propelled	4.3
842959	Mech Shovels, Excavators And Shovel Loaders Nesoi	4.1
842911	Bulldozers And Angeldoizers, Self-Prop, Track Lay	3.9
843139	Pts For Lifting, Handling, Loading/Unloading Mach Nesoi	3.2

Opportunities

Peru's government announced it wants to increase private investment in infrastructure from the current 4.5% of GDP to 6% by 2021. With this increased funding comes a host of new opportunities for the Peruvian construction industry. Construction companies import modern construction equipment such as mixers, cranes, excavators, dump trucks and other equipment, which led to drastically reduced construction times. Growth in the construction sector in 2018 is a result of high demand across several transportation infrastructure areas. The Reconstruction Authority was scheduled to initiate projects on the rehabilitation of over 540 bridges, 6,000 kilometers of national roads, 30,900 kilometers of rural roads and 45,000 kilometers of irrigation canals affected by the floods and mudslides during the early months of 2017, although many projects were not yet ready for public tender. Additionally, a reform package for the health sector, introduced in late 2013, was launched to include rehabilitation, construction, and equipment of 206 primary care centers, construction of 170 provincial hospitals, construction of 23 regional hospitals and construction of 13 national hospitals. To address the infrastructure gap for the education sector, the government has plans to build high performance schools and execute projects associated with the 2019 Pan American Games. In terms of housing, the Ministry of Housing, Construction and Sanitation (MVCS) estimates that the total housing deficit in Peru is around 2 million homes. In addition to construction of 500,000 new homes, the country needs to renovate another 1.5 million to close the housing infrastructure gap. All public housing programs are overseen by the MVCS.

Peru's thriving construction sector provides a wide variety of investment opportunities. There exists a \$120 Billion infrastructure gap with the National Infrastructure Plan prioritizing \$30 billion in projects such as:

- Peru Drinking Water Supply: \$1.8 Billion
- Expansion of the Jorge Chavez Int'l Airport, currently in the stage of contractual execution, for \$1.5 Billion
- The Metro Line 2 for \$3.3 Billion. The Metro Line 3 is in the formulation stage and will represent an investment of \$3.7 Billion
- Peripheral road ring for Lima-Callao, in the structuring phase, for \$2 Billion
- \$6 Billion in deals with the Reconstruction Authority for infrastructure, including housing, (waste)water projects, hospitals, schools, roads, and bridges.

- ProInversion looking to attract investment in 51 PPP projects valued at over \$9.2 Billion over the period of 2019-2022, website shown below.

Reconstruction Process Opportunities in Peru

As previously mentioned, Peru suffered heavy rains, landslides and floods during the 2017 coastal El Niño phenomenon. The storms and flooding destroyed infrastructure and crops and left many citizens homeless. In response to the disaster, the Peruvian government established a Reconstruction Authority to lead and implement a comprehensive plan to replace, rebuild, and construct quality public infrastructure. The health, education, and housing sectors will receive most the reconstruction funding and all sectors will have a disaster risk management focus. The total reconstruction investment amounts to PEN 25.6 billion (~ USD 7.5 billion) of which 77% will target infrastructure, 21% for prevention, and 2% to capacity building activities for implementing units.

Key Industry Events

[Excon 2019](#) – International tradeshow related to the construction sector.

October 9-13, 2019, Lima, Peru

Web Resources

[Business Monitor International Research](#)

[Ministerio de Vivienda, Construccion y Saneamiento](#)

[National Institute of Statistics and Informatics— INEI](#) (Spanish)

[Obras por Impuestos](#)

[ProInversión](#)

[CAPECO](#)

Education

Overview

Peru's student population is large and growing. Between 2007 and 2017, net student enrollment in Peru rose from 71% to 83%, according to the latest available statistics released by the OECD and Peruvian Ministry of Education (MINEDU). As such, the demand for quality education technology and infrastructure is greater than ever before.

Though Peru has improved education accessibility, gaps in performance persist. Urban students continue to outperform their rural counterparts, and students at a high socioeconomic status score better than their peers of fewer economic resources. Three factors explain these gaps: the high cost of quality education, the concentration of schools in Lima, and the challenges posed by limited resources, including under-qualified teachers. In 2018, Peru had 142 universities, 31 of which are public, and the rest are private. Of the 142 universities, more than 50 are based in Lima. According to the Oxford Business Report, there are three times as many private schools in metropolitan Lima as public institutions (5,680 in 2018 compared to 1,795 in 2016). Adequate infrastructure remains to be a salient concern, even for private schools, many of which operate in facilities that are supposed to be housing. According to a Lima Regional Education Department report in 2017, this included 70% of private institutions. The Peruvian government is working to mitigate the educational infrastructure gap by pledging 4.4% of GDP toward investments in this sector. Peru's private investment promotion agency ProInversión has also pledged 3% of its estimated USD 10 billion budget for its 2018-2020 project portfolio.

In January 2015, a new higher education authority, the National Superintendence of University Higher Education (SUNEDU), replaced the National Assembly of Rectors (ANR) under a new higher education law. SUNEDU has assumed a regulatory role over all universities, both public and private. In addition, SUNEDU is responsible for authorizing the establishment of new universities and is expected to stop the establishment of low-quality universities by supervising the quality of educational standards.

Both the government and the people of Peru prioritize workforce readiness in a globalized world. Peru has 8 million students between the ages of 5 - 16, and more than one million university students. Many of Peru's students come from the middle class, seeking education that is affordable, practical, and proximate. In higher education, students seek English training and soft skills, and many study abroad through university programs and partnerships. Students also increasingly prefer vocational schools as Peru's economic growth raised demand for qualified technicians. Furthermore, the government recognizes the need for vocational training and specialized skills in the labor market.

	2015-16	2016-17	2017-18
Total number of Peruvian Students Studying in the U.S.	3,256	3,200	3,235
	2016	2017	2018
Total Number of U.S. Student Visas Issued to Peruvian Students	1,750	1,925	1,729

Data Sources:

- 1) [IIE Open Doors 2018 Report](#)
- 2) [State Department 2018 Non-Immigrant Statistics](#) – Student Visas issued to Peruvian Students

Leading Sub-Sectors

The private sector market for education in Peru presents several opportunities for U.S. firms. There are different school networks that provide innovative education and seek to cut the cost of higher education. Their goal is to expand geographical reach within Peru. These schools incorporate new methodologies and

technologies aimed to develop research and exchange programs. Some examples of these types of schools is [Futura Schools](#) and [Innova Schools](#). Their educational models involve blended learning — a form of education that uses technology and guided independent study to encourage critical thinking. Innova currently operates 49 locations in 12 regions in Peru and plans to expand its student body from 40,000 to 100,000 by 2023. There is strong potential for profitability in this market that U.S. education providers can tap into.

Opportunities

With over 1 million university students and an ever-growing middle class that is eager to invest in education, the demand for affordable, high-quality education in Peru is surging. Many of Peru's educational institutions are incorporating cutting-edge technology and methods into their curriculum. Education providers entering Peru must consider approaches that broaden geographic reach and reduce costs for students. For example, the Pontifical Catholic University of Peru (PUCP) is expanding its offerings by creating new campuses in 10 of the largest metropolitan areas outside of Lima, as well as an international campus in Colombia.

Because Peruvian universities are expanding their geographic offerings, U.S. companies in the education field can offer partnerships through technological support as well as best practices in pedagogy methods and instructional design. Foreign universities have begun investing in the Peruvian educational market such as la Universidad de Tarapacá from Chile and the Instituto Tecnológico de Monterrey from Mexico. Multinational equity firms such as Colombia-based Kandeo are also investing in the expansion of Peruvian higher education providers, in 2017 Kandeo provided USD 50 million to the expansion of the Universidad San Ignacio de Loyola within both Peru and Paraguay.

The Tax for Public Works (Obras por Impuestos) and National Program for Education Infrastructure (PRONIED) initiatives facilitate private sector partnerships in the financing, implementation, and maintenance of education infrastructure projects. One such project is the installation of a fiber optic cable network, which will integrate 22 of Peru's 25 regions by the year 2020. This upgraded technology in Peru's public schools represents an opportunity to U.S. education software providers that can increasingly integrate teacher training modules, student resources, and English language study materials into an accessible cloud platform, especially since this project will provide internet to 10,000 schools.

Structural issues have historically limited Peruvians' access to education. Yet changes in Peru's educational options, labor market demands, and government policies indicate that the country is ready and willing to establish partnerships. As the Peruvian government implements these changes in public schools, opportunities emerge for advisory roles.

Web Resources

[Peruvian Ministry of Education](#)

[Regional Education Center of Lima](#)

[Institute of International Education](#)

Sociedad de Comercio Exterior del Perú (COMEXPERU)

Bartolomé Herrera 254, Miraflores

Lima-18, Perú

Tel (511) 625-7700

Food Processing Equipment

Overview

Peru's food processing industry is one of the national economy's most dynamic sectors, representing over 2.1% of the country's GDP and over 20% of its industrial GDP.

The food industry in Peru closed 2018 with a growth of 17% compared to the previous year, driven mainly by the good performance of industrial fishing, according to a recent report by the Ministry of Production (Produce). This result, reveals a recovery in the sector, based on the greater production of fishmeal and fish oil; and canned and frozen products (squid, scallop and horse mackerel).

The growing reputation of Peru's culinary culture has marked an increase in non-perishable foods produced and packaged locally. This new trend is expanding the use of native Peruvian ingredients, such as fruits, peppers and Andean cereals, increasing the attraction and marketability of products. Consumers are slowly shifting towards packaged and prepared foods, as there is a decreased risk of contamination and an increase of product lifespan. Peru's growing middle class is now willing to pay slightly higher prices for a guarantee of quality products. Products such as cheese, oils, fats, spreads, and baked goods are also benefiting from this shift in consumers' preferences. According to the Ministry of Production, the food industry would register its highest growth rate of the last six years, driven mainly by the significant growth of fishing, as well as prepared animal feed and mill products.

There are some 3,000 companies in Peru engaged in food processing. This industry generates more than 342 thousand jobs, a figure that represents 22.1% of the Economically Active Population (EAP) occupied in the manufacturing sector and 2.1% in the national occupied EAP. Produce noted that, among the activities with greater participation of the workforce in this industry, the bakery activities, conservation of fruits and vegetables, and industrial fishing stand out.

2018 Import Market Share (% for U.S. and major competitors): Italy 20.10; United States 13.30; Germany 12.43; China 12.37; Spain 7.81; Brazil 5.86; Japan 3.47; Netherlands 2.51; Mexico 2.30

	2016	2017	2018	2019 (Estimated)
Total Local Production	N/A	N/A	N/A	N/A
Total Exports	16.7	8.6	12.6	12.9
Total Imports	526.1	329.8	330.0	339.9
Imports from the U.S.	44.7	41.9	43.9	45.2
Total Market Size	509.4	321.2	317.4	327
Exchange Rates	3.38	3.26	3.29	3.40

Unit: USD millions

Total Market Size = (Total Local Production + Imports) - Exports

Data Source: Global Trade Atlas

Leading Sub-Sectors

HTS Code	Description	%
842129	Filter/Purify Machine & Apparatus For Liquid Nesoi	17.2
841869	Refrigerating/Freezing Equipment, Nesoi	10.5
841989	Machine Etc For Mat'L Treatment By Temp Cont Nesoi	10.4
842240	Packing Or Wrapping Machinery, Nesoi	6.3
842290	Parts For Machines For Dishwashing, Packing, Etc	6.1
843360	Mach For Clean/Sort/Grading Eggs/Fruit/Agr Produce	5.4
841950	Heat Exchange Units, Industrial Type	4.8
842230	Machinery For Filling, Closing Bottles, Etc	4.7
841981	Machinery Etc For Making Hot Drinks Cooking Heatng	4.2
844130	Mac Fr Mak Cart,Box,Case,Tube,Drum Or Cont Ex Mold	4.1
844120	Machines For Making Paper Bags Etc Or Envelopes	3.2
843890	Parts Of Mach Of Ch 84, Nesoi,Ind Prep Food,Drink	3.1

Opportunities

Best prospects also include fully integrated high technology equipment and machinery for processing and packaging purposes. This includes machinery for temperature treatment, refrigeration and sugar manufacture; machinery for filling, closing, sealing and labeling bottles, cans, bags or other containers; machinery for encapsulating bottles, jars, tubes and similar containers; machinery for aerating beverages, dairy machinery, and heat exchange units; as well as other packing or wrapping machinery. Peruvians prefer U.S. technologies for closing, sealing, and labeling equipment and rigid containers.

Key Industry Events

[International Production & Processing Expo IPPE](#)

January 28-30, 2020, Atlanta, Georgia

Part of the US Commerce International Buyers Program

[ExpoAlimentaria Peru 2019](#)

September 25-29, 2019 Jockey Exhibitions Center, Lima, Peru

International annual trade show of food and beverages, machinery, equipment, inputs, containers and packaging, services, restaurants, and gastronomy.

Web Resources

[Ministerio de la Producción](#) / Ministry of Production (Spanish)

Calle Uno Oeste 60 Urb. Corpac. Lima 27

Tel.: (511) 616-2222

[Sociedad Nacional de Industrias \(SNI\)](#) / Manufacturer's Society (Spanish)

Los Laureles 365, San Isidro. Lima 27

Tel.: (511) 616-4444

E-mail: contactenos@sni.org.pe

Medical Devices

Overview

Peru is the eighth most populous country in the Americas, with a population of 32 million inhabitants and an average life expectancy of 73.7 years. According to the World Bank, Peru's annual health expenditures remain at an estimated 5.5% of GDP. Despite this, the national government's healthcare budget has risen 16% in 2018 to approximately USD 5 billion, remaining among the highest-priority sectors. In May 2008, the government passed the Public-Private Partnerships (PPPs) legislative decree, which aims to facilitate the private investment promotion process through the creation, development, improvement, operation and maintenance of public infrastructure or the provision of public services. In recent years, the national social security agency, EsSalud, has inaugurated two PPP hospitals and will continue to bid new hospitals under this process. Also introduced in 2008, was the government enacted the Works for Taxes law (Obras por Impuestos). In accordance with this law, a private company may finance and implement public projects chosen by regional and local governments, and then deduct the investment amount from its income tax.

Peru's healthcare sector has five main entities 1) The Ministry of Health (MINSa) is the main publicly-funded healthcare provider, serving 60% of the population through a network of public hospitals and clinics. MINSa offers Seguro Integral de Salud (SIS), the main publicly-funded insurance, 2) EsSalud, the national social security program, is funded by payroll taxes and provides services to 30% of all Peruvians. The remaining 10% of the population receives services from the 3) Armed Forces, 4) National Police, and 5) the private sector. The Government of Peru stated that improving the healthcare system is one of its top priorities. Medical services have improved as the nation developed rapidly over the past two decades; however, disparity in coverage remains between Lima and the rural Andean and Amazonian regions of the country. Increasing access to care, training more and qualified healthcare workers, and improving healthcare outcomes for the poor will result in improved human capital and benefit the country both socially and economically. Peru's government is beginning to boost public spending to meet these challenges. Similarly, a growing private sector is developing new healthcare networks and raising the standards of technology and medical innovation.

In terms of product registration, a sanitary registry is required to sell medical equipment and devices. The Ministry of Health through the Dirección General de Medicamentos, Drogas e Insumos (DIGEMID) is the healthcare authority that regulates the importation of medical equipment and devices. For medical devices, it is mandatory to name a local distributor or representative since the registration will be issued to the Peruvian company. Both public and private hospitals purchase new medical equipment, although used medical equipment is only permitted for individual physicians buying it for personal use.

Market Entry

Since the United States - Peru Trade Promotion Agreement (PTPA) came into force in 2009, the majority of medical devices/equipment and pharmaceuticals enter Peru duty-free, provided a U.S. certificate of origin is presented to Peruvian customs. U.S. companies must register their products in Peru by partnering with a local distributor who has the ability to register through the Dirección General de Medicamentos, Drogas e Insumos (DIGEMID). Aside from obligatory registration, working with a local distributor is beneficial due to Peruvian preferences to buy locally from someone who can provide after-sales services. U.S. manufacturers should maintain close contact with end-users and provide training and demonstrations so that end-users can familiarize themselves with the equipment.

To succeed in the Peruvian market, U.S. firms should offer competitive pricing. Modern technology with strong post-sales technical and parts support is well received. All marketing materials and product information should be provided in Spanish.

In addition, U.S. firms are encouraged to take advantage of trade missions to Peru in order to promote new products. Attending trade events relevant to the industry is another proven method to test the local market or promote new U.S. products.

	2016	2017	2018	2019 Estimated
Total Local Production	N/A	N/A	N/A	N/A
Total Exports	11.4	11.7	12.2	12.5
Total Imports	340.9	355.6	371.6	380.5
Imports from the U.S.	72.9	79.3	82.7	84.7
Total Market Size	329.5	343.9	359.4	368.0
Exchange Rates	3.38	3.26	3.29	3.40

Unit: USD millions

Total Market Size = (Total Local Production + Imports) - Exports

Data Sources: Global Trade Atlas

Leading Sub-Sectors

The figures below represent each product's share of Peru's 2015 total imports in this sector.

HTS Code	Description	%
901890	Instrument and appliances for medical, surgical, dental	20.4
901839	Needles, caterers and others	11.5
902139	Artificial Joints, parts and accessories	9.7
901850	Other ophthalmic instruments and appliances, parts	6.8
902214	Apparatus base on X-ray, medical, surgical, veterinary	6.1
901819	Electro-diagnostic apparatus and parts.	5.8
902131	Other artificial joints and parts and accessories thereof	4.7
300510	Adhesive dressings and other articles having adhesive	4.5
902110	Orthopedic or fracture appliances, parts and accessories	3.8
901920	Ozone, oxygen, therapy, respiration apparatus and parts	2.6

Best prospects include diagnostic imaging equipment as the country invests in its radiology infrastructure. Other prospects include emergency room equipment and products, orthopedics, patient aids and dental products.

Opportunities

Peru has made significant progress in improving healthcare infrastructure, expanding access to care, and modernizing public institutions, laying the groundwork for the administration's goal for universal coverage by 2021. However, demand for healthcare continues to exceed capacity. The public healthcare system remains in need of facilities and trained personnel to improve equality of health outcomes in rural and urban areas where disparate quality of access and care is pronounced. The Oxford Business Group reports that Peruvian public hospitals require at least 18,000 more doctors, including 15,000 specialists to meet patient needs. EY Peru further estimates demand for 5,000 additional hospital beds. Furthermore, a growing middle class is

increasingly turning to the private sector for healthcare. Increased public investment in the healthcare sector has created an environment where U.S. companies can meet this demand by participating in PPPs. EsSalud's planned construction of additional PPP hospitals provides a variety of opportunities to U.S. exporters.

About 2 million people, 6.5% of the total population in Peru are aged 65 or older. Demands for quality elder care and treatment for cancer, cardiovascular diseases, and diabetes exist. Additionally, the rising middle class in and around Lima has led to an increase in the urban population, creating higher expectations from healthcare providers. In stark contrast to the public system, the private healthcare sector has been particularly dynamic, having experienced significant growth in the past five years, buoyed by rising insurance penetration rates. Private investment in the sector has recently peaked, reaching \$400 million and adding approximately 1,100 hospital beds. The program is expected to add 7,000 new hospital beds, and includes rehabilitation, construction, and outfitting of 206 primary care centers, construction of 170 provincial hospitals, construction of 23 regional hospitals and construction of 13 national hospitals.

The government's assertive stance towards prioritizing and enhancing the country's healthcare system, in conjunction with the interest of private companies to invest more in state of the art equipment such as computed tomography (CT) scanners, robotic radiosurgery systems, and gamma knives, will yield opportunities for foreign medical device manufacturers. These opportunities are augmented by the country's low export profile, where local manufacturing is limited to consumables, basic electro diagnostics, and hospital furniture.

Key Industry Events

[Tecnosalud 2019](#) – International tradeshow of goods and services related to the healthcare sector.
September 4-6, 2019, Lima, Peru

Web Resources

[Business Monitor International Research](#)

Dirección General de Salud Ambiental (DIGESA)

[Ministry of Health](#)

National Institute of Statistics and Informatics— INEI (Spanish)

[Obras por Impuestos](#)

[ProInversión](#)

Mining Equipment and Machinery

Overview

Peru's mining industry has been an essential component of the country's economic development. The mining industry accounts for 10 percent of Peru's gross domestic product and 60% of its exports which make it Peru's top export sector. The country is the world's second largest producer of silver and copper and Latin America's largest producer of gold. The country also boasts an large potential lithium resources.

According to Energy and Mines Ministry, Peru has 49 current mining projects worth a total of \$58 billion in investment, including 3 major projects owned by US companies:

1. Yanacocha: Newmont 51.35%; Minas Buenaventura 43.65%; International Finance Corp. 5%. Located in Cajamarca, Yanacocha in the largest gold mine in South America. Newmont, based in Denver, CO, anticipates completing a \$250 million expansion project of its gold mining operations in 2019 and is in the permitting process for an additional \$2.2 billion sulfide expansion to be completed in 2023.
2. Cerro Verde: Freeport McMoRan (FCX) 53.56%; SMM Cerro Verde Netherlands B.V. (a subsidiary of Sumitomo Metal Mining Company Ltd.) 21%; Compañía de Minas Buenaventura S.A.A. 19.58%; and other shareholders whose shares are publicly traded on the Lima Stock Exchange 5.86%. Cerro Verde is a large copper mine in the south of Peru (Arequipa). FCX, based in Phoenix, Arizona, completed a \$5.5 billion expansion in 2016.
3. Miski Mayo: Mosaic 75%; Mitsui 25%. Minnesota-based Mosaic Co. owns the controlling share in the Miski Mayo phosphate mine in northwest Peru (Sechura, Piura).

Opportunities:

Peru remains an attractive destination for mining investments, with large mineral and metal reserves, including major undiscovered deposits. Despite the social and political risks that are part of Latin America and recent downward trend in commodity prices (following higher levels registered in 2017), the positive outlook of 2018 has maintained investor confidence in the region. According to the National Society of Mining, Petroleum and Energy, the main investments in 2019 are focused in three projects: Quellaveco (investment of \$5 billion), Mina Justa (investment of \$1.6 billion) and Toromocho expansion (investment of \$1.3 billion).

Peru offers mining investors significant commercial advantages and ample freedom to import machinery, equipment, and services that they require for their mining activities at a lower cost and with less bureaucratic requirements than ever before. Peruvian laws, regulations, and practices do not discriminate between national and foreign companies. The Peruvian government guarantees foreign investors legal stability on income tax regulations and dividend distributions. A favorable legal framework, readily available cadastral and geological information, and a stable economy have motivated foreign investment from the United States, Canada, the U.K., Australia, Mexico, Brazil, and China. The U.S. is the fifth largest investor in the mining sector. Over the past three years, U.S. Companies sold an average of \$614 million annually in mining equipment to Peru.

We recommend that U.S. exporters of capital goods and potential investors entering the Peruvian market establish a local branch office or appoint a local representative, and legal counsel knowledgeable of the Peruvian market, mining sector legal framework, and Spanish language. If U.S. exporters of smaller goods prefer to work with local distributors, they should clarify the expertise and track records of those companies with whom they choose to work.

When selling mining equipment to Peru, it is important to offer post-sale services. Mining companies require assembly, maintenance, parts, and operational training.

2018 Import Market Share (% for U.S. and major competitors): US 24.1; China 18.4; Brazil 10.4; Germany 6.16; Japan 3.88.

	2016	2017	2018	2019 estimated
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	133.1	184.2	198.2	204.1
Total Imports	2,169.9	2,275.8	2,493.7	2,568.5
Imports from the US	626.2	552.4	601.9	620.0
Total Market Size	2,036.8	2,091.6	2,295.5	2,364.4
Exchange Rates	3.38	3.26	3.29	3.40

Units: \$ millions

Total Market Size = (Total Local Production + Imports) - Exports

Source: Global Trade Atlas

Leading Sub-Sectors

The figures below represent each product's share of Peru's 2017 total imports in this sector.

HTS Code	Description	%
847490	Parts Of Mach For Sorting Etc Earth Stone Ores Etc	8.3
842952	Mech Shovels Excavators Etc W 360 Degree Sprstruc	8.0
870423	Truck, Diesel Eng, Gvw > 20 Metric Tons	6.8
842951	Mech Front-End Shovel Loaders, Self-Propelled	5.8
843149	Parts And Attachments Nesoi For Derricks Etc.	5.0
840999	Spark-Ignition Reciprocating Int Com Pistn Eng Pts	4.2
842199	Filter/Purify Machine & Apparatus Parts	3.3
842959	Mech Shovels, Excavators And Shovel Loaders Nesoi	3.1
841480	Air/Gas Pumps, Compressors And Fans Etc, Nesoi	2.9
842911	Bulldozers And Angeldozer, Self-Prop, Track Lay	2.9
870410	Dumpers Designed For Off-Highway Use	2.8

Key Industry Events

[Perumin, 34th Mining Convention](#), September 16-20, 2019

Universidad Nacional de San Agustin, Arequipa

Organizer: Institute of Mining Engineers of Peru (IIMP)

U.S. Pavilion organizer: [Kallman Worldwide, Inc.](#)

[ExpoMina Peru 2020](#), September 16-18, 2020

Jockey Exhibitions Center, Lima

Organizer: Grupo DIGAMMA

U.S. Pavilion organizer: [Kallman Worldwide, Inc.](#)

Web Resources

[Sociedad Nacional de Minería, Petróleo y Energía - SNMPE](#)

(National Mining, Oil, and Energy Society)

Francisco Graña 671, Magdalena del Mar. Lima 17

Tel.: (511) 215-9250

[Energy and Mining Regulatory Agency – Osinergmin \(Spanish\)](#)

(Supervising Agency for Investment in Energy and Mining)

Jr. Bernardo Monteagudo 222, Magdalena del Mar. Lima 17

Tel.: (511) 219-3410

[Ministry of Energy and Mines \(limited English content\)](#)

Av. Las Artes 260, San Borja. Lima 41

Tel.: (511) 411-1100

[Instituto de Ingenieros de Minas del Peru - IIMP \(Spanish\)](#)

Calle Los Canarios 155, La Molina. Lima 12

Tel: (511) 313-4160

[Environmental Assessment and Control Agency - OEFA \(Spanish\)](#)

Safety and Security

Overview:

Demand for residential, industrial, and office security equipment remains strong in Peru. Public opinion polls in Lima, and other large Peruvian cities, affirm that inhabitants have a high sense of insecurity, with many people having been a victim of robberies or home break-ins. To prevent break-ins and to aid security guards, companies (headquarters and operation sites), government agencies, and households invest in a wide range of security equipment including surveillance cameras, alarms, lights, mesh netting, and barbed wire. Pistols and revolvers are the most common self-defense weapons used in Peru. The Ministry of Interior's National Superintendence of Control of Security Services, Weapons, Ammunition, and Explosives for Civilian Use (SUCAMEC) is in charge of regulating and enforcing fire arms applicable legislation, including issuing licenses to import, transport, sell, and carry weapons. In February 1997, the National Society of Mining, Petroleum and Energy (SNMPE) created [SARCC](#) (Search and Rescue Coordination Center), with an objective of supporting and coordinating security activities among its corporate members in the mining and energy sectors. SARCC provides emergency training resources and assists with emergency situations that threaten the safety of their corporate member's employees working in remote areas through services including search and rescue operations, medical evacuation, etc.

2018 Import Market Share (% for U.S. and major competitors): China 41.2; United States 18.6; Mexico 5.0; Spain 3.7; Taiwan 3.6; Germany 3.4; Italy 2.8; Colombia 2.0; Brazil 1.8; Chile 1.7; France 1.6; Canada 1.5.

	2016	2017	2018	2019 estimated
Total Local Production	N/A	N/A	N/A	N/A
Total Exports	29.0	27.5	30.1	31.3
Total Imports	311.1	324.4	366.8	381.1
Imports from the US	73.5	60.9	68.4	71.1
Total Market Size	282.1	296.9	336.7	349.8
Exchange Rates	3.38	3.26	3.29	3.40

Units: \$ millions

Total Market Size = (Total Local Production + Imports) - Exports

Source: Global Trade Atlas

Leading Sub-Sectors:

The figures below represent each product's share of Peru's 2018 total imports in this sector.

HTS Code	Description	%
630790	Made-Up Textile Articles, Nesoi	5.4
902000	Breathing Appliances & Gas Masks Nesoi; Parts Etc.	4.6
830140	Locks Except Motor Vehicle Or Furniture, Base Metal	4.0
853190	Parts Of Electric Sound Or Visual Signaling Aprts	2.9
900490	Spectacles, Etc, Corrective, Protective, Nesoi	2.8
730830	Drs, Wndws A Frms A Thrshlds Fr Drs, Iron Or Steel	2.6
851310	Portable Electric Lamps Nesoi, Battery Or Magneto	2.3
650610	Safety(Incl Sports)Hdgr, Whether/Not Lined/Trimmed	2.2

853110	Burglar Or Fire Alarms And Similar Apparatus	1.9
853080	Electrical Signaling Or Traffic Control Eqpt,Nesoi	1.8
842410	Fire Extinguishers, Whether Or Not Charged	1.8
830110	Padlocks Of Base Metal	1.7
902710	Gas Or Smoke Analysis Apparatus	1.7
853180	Electric Sound Or Visual Signaling Apparatus Nesoi	1.6
902219	Apparatus Base On X-Ray For Oth Use,Ex Medical,Etc	1.2
830160	Parts Of Locks, Base Metal	1.0
851230	Electrical Sound Signaling Equipment For Mtr Vhl	1.0
930200	Revolvers & Pistols, Designed To Fire Live Ammo	0.9
700729	Laminated Safety Glass, Not For Vehicular Use	0.9

Opportunities:

The security and safety equipment sector in Peru is very promising for U.S. exporters due to increased product demand. Public surveys indicate most Peruvians do not feel safe in their own homes. Companies and homeowners have a growing interest in preventive equipment including alarms, surveillance cameras, and lights.

[Seguritec Peru](#) – Seguritec is one of the leading exhibitions for Safety & Security Industry in Peru. The event is being organized by Thais Corporation S. A. C. on May 27-29, 2020 at the Jockey Exhibition Center in Lima.

Web Resources:

[Global Trade Atlas](#)

[Ministerio del Interior](#)

(Ministry of the Interior)

Plaza 30 de Agosto s/n - Piso 4, San Isidro

Lima 27, Peru

Tel.: (511) 418-4030

[National Security Association](#)

[SARCC](#)

Water and Wastewater

Overview

Water scarcity is an urgent threat to national welfare in Peru. Approximately 5 million people do not have access to safe drinking water. An estimated 11 million people lack functioning sewage systems and the resulting quality of life is poor. The disparity between urban and rural areas is sobering, even in Lima and Callao where the majority of the population is concentrated, not all waste water is treated. Only 62% of drainage captured by Peru's main water operator is recycled in treatment plants.

Current water and sanitation services are clearly unsustainable due to insufficient investment, serious economic problems for water operators, lack of state support and inadequate legal regulations. According to the [National Plan of Infrastructure](#), the potable water and sanitation sectors have an infrastructure gap of USD 12,252 million for the period 2016 - 2025. With regard to projects in the same sector, an approximate investment of USD 5,65 billion is expected during the same period. In order to cover the medium-term infrastructure requirements (2016-2020), an additional investment of USD 1,31 billion is necessary. Furthermore, an investment of USD 5,28 billion is required to cover the infrastructure gap in the long term between 2021 - 2025.

The new administration has implemented decrees to improve, reform, and manage this sector. These decrees include: The Framework Law for the Management and Provision of Sanitation Services, the creation of the Safe Water Investment Fund (FIAS), the promotion of regional and local public investment with private sector participation (mainly through Public-Private Partnerships) and the creation of the National System of Multi-Annual Programming and Investment Management. According to the Peruvian [Ministry of Housing](#), the most urgent priorities to address are reinforcing existing water infrastructure and expanding geographic coverage, including improving access to public water and sanitation services. The Vizcarra administration has identified three strategies to reduce the gap—

- Public-Private Partnerships (PPPs)
- Obras por Impuestos Initiative (Work for Taxes)
- Public Investment

The government's goals are to reach 100% coverage of beneficiaries in urban areas by 2021 and of beneficiaries in rural areas by 2030. Investments in water and sanitation are strongly linked to the local governments which manage the water operators in their regions. These investments should be aimed at developing potable water production infrastructure, the execution of sanitation works, wastewater treatment for reuse and use of solid waste, and improved management of water and sanitation services.

Opportunities

The Peruvian government's foreign investment entity, [ProInversión](#), has allocated 9% of its estimated USD 10.9 billion budget for 2018 - 2020 on the water and sanitation sector alone. Eight water projects are already under development, with an average value of \$50 million, awaiting the establishment of a PPP to execute them. For instance, a project to design a solution for the treatment and final disposal of municipal wastewater in the Lake Titicaca basin in Puno was awarded to Mexican firm Fypasa in April 2019. The project is worth USD 254.8 million according to [ProInversión](#) and has a concession period of 30 years. It will benefit approximately 1.2 million people living in the ten communities surrounding the lake including Puno, Juliaca, Lampa, and Azángaro.

ProInversión also reports tenders for wastewater treatment projects in Huancayo, Chilca, Tambo, and Puerto Maldonado that were launched in 2018 and 2019, respectively. Desalination projects are also underway in Peru in order to meet the gap for potable water. There are nineteen desalination projects ongoing in coastal Peru.

These types of projects invite private-sector foreign investment in the areas of design, engineering, construction, concession for the next 20 – 30 years (depending on the project), and advisory services for the supervision of the entire project. The Peruvian government seeks to award the projects only to a single company or consortium who has the ability to complete the entire project from start to finish. Because of the nature of the projects, opportunities for U.S. firms with expertise in wastewater treatment are abundant. The Peruvian government is amenable to PPPs, seeing them as a way to distribute risk and resources between private and public entities and efficiently develop and maintain infrastructure projects. The participation of the private sector will reduce the infrastructure gap by providing necessary capacities, expertise, and technology transfer in the water sector.

Resources

Ministry of Housing, Construction and Sanitation
Av. Paseo de la Republica 3661, San Isidro
Lima – 27, Peru
Tel.: (511) 211-7930

[National Water Authority - ANA](#)

Los Petirrojos 355, San Isidro
Lima – 27, Perú
Tel.: (511) 225 8640

National Superintendence of Sanitation – SUNASS
Av. Bernardo Monteagudo 210, Magdalena del Mar

Asociación Para el Fomento de la Infraestructura Nacional - AFIN
Av. Jorge Basadre Nro. 310 Oficina 601-D, San Isidro, Lima 27, Perú
Tel. (511) 441 1000

Customs, Regulations & Standards

Trade Barriers

In March 1991, Peru introduced an import surcharge on several agricultural commodities (rice, corn, sugar, and dairy products are still subject to potential surcharges) in order to offset exporting countries' subsidies. The commodity surcharges were calculated on a weekly basis, according to prevailing international prices, before the government began incrementally reducing the prices in April 1994. In July 2001, this system was replaced by a "price band system," similar to that of the Andean Community. However, U.S. agricultural goods are no longer subject to this price band system due to the PTPA. The surcharge on agricultural imports to Peru under the price band system is currently in effect for non-U.S. exporters, in response to decreasing international prices. This situation benefits U.S.-origin agricultural exports, proving advantageous for American exporters in the Peruvian market. In recent years, the Peruvian tax and customs agency, Superintendencia Nacional de Administracion Tributaria (SUNAT), implemented a new system for collecting taxes (VAT and income) in order to assure tax collection throughout the distribution channel and to increase revenues. Although this system may not cause much trouble to some sectors, others are being hurt because their margins are smaller than the advanced payments. For more information and help with trade barriers please contact:

International Trade Administration

[Enforcement and Compliance](#)

(202) 482-0063

ECCcommunications@trade.gov

Import Tariffs

The United States - Peru Trade Promotion Agreement (PTPA) eliminated duties on 80% of qualifying capital goods since February 1, 2009. The remaining dutiable items have a phase out schedule from 6 to 17 years. Peru imposes no duties on 70.4% of the items in its tariff schedule (5,487 codes covering some agricultural and intermediate goods, capital goods not produced locally, drip irrigation systems, some vehicles, books, some information technology items, cement, liquefied petroleum gas, some fuels, energy saving bulbs, and bank notes); 6% duties on 20.8% of the items (1,621 codes mainly regarding consumer goods and some intermediate goods); and 11% duties on 8.8% of the items (682 codes including some vegetables, some beef and beef products, chocolate, textiles, apparel, footwear, and other agricultural products). The non-weighted average tariff is 2.2% (including surcharge), down from over 60% in the mid-1990s.

Most imports (93% of codes) are also subject to an 18% value added tax (VAT), as are domestically produced goods. In addition, an excise tax (ISC) is applied to certain products such as tobacco and alcoholic beverages. There are no quantitative import restrictions.

Import Requirements & Documentation

For imports, Customs (SUNAT) requires a Customs Merchandise Declaration (DAM – in Spanish), a commercial invoice, an airway bill or bill of lading, a packing list, and an insurance letter. Several imports are subject to antidumping and countervailing duties. The list of products and countries is available at [ALADI](#). To avoid these duties, a certificate of origin is required for products coming from other countries, causing U.S. firms to experience delays clearing products through Customs. A food sanitary registry is required for processed food products (issued by [DIGESA](#)'s Food and Environmental Health Bureau or a Sanitary Certificate for animal, plants, or their by-products issued by [SENASA](#)). Goods can be brought into the country and kept in a bonded warehouse without paying import duties for up to twelve months. During that period, the importer can pay the duties on the goods kept in the warehouse and clear customs, or re-export the goods. This can be done for the entire shipment, or it can be broken down according to the importer's needs.

For food and beverages, the importer must submit a sworn application to [DIGESA](#) accompanied by a Certificate of Free Trade and Use issued by the health authority of the country of origin, the future label, and the registration receipt. If the certificate is not available, the importer should present a document issued by the Peruvian Consulate in the country of origin. The sworn application includes the contact information of the importer's company and the manufacturer, taxpayer's identification (RUC), the list of products requested and for each product its content, the results of physical-chemical and microbiological analysis, lot code system, expiration date, packaging material and storage conditions.

Labeling/Marking Requirements

Before reaching the point of sale, imported packaged foods must carry a separate adhesive label with a Spanish translation, including the importer/distributor's contact information and RUC (taxpayer number). Law 28405 (November 30, 2004) requires labeling for value-added products other than foods. If imported products do not comply with these requirements for customs clearance, importers are allowed to properly label them in private warehouses. For food products, labeling requirements are relatively simple. Products normally retain their original labels, and the name and RUC of the manufacturer, importer, or distributor must be added to the packaging. The Ministry of Health, through its DIGESA bureau, is in charge of issuing the sanitary registration numbers for food products. The Consumer Protection Office of Peru's Consumer Defense Agency, INDECOPI, is responsible for food and beverage labeling and advertising. Materials and food additives for food and beverage manufacturing must meet the health quality requirements established in the sanitary standards issued by DIGESA.

U.S. Export Controls

For information on the U.S. government export controls that companies need to abide by when exporting to Peru see the [Consolidated Screening List Search Engine](#) on export.gov. See also [Consolidated Screening](#).

Temporary Entry

Some goods can be admitted into Peru temporarily for re-export within a year with, a bond that guarantees the duties and taxes. The list with the 23 types of goods, [Annex 1](#) to Resolucion Ministerial 287-98-EF/10 y modificatorias, is available at [SUNAT](#). Other documentation requirements are the same as those listed above.

Prohibited & Restricted Imports

U.S. imports of live cattle face technical barriers to trade; in 2013 the United States was declared at negligible risk for Bovine spongiform encephalopathy (BSE) by the OIE (World Organization for Animal Health). The Peruvian agency, SENASA, established strict regulations regarding BSE and other diseases. However, a deal was announced in April 2015 that SENASA approved the USDA Veterinary Health Certificate for the import of U.S. live cattle.

Imports of used cars, more than five years old, and used buses and trucks, more than two years old, are prohibited. Used medical equipment is only permitted for individual physicians buying their equipment for their own use.

Customs Regulations

Peruvian Customs or Superintendencia Nacional de Aduanas y de Administración Tributaria (SUNAT) clearance's "valuation service" must be considered for imports whose customs value (CIF) exceeds three (03) Tax Reference Units (UIT – Unidad Impositiva Tributaria). The value valid for 2017 for one UIT is 4,050 Soles or USD 1,216 assuming an exchange rate of 3.33 Peruvian Soles to the U.S. dollar. SUNAT's clearance charge is 2.35% of one UIT, however in the practice, SUNAT applies a USD 34 flat valuation fee. Items imported under the United States - Peru Trade Promotion Agreement –PTPA, are exempt from this fee. As stated above in the

“Import Requirements and Documentation” section, SUNAT’s priority is revenue generation rather than trade facilitation. Despite having signed the WTO customs valuation procedure, SUNAT uses a referential price verification system (Sistema de Verificación de Precios, SIVEP). In this system, SUNAT has a database for price consultation of goods from each country, and from different suppliers. This allows for comparison of declared values in commercial invoices and making adjustments to identical or similar merchandise prices that are less expensive than the average. SUNAT accepts discounts, as long as any discount appears on the bill and is unincorporated from the normal sales value, but the reason for the discount should be indicated for approval. Often, SUNAT requests that the importer provide a Manufacturer’s Price List. This document must be certified by the Peruvian consulate in the country of purchase. This price list should not be addressed specifically to the importer, but rather include general information. This is very important in order to be accepted by SUNAT.

This system has resulted in several complaints from local importers claiming that SUNAT is over assessing values. A recent example involved a U.S. exporter complaint regarding rejected invoices by SUNAT. Peruvian Customs was not accepting its invoices, instead valuing imports using price lists that did not consider distributor discounts. For SUNAT to accept the invoice value, it must be accompanied by a price list, and the discount must be described and detailed in the invoice. Payment terms must also be detailed. The customs chapter of the PTPA addresses the referential pricing issue and is consistent with Peru’s WTO obligations.

Standards for Trade

In November 2004, Peru issued a regulation on labeling and marking (Ley del Rotulado- Law 28405). This law established that products exported to Peru should have a label with the following information:

- Name of product
- Country of origin
- Address of exporter, importer, or distributor
- Expiration date
- Conservation method
- Weight in metric system

Testing, Inspection and Certification

There are [accreditation bodies](#) for different industries. The laboratories that can provide assistance to U.S. exporters can be found in this [PDF](#) from INACAL. Products coming from the United States will not experience issues entering Peru if importers receive information in advance regarding the products’ composition and/or ingredients.

The following firms are certified by CTR to provide Conformity Assessment services:

- [INASA](#)- Phone : (511) 616-5200
- [SGS del Perú](#): (511) 517-1900
- [BSI Inspectorate Perú](#): (511) 613-8080
- [EQUAS S.A.](#): (511) 349-4050

Publication of Technical Regulations

Products coming from the United States will not encounter difficulties entering Peru if importers receive information in advance regarding the products’ composition and/or ingredients. The Peruvian standards body’s (CTR) regulatory framework is similar to that of the U.S. It is common to hold seminars sponsored by ANSI, ASTM, NEMA and others to encourage conformity with global standards.

Contact Information

The contact information at INDECOPI and CTR in Lima is:

(511) 224-7800 ext. 1261, fax (511) 224-7800 ext.1296

The points of contact regarding standards issues at the U.S. Foreign Commercial Service in the Embassy Lima:

- Val Huston, Commercial Counselor
 - Leon Skarshinski, Commercial Attaché
 - Gustavo Romero, Commercial Specialist
- Phone: (511) 618-2442

Testing, Inspection and Certification

The following firms are certified by CTR to provide Conformity Assessment services:

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[SGS del Perú](#): (511) 517-1900

[BSI Inspectorate Perú](#): (511) 613-8080

[EQUAS S.A.](#): (511) 349-4050

SG Nortek: (metrology services) (511) 572-2630, sgnortek@terra.com.pe

Trade Agreements

The Government of Peru (GOP) has encouraged integration with the global economy by signing a number of free trade agreements, including the United States - Peru Trade Promotion Agreement (PTPA), which entered into force in February 2009. In 2017, trade of goods between the United States and Peru totaled \$15.9 billion, up from \$9.1 billion in 2009, the year the PTPA entered into force. From 2009 to 2017, Peruvian exports of goods to the United States jumped from \$4.2 billion to \$7.3 billion (a 73% increase) while U.S. exports of goods to Peru jumped from \$4.9 billion to \$8.6 billion (a 75% increase). The United States also enjoys a favorable trade balance in services; exports of services in 2015 to Peru amounted to \$3.9 billion and contributed to a \$991 million services surplus the same year.

In terms of other trade agreements, Peru also has free trade agreements with Canada, Chile, China, Venezuela, Costa Rica, the European Union, the European Free Trade Association (Iceland, Liechtenstein, Norway, and Switzerland), Honduras, Japan, Mexico, Panama, Singapore, South Korea, and Thailand. It has Framework Agreements with MERCOSUR countries (Argentina, Brazil, Paraguay, Uruguay, and Venezuela). It has a partial preferential agreement with Cuba. More agreements have been signed and await full implementation, including with Guatemala, the Pacific Alliance (Mexico, Colombia, and Chile), Brazil, Australia, and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership CPTPP (Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Singapore and Vietnam). Peru has also ratified the WTO Agreement on Trade Facilitation, which entered into force in February 2017.

Peru has bilateral investment agreements in force with Argentina, Australia, Belgium-Luxembourg, Bolivia, Canada, Chile, China, Colombia, Cuba, Czech Republic, Denmark, Ecuador, El Salvador, Finland, France, Germany, Italy, Japan, Korea, Malaysia, Netherlands, Norway, Paraguay, Portugal, Romania, Singapore, Spain, Sweden, Switzerland, Thailand, United Kingdom, and Venezuela. In total, Peru is a party to 32 bilateral

investment agreements. Peru has been a member of the Andean Community (and its predecessor, the Andean Pact) since 1969. The Andean Community is currently comprised of Peru, Ecuador, Colombia, and Bolivia. In January 2002, the member countries of the Andean Community agreed to establish an Andean free trade zone, a common external tariff (CET), and a customs harmonization policy by January 2004. However, Andean Community members have not implemented these measures. Peru is a member of the WTO and became a full member of the Asia-Pacific Economic Cooperation (APEC) forum in November 1998. Peru is currently the 32nd largest export market for U.S. goods. U.S. exports to Peru amounted to \$9.7 billion in 2018, up 11% (\$1 billion) from 2015. U.S. exports to Peru are up 36% from 2008 (pre-PTPA).

Licensing Requirements for Professional Services

Peruvian law allows for joint ventures and licensing agreements with a legally established local partner accountable for all legal matters. The textile manufacturing industry in particular has attracted a great deal of licensing and joint venture activity.

Web Resources

[USTR- Free Trade Agreements](#)

Investment Climate Statement

Executive Summary

Peru was one of the fastest growing Latin American economies between 2004 and 2013, growing at an average rate of 6 percent per year. Though growth slowed from 2014-2018, the country recovered and grew by 4 percent in 2018, significantly higher than the estimated 1.2 percent regional average. The government's counter-cyclical stimulus spending, consumption, and private investment are the driving forces of this growth. Private investment totaled USD 41 billion in 2018. As the economy has grown, poverty in Peru has decreased, falling from 56 percent in 2005 to 20.5 percent in 2018. President Martin Vizcarra aims to increase private investment by fostering strong public investment, streamlining administrative processes, and reducing bureaucracy, while addressing corruption and social conflict.

The Government of Peru (GOP) has encouraged integration with the global economy by signing a number of free trade agreements, including the United States-Peru Trade Promotion Agreement (PTPA), which entered into force in February 2009. In 2018, trade of goods between the United States and Peru totaled USD 17.5 billion, up from USD 9.1 billion in 2009, the year the PTPA entered into force. From 2009 to 2018, Peruvian exports of goods to the United States jumped from USD 4.2 billion to USD 7.9 billion (a 88 percent increase) while U.S. exports of goods to Peru jumped from USD 4.9 billion to USD 9.6 billion (a 96 percent increase). The United States also enjoys a favorable trade balance in services; exports of services in 2016 to Peru amounted to USD 2.7 billion and contributed to a USD 1.1 billion services surplus the same year.

Corruption and social conflicts around extractive projects continue to negatively affect Peru's investment climate. Transparency International ranked Peru 105th out of 180 countries in its 2018 Corruption Perceptions Index. In 2016, Brazilian company Odebrecht admitted it had paid USD 29 million in bribes in Peru, leading to investigations involving high-level officials of the last four Peruvian administrations and halting progress on major infrastructure projects. Odebrecht agreed to pay Peru USD 180 million in civil reparation in December 2018. According to the Ombudsman, there were 132 active social conflicts in Peru as of March 2019, of which 71 befell mining projects.

Extractive industries are a key draw of foreign investment. According to Peru's Private Investment Promotion Agency (ProInversion), 22 percent of foreign direct investment in 2018 went to the mining sector, 21 percent to the communications sector, and 18 percent to the financial sector. Other destinations for investment included energy (13 percent) and industry (12 percent).

Measure	Year	Index/Rank	Website Address
TI Corruption Perceptions Index	2018	105 of 180	http://www.transparency.org/research/cpi/overview
World Bank's "Ease of Doing Business" Rpt.	2018	68 of 190	http://www.doingbusiness.org/rankings
Global Innovation Index	2018	71 of 126	https://www.globalinnovationindex.org/analysis-indicator
U.S. FDI in partner country (M USD, stock positions)	2017	\$6,400	http://www.bea.gov/international/factsheet/
World Bank GNI per capita	2017	\$5,960	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

Openness to and Restrictions upon Foreign Investment

Policies Towards Foreign Direct Investment

The GOP seeks to attract investment -- both foreign and domestic -- in nearly all sectors of the economy. The GOP prioritized USD 10.3 billion in public-private partnership projects in transportation infrastructure, electricity, mining, broadband expansion, gas distribution, health and sanitation for 2019-2021. The Ministry of Energy and Mines aims to spur exploration and investment in the mining sector, increase oil and gas exploration, and modernize the Talara refinery.

The 1993 Constitution grants national treatment for foreign investors and permits foreign investment in almost all economic sectors. Under the Constitution, foreign investors have the same rights as national investors to benefit from investment incentives, such as tax exemptions. In addition to the 1993 Constitution, Peru has several laws governing foreign direct investment (FDI) including the Foreign Investment Promotion Law (Legislative Decree (DL) 662 of September 1991) and the Framework Law for Private Investment Growth (DL 757 of November 1991). Other important laws include the Private Investment in State-Owned Enterprises Promotion Law (DL 674), the Private Investment in Public Services Infrastructure Promotion Law (DL 758), and specific laws related to agriculture, fisheries and aquaculture, forestry, mining, oil and gas, and electricity. Article 6 of Supreme Decree No. 162-92-EF (the implementing regulations of DLs 662 and 757) authorizes private investors to enter all industries except investments in natural protected areas and manufacturing of weapons.

Peruvians and Americans benefit from the United States-Peru Trade Promotion Agreement (PTPA), which entered into force on February 1, 2009. The PTPA established a secure, predictable legal framework for U.S. investors operating in Peru. The PTPA protects all forms of investment. U.S. investors enjoy the right to establish, acquire, and operate investments in Peru on an equal footing with local investors in almost all circumstances.

The GOP created ProInversion, in 2002, based on an existing, similar investment promotion agency. ProInversion has completed both privatizations and concessions of state-owned enterprises and natural resource-based industries. The agency regularly organizes international roadshow events, including in the United States, to attract investors and manages the GOP's public-private investment project portfolio. Major recent concession areas include ports, water treatment plants, power generation facilities, mining projects, electrical transmission lines, oil and gas distribution, and telecommunications. Project opportunities are available on ProInversion's Project Portfolio page at:

<http://www.proyectosapp.pe/modulos/JER/PlantillaProyectoEstadoSector.aspx?are=1&prf=2&jer=5892&sec=30>.

The GOP passed legislative decrees in July 2018 to attract and facilitate investment. These include measures to reform the public-private partnership (PPP) process. The reforms establish the Economy and Finance Ministry (MEF) as the PPP policymaking authority in the country and allows government entities to contract out PMO services throughout all stages of the PPP process, including through the GOP promotion investment agency Proinversion. The regulations also established that Proinversion's board of directors will be composed of GOP Ministers, reversing an earlier decree that allowed for two private sector representatives on the board. The GOP established an investment research portal within the *invierte.pe* public investment online database (<https://www.mef.gob.pe/es/aplicativos-invierte-pe?id=5455>). While ProInversion does not maintain an ongoing dialogue with investors, it has authority to oversee PPP investments throughout their lifecycles. The GOP published a National Infrastructure Plan in July 2019, with infrastructure projects keyed to critical sectors outlined in a National Competitiveness Plan that will be published by the end of 2019.

To spur project financing, the GOP loosened banking regulations to enable an entity to operate more than one tier-one financial institution in the country. A new Tourism Entrepreneurship Fund created in 2017 provides grants to finance or co-finance business ventures that incorporate conservation, sustainable use, and economic development in the tourism industry. The GOP later developed a four-year Tourism Entrepreneurship Program to channel the USD 3 million fund to tourism ventures (turismoemprende.pe). The program aims to fund 24 new tourism ventures worth USD 450,000 in 2018.

Although all Peruvian administrations since the 1990s have vowed to support private investment and abide by Peruvian laws, the GOP occasionally passes measures that some observers regard as a contravention of Peru's open investment laws. Furthermore, the GOP in December 2011 signed into law a 10-year moratorium on the entry into Peru of live genetically modified organisms (GMOs) to be used for cultivation. Peru also implemented two sets of rules for importing pesticides, one for commercial importers, which requires importers to file a full dossier with technical information, and another for end-user farmers, which only requires a written affidavit.

Limits on Foreign Control and Right to Private Ownership and Establishment

The Constitution (Article 6 under Supreme Decree No. 162-92-EF) authorizes foreign investors to carry out any economic activity provided investors comply with all constitutional precepts, laws, and treaties. Exceptions exist, including exclusion of foreign investment activities in natural protected reserves and manufacturing of military weapons, pursuant to Article 6 of Legislative Decree No. 757. While long-term concessions are granted, the law states Peruvians must maintain majority ownership in certain strategic sectors: media, air, land and maritime transportation infrastructure, and private security surveillance services.

Prior approval is required in the banking and defense-related sectors. Foreigners are legally prohibited from owning a majority interest in radio and television stations in Peru; nevertheless, foreigners have in practice owned controlling interests in such companies. Under the Constitution, foreign interests cannot "acquire or possess under any title, mines, lands, forests, waters, or fuel or energy sources" within 50 kilometers of Peru's international borders. However, foreigners can obtain concessions and rights within the restricted areas with the authorization of a supreme resolution approved by the Cabinet and the Joint Command of the Armed Forces.

The GOP does not screen, review, or approve foreign direct investment outside of those sectors that require a governmental waiver.

Other Investment Policy Reviews

The World Trade Organization (WTO) published a Trade Policy Review on Peru in 2013. The WTO commented that foreign investors receive the same legal treatment as local investors in general, although foreign investment on maritime services, air transport, and broadcasting is restricted. The report also noted that the Peruvian government promotes public-private partnerships to build infrastructure and spur economic growth, with tax exemptions and low-cost financing available for domestic and foreign investors alike.

Report available at: https://www.wto.org/english/tratop_e/tpr_e/tp389_e.htm

Peru aspires to become a member of the Organization for Economic Cooperation and Development (OECD). Peru launched an OECD Country Program on December 8, 2014, comprising policy reviews and capacity building projects, and allowing it to participate in substantive work of OECD's specialized committees. An 18-month OECD review identified economic, social, and political obstacles that could hamper Peru's OECD membership aspirations. The government noted that the study would act as a "roadmap" for Peru's goal to achieve membership by 2021. The OECD published the Initial Assessment of its Multi-Dimensional Review of Peru in October 2015, finding that in spite of economic growth, Peru "still faces structural challenges to escape the middle-income trap and consolidate its emerging middle class." In every year since this study was

published, Peru has enacted and implemented dozens of governance reforms to modernize its governance practices in line with OECD recommendations.

Report: www.oecd.org/countries/peru/multi-dimensional-review-of-peru-9789264243279-en.htm

Peru has not had any third-party investment policy review (IPR) through the OECD, WTO, or UNCTAD in the past three years.

Business Facilitation

The GOP does not have a regulatory system to facilitate business operations but the Competition and Consumer Protection Agency (INDECOPI) regulates the enactment of new regulations by government entities that can place burdens on business operations. INDECOPI's authority allowing it to block any new business regulations can limit restrictions of businesses. In addition, the GOP passed in 2016 a "sunset law" that requires a review of existing regulations by government agencies.

Peru allows foreign business ownership, provided that a company has at least two shareholders and that its legal representative is a Peruvian resident. The process takes an average of 43 days and involves 11 procedures. An entrepreneur must reserve the company name through the national registry, SUNARP (www.sunarp.gob.pe), and prepare a deed of incorporation through Portal de Servicios al Ciudadano y a las Empresas (<http://www.serviciosalciudadano.gob.pe/>). The deed is then signed and filed with a Public Notary, with notary fees of up to 1 percent of a company's capital, before submission to the Public Registry. The company's legal representative must obtain a Certificate of Registration and tax identification number from the National Tax Authority. Finally, the company must obtain a license from the municipality of the jurisdiction in which it is located.

All foreign investments must be registered with ProInversion. The agency helps potential investors navigate investment regulations and provides sector-specific information on the investment process.

Outward Investment

The GOP promotes outward investment by Peruvian entities through the Ministry of Foreign Trade and Tourism (MINCETUR). Trade Commission Offices of Peru (OCEX's), under the supervision of Peru's export promotion agency (PromPeru) are located in numerous countries, including the United States, and promote the export of Peruvian goods and services and inward foreign investment. The GOP does not restrict domestic investors from investing abroad.

Bilateral Investment Agreements and Taxation Treaties

The United States-Peru Trade Promotion Agreement (PTPA) eliminated the need for a bilateral investment agreement between the United States and Peru. Peru also has free trade agreements with Canada, Chile, China, Venezuela, Costa Rica, the European Union, the European Free Trade Association (Iceland, Liechtenstein, Norway, and Switzerland), Honduras, Japan, Mexico, Panama, Singapore, South Korea, and Thailand. It has Framework Agreements with MERCOSUR countries (Argentina, Brazil, Paraguay, Uruguay, and Venezuela). It has a partial preferential agreement with Cuba. More agreements have been signed and await full implementation, including with Guatemala, the Pacific Alliance (Mexico, Colombia, and Chile), Brazil, Australia, and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership CPTPP (Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Singapore and Vietnam). Peru has also ratified the WTO Agreement on Trade Facilitation, which entered into force in February 2017.

Peru has bilateral investment agreements in force with Argentina, Australia, Belgium-Luxembourg, Bolivia, Canada, Chile, China, Colombia, Cuba, Czech Republic, Denmark, Ecuador, El Salvador, Finland, France, Germany, Italy, Japan, Korea, Malaysia, Netherlands, Norway, Paraguay, Portugal, Romania, Singapore, Spain,

Sweden, Switzerland, Thailand, United Kingdom, and Venezuela. In total, Peru is a party to 32 bilateral investment agreements.

Peru does not have a bilateral taxation treaty with the United States. Peru has signed tax treaties with the Andean Community (Bolivia, Colombia, Ecuador), Chile, Brazil, Canada, Mexico, Switzerland, South Korea, Portugal, and is negotiating one with Spain. After taking office in July 2016, former President Pedro Pablo Kuczynski initiated a series of reforms, among them alterations to the tax regime. Beginning on January 1, 2017, real estate income tax for foreigners decreased from 30 percent to 5 percent and taxes on dividends and other forms of distribution decreased from 6.8 percent to 5 percent. Corporate income taxes increased from 28 percent to 29.5 percent.

Legal Regime

Transparency of the Regulatory System

Laws and regulations most relevant to foreign investors are enacted and implemented at the national level. Most ministries and agencies make draft regulations available for public comment. El Peruano, the state's official gazette, publishes regulations at the national, regional, and municipal level. Ministries generally maintain current regulations on their websites. Rule-making and regulatory authority also exists through executive agencies specific to different sectors. The Supervisory Agency for Forest Resources and Wildlife (OSINFOR), the Supervisory Agency for Energy and Mining (OSINERGMIN), and the Supervisory Agency for Telecommunications (OSIPTEL) can enact new regulations that affect investments in the economic sectors they manage. These agencies also have the remit to enforce regulations with penalties varying by sector, with information on enforcement published. Enforcement actions can be appealed through administrative processes. Regulation is reviewed on the basis of scientific and data-driven assessments, but public comments are not always received or made public.

Accounting, legal, and regulatory standards are consistent with international norms. Peru's Accounting Standards Council endorses the use of IFRS standards by private entities.

International Regulatory Considerations

Peru is a member of regional economic blocs. The Andean Community issues supranational regulations - based on consensus of its members - which supersede domestic provisions. Under the Pacific Alliance, Peru looks to harmonize regulations and reduce barriers to trade with other members: Chile, Colombia, and Mexico.

Legal System and Judicial Independence

Peru has an independent judiciary. The executive branch does not interfere with the judiciary as a matter of policy. Peru is in the process of transitioning to an accusatory legal system. The new system is already in place in the regions outside Lima. Regulations and enforcement actions are appealable through administrative process and the court system.

Laws and Regulations on Foreign Direct Investment

Peru's legal system is available to investors. All laws relevant to foreign investment along with pertinent explanations and forms can be found on the ProInversion website at:

<http://www.ProInversion.gob.pe/modulos/LAN/landing.aspx?are=1&pfl=1&lan=9&tit=institucional>

Competition and Anti-Trust Laws

The Institute for the Protection of Intellectual Property, Consumer Protection, and Competition (INDECOPI) is the GOP agency responsible for reviewing competition-related concerns of a domestic nature. In 2016, INDECOPI levied sanctions against a U.S. company and its Chilean counterpart for fixing the price of toilet paper

in Peru. The Peruvian Congress is evaluating a bill that would require prior approval by INDECOPI for mergers and acquisitions with the goal of eliminating anticompetitive practices.

Expropriation and Compensation

Congress passed a law streamlining expropriation procedures in August 2015. The GOP announced in January 2017 that it would create a body within ProInversion to focus on acquiring land for infrastructure projects. This body was never formed and it is the awardee who has to do this work. The Peruvian Constitution states that the GOP can only expropriate private property on the basis of public interest, such as public works projects or for national security. In order to expropriate, Congress is required to pass a legislative decree. The Government of Peru has expressed its intention to comply with international standards concerning expropriations. Peruvian law bases compensation for expropriation on fair market value. Concessionaires have complained that the government has been slow in implementing expropriations, causing delays to their investment commitments.

Illegal expropriation of foreign investment has been alleged in the extractive industry. A U.S. company alleged indirect expropriation due to changes in regulatory standards. Landowners have also alleged indirect expropriation due to government inaction and corruption in 'land-grab' cases that have at times been linked to local government endorsed projects.

Dispute Settlement

ICSID Convention and New York Convention

Peru is a party to the 1958 Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention) and to the International Center for the Settlement of Investment Disputes (ICSID convention). Disputes between foreign investors and the GOP regarding pre-existing contracts must still enter national courts, unless otherwise permitted, such as through provisions found in the PTPA. In addition, investors who enter into a juridical stability agreement may submit disputes with the government to national or international arbitration if stipulated in the agreement. Several private organizations - including the American Chamber of Commerce, the Lima Chamber of Commerce, and Universidad Catolica - operate private arbitration centers. The quality of such centers varies and investors should choose arbitration venues carefully.

The PTPA includes a chapter on dispute settlement, which applies to implementation of the Agreement's core obligations, including labor and environment provisions. Dispute panel procedures set high standards of openness and transparency through the following measures: open public hearings, public release of legal submissions by parties, admission of special labor or environment expertise for disputes in these areas, and opportunities for interested third parties to submit views. The Agreement emphasizes compliance through consultation and trade-enhancing remedies. The Agreement also encourages arbitration and other alternative dispute resolution measures for disputes between private parties.

Investor-State Dispute Settlement

The PTPA provides investor-state claim mechanisms. It does not require that an investor exhaust local judicial or administrative remedies before a claim may be filed. The investor may submit a claim under various arbitral mechanisms, including the Convention on the Settlement of Investment Disputes (ICSID Convention) and ICSID Rules of Procedure, the ICSID Additional Facility Rules, the United Nations Commission on International Trade Law (UNCITRAL) Arbitration Rules, or, if the disputants agree, any other arbitration institution or rules. Peru has paid previous arbitral awards; however, a U.S. court found in one case that Peru altered its tax code prior to payment, thus reducing interest payments.

In 2011, a claimant filed an arbitral challenge against Peru stemming from the alleged failure by the state to undertake agreed-upon environmental remediation at a mining facility. The arbitration was dismissed in 2016 on grounds of jurisdiction.

In February 2016, a U.S. investor filed a Notice of Intent to pursue international arbitration against the GOP for violation of the U.S.-Peru Trade Promotion Agreement. The investor, which refiled its claim in August 2016, holds agrarian land reform bonds it argues the GOP has undervalued.

There is no recent history of extrajudicial action against foreign investors.

International Commercial Arbitration and Foreign Courts

The 1993 Constitution allows disputes among foreign investors and the government or state-controlled enterprises to be submitted to international arbitration. The Supreme Court ruled in 2005 that all arbitration awards are final and are not subject to appeal.

Bankruptcy Regulations

Peru has a creditor rights hierarchy similar to that established under U.S. bankruptcy law, and monetary judgments are usually made in the currency stipulated in the contract. However, administrative bankruptcy procedures under INDECOPI (the Antitrust, Unfair Competition, Intellectual Property Protection, Consumer Protection, Dumping, Standards and Elimination of Bureaucratic Barriers Agency) have proven to be slow and subject to judicial intervention. Compounding this difficulty are occasional laws passed to protect specific debtors from action by creditors that would force them into bankruptcy or liquidation. In August 2016, the GOP extended the period for bankruptcy from one to two years. Peru does not criminalize bankruptcy. World Bank's 2018 Doing Business Report ranked Peru 88th of 190 countries for ease of "resolving insolvency."

Industrial Policies

Investment Incentives

Peru offers both foreign and national investors legal and tax stability agreements to stimulate private investment. These agreements guarantee that the statutes on income taxes, remittances, export promotion regimes (such as drawbacks, or refunds of duties), administrative procedures, and labor hiring regimes in effect at the time of the investment contract will remain unchanged for that investment for 10 years. To qualify, an investment must exceed USD 10 million in the mining and hydrocarbons sectors or USD 5 million within two years in other sectors. An agreement to acquire more than 50 percent of a company's shares in the privatization process may also qualify an investor for a legal or tax stability agreement, provided that the added investment will expand the installed capacity of the company or enhance its technological development.

Foreign Trade Zones/Free Ports/Trade Facilitation

Peruvian law currently covers two types of trade zones: export, transformation, industry, trade and services zones (CETICOS), and a free trade zone (ZOFRATACNA) in Tacna. The rules and tax benefits applying to these zones are the same for foreign and national investors. These zones have failed to attract sizeable investment and their economic importance is negligible.

CETICOS exist at Ilo, Matarani, and Paita. A CETICOS is authorized in Loreto department but is not operational. There is concern that the GOP does not have the proper WTO waivers to validate the CETICOS export requirement. The U.S. automotive industry has expressed a specific concern that U.S. brands are unable to compete with used Japanese vehicles that enter the Peruvian market duty-free through the CETICOS. The Ministry of Transportation and Communications banned the importation of right-hand drive vehicles in 2013, citing environmental, and safety concerns. Imports of used cars more than five years old and used buses and trucks more than two years old are prohibited.

Performance and Data Localization Requirements

The PTPA has greatly reduced burdensome investor requirements in Peru. Under the PTPA, Peru made concessions beyond its commitments to the WTO, eliminating investment barriers such as the requirement for U.S. firms to hire nationals rather than U.S. professionals, and measures requiring the purchase of local goods. The GOP does not maintain any measures that are inconsistent with Trade-Related Investment Measure (TRIM) requirements, according to a WTO Committee on Trade-Related Investment Measure notification dated August 19, 2010.

Current law limits foreign employees to 20 percent of the total number of employees in a local company (whether owned by foreign or national interests). The combined salaries of foreign employees are limited to no more than 30 percent of the total company payroll. However, DL 689 from November 1991 provides a variety of exceptions to these limits. For example, a foreigner is not counted against a company's total if he or she holds an immigrant visa, has a certain amount invested in the company (approximately USD 4,000), or is a national of a country that has a reciprocal labor or dual nationality agreement with Peru. The United States and Peru tolerate dual nationality, but do not have a formal agreement. Furthermore, the law exempts foreign banks, and international transportation companies from these hiring limits, as well as all firms located in free trade zones. Companies may apply for exemptions from the limitations for managerial or technical personnel. Sector-specific regulating bodies enforce performance requirements.

Although there are no discriminatory or onerous visa requirements, residence, or work permit requirements that inhibit foreign investors' mobility, the application and approval process can be cumbersome and lengthy.

There are no performance requirements that apply exclusively to foreign investors. Peruvian civil law applies to legal stability agreements, which means the GOP cannot unilaterally alter agreements. Notwithstanding these protections, investors should be aware that government officials have delivered negative remarks to the press regarding companies exercising their contractual rights and obligations.

Peru does not follow a policy in which foreign investors must use domestic content in goods or technology.

Data Storage

A data controller who processes personal data must notify the National Authority for Personal Data Protection (ANPDP for its Spanish acronym), which keeps a public register of data processors and the type of data they collect. Personal data is defined by the Law as any information on an individual which identifies or makes him/her identifiable through means that may be reasonably used. Sensitive personal data means any of the following: biometric data, data on racial and ethnic origin; political, religious, philosophical or moral opinions or convictions, personal habits, union membership, and information related to health or sexual preference. Unless otherwise exempted by statute, data controllers are generally required to obtain the consent of data subjects for the processing of their personal data. Consent must be prior, informed, expressed, and unequivocal. In the case of sensitive personal data, consent must also be given in writing, which may be done digitally. Even without the consent of the subject, sensitive data may be processed when authorized by law, provided it is in the public interest.

Data controllers may process personal data without consent:

- When the personal data are compiled or transferred for public entities in control of the personal data and in the performance of its duties;
- When personal data is accessible to the public or is intended to be accessible to the public;
- To comply with other laws related to financial solvency and credit;
- In the case of a law for the promotion of competition in regulated markets under certain circumstances;

- When necessary to perform a contract to which the data subject is a party;
- For personal data related to health, under certain circumstances;
- When processing is carried out by non-profit organizations with political, religious or union purposes, under certain circumstances; or
- In an anonymization or disassociation procedure.

A data controller may transfer personal data to places outside of Peru only if the recipients have adequate protection measures. The ANPDP supervises compliance with this requirement. That provision does not apply in the following cases.

- When the data subject has given his/her prior, informed, express and unequivocal consent;
- Agreements under international treaties to which Peru is a party;
- International judicial cooperation;
- International cooperation between intelligence agencies for the fight against terrorism, illegal drug trafficking, money laundering, corruption, human trafficking and other forms of organized crime;
- When necessary to implement a contract to which the data subject is a party;
- To comply with laws concerning the transfer of bank or stock exchanges; or
- When the transfer is for the prevention, diagnosis or medical or surgical treatment of the data subject; or when necessary to carry out epidemiological or similar studies (provided that adequate disassociation procedures are applied).

Data controllers must adopt technical, organizational, and legal measures to guarantee the security of personal data and avoid their alteration, loss, unauthorized processing or access. Peru's law does not require any notifications to any data subject or any other entity upon a breach. Peru does not mandate special regulations be enacted for the processing of personal data of minors. The ANPDP is responsible for enforcement and can issue the following administrative sanctions/fines based upon whether the violation is mild, serious or very serious. The law provides a "principle for availability of recourse for the data subject" stating that any data subject must have the administrative and/or jurisdictional channel necessary to claim and enforce his/her rights when they are violated by the processing of his/her personal data. There are no requirements for foreign IT providers to turn over source code and/or provide access to encryption.

Peru adopted the Personal Data Protection Law (N° 29733) in July 2011 and went into effect on March 22, 2013. The Law is available here in English:

<https://www.huntonprivacyblog.com/2011/08/16/english-translation-of-perus-law-for-personal-data-protection-released/>

The implementing regulations are available in Spanish here:

<http://spij.minjus.gob.pe/normas/textos/220313T.pdf> (page 28)

Protection of Property Rights

Real Property

World Bank's 2018 Doing Business Report ranked Peru 45th of 190 for ease of "registering property." Property rights and interests are enforced in the country. Mortgages and liens exist, and the recording system is reliable, and is performed by SUNARP, the National Superintendency of Public Records. Foreigners and/or non-resident investors cannot own land within 50 km of a border.

Intellectual Property Rights

Peru is listed on the Watch List under the U.S. Trade Representative's (USTR) 2019 Special 301 Report.

Peru's legal framework provides for easy registration of trademarks and inventors have been able to patent their inventions since 1994. Peru's 1996 Industrial Property Rights Law provides an effective term of protection for patents and prohibits devices that decode encrypted satellite signals, along with other improvements. Peruvian law does not provide pipeline protection for patents or protection from parallel imports. Peru's Copyright Law is generally consistent with the WTO Agreement on Trade-Related Aspects of Intellectual Property (TRIPS).

The National Institute of the Defense of Free Competition and the Protection of Intellectual Property (INDECOPI) continues to be the most engaged GOP agency and is a reliable partner for the USG, the private sector, and civil society, having made good faith efforts to decrease the trademark and patent registration backlog and filing time. The average filing time is two months for trademarks and is 43 months for patents.

Peruvian law provides the same protections for U.S. companies as Peruvian companies in all intellectual property rights (IPR) categories under the U.S.-Peru Trade Promotion Agreement (PTPA) and other international commitments such as the World Intellectual Property Organization (WIPO) and the TRIPS Agreement. Peru joined the Global Patent Prosecution Highway Agreement (GPPH) with Japan effective in 2019. Peru is reinforcing its Patent Support System with the adoption of the WIPO - Technology and Innovation Support Center (TISC) Program.

INDECOPI, established in 1992, is the GOP agency charged with promoting and defending intellectual property rights. However, IPR enforcement also involves other GOP agencies and offices: the Public Ministry (Fiscalia), the Peruvian National Police (PNP), the Tax and Customs Authority (SUNAT), the Ministry of Production (PRODUCE), the Judiciary, and the Ministry of Health's (MINSA) Directorate General for Medicines (DIGEMID).

Peru took a number of positive steps relating to IPR protection and enforcement over the last three years. Peru successfully seized and shuttered several Spanish-language websites known to host large volumes of pirated content, and has blocked infringing sites on the major ISPs. Peru has significantly improved inter-agency coordination and has specialized IP prosecutors in Lima Norte, Callao, Tumbes, Puno, and Ventanilla, although there are still many areas of the country where this expertise is unavailable.

The GOP continues to improve its enforcement of IPR. The Commission for Fighting Customs Crimes and Piracy (CLCDAP) is made up of the Ministry of Production, Public Ministry, the Judiciary, the National Police, the Ministry of the Interior, SUNAT, the Ministry of Transport and Communications (MTC), the telecommunications agency (OSPITEL), The IP Agency (INDECOPI), and the private sector. The CLCDAP was designed to provide solutions to IPR issues through operational actions, institutional strengthening, improvement of the legal framework, and public awareness activities. The CLCDAP has set up a number of working groups, including on software piracy, editorial piracy, online and pay TV piracy, and audiovisual piracy. Importantly, the participation of the private sector in these working groups has led to increased private sector coordination with numerous agencies.

Indecopi's 2018 Section 301 comments filed show an increase in precautionary measure seizures ordered by the Copyright, Trademarks and Patent Directorates from 371 in 2017 to 467 in 2018. The number of infringement cases increased from 694 in 2017 to 903 in 2019. Indecopi held 739 raids during 2018, almost double the 416 raids in 2017.

However, there are specific concerns that must be addressed. This includes Peru's limited progress in developing ISP limited liability regulations and a system of pre-established damages, and issues such as enforcement against camcording. Another area of concern relates to the standards of patent eligibility for

inventions involving new methods of using a previously approved pharmaceutical product. In addition, stakeholders are concerned that penalties are not sufficient to be deterrent.

There is insufficient political commitment to intellectual property rights protection and widespread counterfeiting and piracy exist with insufficient judicial, prosecutorial, and law enforcement processes in Peru.

The World Economic Forum's 2018 Global Competitiveness Index ranked Peru as 63rd out of 140 economies. Peru's competitiveness is improving (it was ranked 69th in 2016 and 72nd last year), it is still behind fellow South American countries Colombia (60), Chile (33), and Mexico (46).

<http://www3.weforum.org/docs/GCR2018/05FullReport/TheGlobalCompetitivenessReport2018.pdf>

For additional information about national laws and points of contact at local IP offices, please see WIPO's country profiles at https://www.wipo.int/directory/en/details.jsp?country_code=PE.

Financial Sector

Capital Markets and Portfolio Investment

The GOP allows foreign portfolio investment. Neither the GOP nor its Central Bank place restrictions on international transactions.

The country has its own stock market, the Lima Stock Exchange (Bolsa de Valores de Lima or BVL). The BVL is a member of the Integrated Latin American Market (MILA), which includes the stock markets from Pacific Alliance countries (Peru, Chile, Colombia, and Mexico) and seeks to integrate their stock exchanges to develop their capital markets. In December 2017, the GOP implemented a capital markets promotion law that enables mutual funds registered in Pacific Alliance countries to trade in the Lima Stock Exchange starting in July 2018. In July 2018 the Securities Market Superintendence (SMV) published implementing regulations to enable the trade of funds in Pacific Alliance countries.

The Securities Market Superintendence is the GOP entity charged with regulating the securities and commodities markets. Following the IMF's recommendations, the GOP passed a law reforming the SMV's predecessor, CONASEV (the National Commission for the Supervision of Companies, Securities, and Exchanges). SMV's mandate includes controlling securities market participants, maintaining a transparent and orderly market, setting accounting standards, and publishing financial information about listed companies. SMV requires stock issuers to report events that may affect the stock, the company, or any public offerings. This requirement promotes market transparency, and aims to prevent fraud. Trading on insider information is a crime, with some reported prosecutions in past years. SMV must vet all firms listed on the Lima Stock Exchange or the Public Registry of Securities. SMV also maintains the Public Registry of Securities and Stock Brokers. SMV is studying ways to improve the regulatory system to encourage and facilitate portfolio investment.

Morgan Stanley Capital International (MSCI) maintained the Emerging Market status of the Lima Stock Exchange (BVL), which was under review for reclassification to Frontier status in 2017.

The private sector has access to a variety of credit instruments. Mutual funds managed USD 7.8 billion in December 2016. Private pension funds managed a total of USD 45 billion in December 2018.

Money and Banking System

Economic opening since the 1990s, coupled with competition, has led to banking sector consolidation. Sixteen commercial banks comprise the system, with assets accounting for 89.4 percent of Peru's financial system. In 2018, three banks accounted for 71 percent of local loans and 69 percent of deposits among commercial banks. Of USD 128 billion in total banking assets at the end of December 2018, assets of the three largest commercial banks amounted to USD 79.99 billion.

The banking system is considered generally sound, thanks to lessons learned during the 1997-1998 Asian financial crisis, and continues to revamp operations, increase capitalization, and reduce costs. Non-performing bank loans rose to 2.95 percent of gross loans as of December 2018, down from a high of 11 percent in early 2001. Able bank supervision and strong GDP growth over the last decade also helped banks weather the 2008-2009 global financial crises with little trouble.

The Central Reserve Bank of Peru (BCRP) serves as the country's central bank. The BCRP is an independent institution, free to manage monetary policy to maintain financial stability. The BCRP's primary goal is to maintain price stability, via inflation targeting. Inflation at year-end in Peru reached 6.7 percent in 2008, 0.2 percent in 2009, 2.1 percent in 2010, 4.7 percent in 2011, 2.6 percent in 2012, 2.9 percent in 2013, 3.2 percent in 2014, 4.4 percent in 2015, 3.2 percent in 2016, 1.4 percent in 2017, and 2.2 percent in 2018. Peru's target inflation range is 1-3 percent. In September 2019, the BCRP reported that Peru's international reserves totaled USD 68.8 billion, a historical record.

Under the PTPA, U.S. financial service suppliers have full rights to establish subsidiaries or branches for banks and insurance companies.

Peruvian law and regulations do not authorize or encourage private firms to adopt articles of incorporation or association to limit or restrict foreign participation. There are no private or public sector efforts to restrict foreign participation in industry standards-setting organizations. However, larger private firms often use "cross-shareholding" and "stable shareholder" arrangements to restrict investment by outsiders -- not necessarily foreigners -- in their firms. As close families or associates generally control ownership of Peruvian corporations, hostile takeovers are practically non-existent. In the past few years, several companies from the region, China, North America, and Europe have begun actively buying local companies in power transmission, retail trade, fishmeal production, and other industries. While foreign banks are allowed to freely establish banks in the country, they are subject to the supervision of Peru's Superintendent of Banks and Securities (SBS).

The country has not explored or made announcements on its intention to implement or allow the implementation of blockchain technologies in banking transactions.

Peru's financial system has 11 specialized institutions ("financieras"), 27 thriving micro-lenders and savings banks (although several large banks also lend to small enterprises), one leasing institution, two state-owned banks, and one state-owned development bank. In 2018, the Economist Intelligence Unit again ranked Peru number two worldwide, after Colombia, on microfinance business environment because of its sophisticated legal and regulatory framework and competitive microfinance sector. The GOP established regulations to supervise savings and loan associations in January 2019. These institutions had until the end of March to register with the SBS which will supervise savings and loan associations nationwide; 413 saving and loan cooperatives are registered with the SBS for supervision.

Foreign Exchange Policies

There are no reported difficulties in obtaining foreign exchange. Under Article 64 of the 1993 Constitution, the GOP guarantees the freedom to hold and dispose of foreign currency. The GOP has eliminated all restrictions on remittances of profits, dividends, royalties, and capital, although foreign investors are advised to register their investments with ProInversion to ensure these guarantees. Exporters and importers are not required to channel foreign exchange transactions through the Central Reserve Bank of Peru (BCRP) and can conduct transactions freely on the open market. Anyone may open and maintain foreign currency accounts in Peruvian commercial banks. U.S. firms have reported no problems or delays in transferring funds or remitting capital, earnings, loan repayments or lease payments since Peru's economic reforms of the early 1990s. Under the PTPA, portfolio managers in the United States are able to provide portfolio management services to both mutual funds and pension funds in Peru, including funds that manage Peru's privatized social security accounts.

The 1993 Constitution guarantees free convertibility of currency. However, limited capital controls still exist as private pension fund managers (AFPs) are constrained by how much of their portfolio can be invested in foreign securities. The maximum limit is set by law (currently 50 percent since July 2011), but the BCRP sets the operating limit AFPs can invest abroad. Over the years, the BCRP has gradually increased the operating limit. Peru reached the 50 percent limit in September 2018.

A combination of GOP policies and market forces has led to gradual de-dollarization of the economy. U.S. dollars account for a decreasing share of banking system transactions, according to the Bank Supervisory Authority (SBS). In 2001, U.S. dollars accounted for 82 percent of loans and 73 percent of deposits. The amount of credit issued in USD increased 1.5 percent and deposits in 0.4 percent in 2018 compared to the previous year. In December 2018, dollar-denominated loans reached 28 percent, and deposits 37 percent. Funds associated with any form of investment can be freely converted into any world currency.

The foreign exchange market operates freely, for the most part. To quell “extreme variations” of the exchange rate, the BCRP intervenes through purchases and sales in the open market without imposing controls on exchange rates or transactions. Since 2014, the BCRP has pursued de-dollarization to reduce dollar denominated loans in the market and purchased U.S. dollars to mitigate the risk that spillover from expansionary U.S. monetary policy might result in over-valuation of the Peruvian Sol relative to the U.S. dollar. As the U.S. economic recovery begins to tighten credit conditions and stronger terms of trade support a more stable currency, this policy may shift. Because of the free convertibility of currency, the U.S. Embassy purchases Peruvian currency for expenses on an as-needed basis at the market exchange rate. The USD averaged PEN 3.29/USD in 2017.

Remittance Policies

There have not been any new developments related to investment remittance policies. Peruvian law grants foreign investors the following rights: freedom to buy shares from national investors; free remittance of earnings and dividends; free capital repatriation; unrestricted access to local credits; freedom to hire technology and to pay back royalties; freedom to hire investment insurance abroad; possibility to sign juridical stability agreements for their investments in Peru with the Peruvian state.

Article 7 of the Legislative Decree N° 662 provides that foreign investors may send, in freely convertible currencies, remittances of the entirety of their capital derived from investments, including the sale of shares, stocks or rights, capital reduction or partial or total liquidation of companies, the entirety of their dividends or proven net profit derived from their investments, and any considerations for the use or enjoyment of assets that are physically located in Peru, as registered with the competent national entity, without a prior authorization from any national government department or decentralized public entities, or regional or municipal Governments, after having paid all the applicable taxes.

Sovereign Wealth Funds

Peru’s Ministry of Economy and Finance (MEF) manages the Fiscal Stabilization Fund. The fund had a balance of USD 5.8 billion at the end of 2018 and consists of treasury surplus, concessional fees, and privatization proceeds, with a cap of 4 percent of GDP. The MEF released investment guidelines for the Fiscal Stabilization Fund in December 2015. The guidelines permit investment in demand deposits, variable and fixed interest rate time deposits, and seven currencies including the USD. The Fund is not a party to the IMF International Working Group or a signatory to the Santiago Principles. The fund serves as a buffer for the GOP’s fiscal accounts in the event of adverse economic conditions.

State-Owned Enterprises

Several electricity, water and sewage, bank, and oil companies remain state-owned and state-operated. The GOP wholly owns 35 SOE's, 34 of which are under the parastatal conglomerate FONAFE. The list of SOE's under FONAFE can be found here: <https://www.fonafe.gob.pe/empresasdelacorporacion>.

The most notable area of SOE activity pertains to the petroleum sector, where the state-owned petroleum company PetroPeru is an oil refiner and operator of an oil pipeline. Over the last two decades, PetroPeru has experienced significant attrition in managerial and technical expertise. This, coupled with limited financial resources, cast into doubt the company's ability to implement its long-held plans to expand and upgrade its aging Talara refinery – which continues to produce dirty gasoline and diesel fuel, a situation the government permits by not enforcing regulatory standards. Limited resources and expertise also downplay expectations following repeated announcements from its leadership regarding entrance to upstream, and participation in a proposed gas pipeline and petrochemical complex in southern Peru. In November 2015, Peru's Congress overrode a Presidential veto, adopting a law that allowed Peru's oil and gas promotion agency, PeruPetro, to sign a contract directly with PetroPeru to operate Lot 192, Peru's largest oil concession, following a failed bidding process for the claim. Critics note the prescriptive nature of the legislation conflicts with Peru's competition and concession laws, and that PetroPeru lacks the financial and technical resources to serve as an operator.

Peru is not party to the Government Procurement Agreement (GPA) within the framework of the WTO.

The GOP's role as an enterprise owner is specified through several publically available laws and regulations. Ownership practices are generally consistent with OECD guidelines, although not all guideline subsections are specifically addressed. Central entity FONAFE (<http://www.fonafe.gob.pe/>) exercises ownership of SOEs with the exception of those considered intangible under the Peruvian constitution (including public university services). FONAFE appoints an independent board of directors for each SOE using a transparent selection process. There is no notable third party analysis on SOEs' ties to the government.

Privatization Program

The GOP initiated an extensive, but not yet complete, privatization program in 1991, in which foreign investors were encouraged to participate. Since 2000, the GOP has promoted multi-year concessions as a means of attracting investment in major projects. In 2000, the government granted a 30-year concession to a private group (Lima Airport Partners - LAP) to operate the Lima airport. In 2006, the government granted a 30-year concession to Dubai Ports World to build and operate a new container terminal in the Port of Callao. The terminal's first phase became operational in May 2010. In 2006, the Swiss-Spanish-Peruvian consortium Swissport received a 25-year concession to manage nine of Peru's northern airports. In 2011, the GOP awarded the Argentine-Peruvian consortium Aeropuertos Andinos a 25-year concession to manage six of Peru's southern airports. Also in 2011, the government granted a 30-year concession to a Danish-Peruvian consortium led by the Danish-based A.P. Moller-Maersk Group to operate and modernize the multipurpose northern terminal at the Port of Callao. On June 2, 2015, the GOP awarded Spanish construction company Sacyr a 25-year concession to maintain 875 kilometers of the Andean Longitudinal Highway. The concession for Line Three of Lima's metro, expected to be awarded in late 2016, was delayed due to corruption allegations in the Line Two project. The GOP established a single transportation authority for the city of Lima and Callao in January 2019 that will take on overall planning and issue tenders for the remaining Lima metro lines 3 and 4. The Urban Transportation Authority (ATU) will become operational in 2019.

The concessions process is challenging for U.S. and other international companies interested in bidding on projects. ProInversion, the government agency responsible for drawing up and completing PPP concession projects, has come under considerable criticism over the years for its bidding process, deadlines, and

unrealistic timetables. Despite the criticism, ProInversion is actively working to improve management of the PPP process. The agency hired an international consulting firm to develop standard PPP contracting guidelines and has implemented internal reforms to streamline its processes and ensure better project management. ProInversion re-designed its website to provide project listings in both Spanish and English and is holding outreach events to increase competition.

The GOP increased its use of government-to-government (G2G) contracting for infrastructure projects, especially as it sought to expedite and facilitate procurement and priority projects following the Odebrecht scandal. The Organizing Committee of the Lima 2019 Pan American Games under the Ministry of Transportation and Communications (MTC) contracted with the United Kingdom government in 2017 to organize and deliver infrastructure for the Lima 2019 Pan American Games, and the MTC is pursuing a G2G contract for construction of the Chinchero Airport in Cusco. The G2G mechanism poses limitations for U.S. government involvement and could potentially limit the ability of U.S. firms to compete.

Project opportunities are available on ProInversion's Project Portfolio page at ProInversion Projects: <http://www.proyectosapp.pe/modulos/IER/PlantillaProyectoEstadoSector.aspx?are=1&prf=2&jer=5892&ec=30>.

Responsible Business Conduct

The GOP does not have a holistic action plan or national standards for responsible business conduct (RBC). Many multinational companies already adhere to high standards for RBC. Standards for conduct on environmental, social, and governance issues are implemented through sector-specific regulation. Supreme Decree No. 042-2003-EM promotes social responsibility in the mining sector, encouraging local employment opportunities, support to communities' projects, development activities, and purchase of local goods and services. The decree requires mining companies to publish an annual report on sustainable development activities. The Ministry of Energy and Mines has a guidebook for community relations, as well as public information on social measures related to the mining and energy sectors. In February 2011, INDECOPI adopted the Peruvian Technical Regulation of Social Responsibility ISO 26000 that serves as a voluntary guide to CSR activities.

Peru continues to implement its National Strategy to Combat Forced Labor, which emphasizes the state's role to protect and promote labor rights. The plan simultaneously prioritizes building capacity and empowering vulnerable groups to transform their environment and enforce their rights. The plan addresses both medium and long-term multi-sector plans to eliminate or reduce conditions that enable forced labor. Despite these efforts, the government did not effectively enforce labor laws in all cases. Child labor (particularly in informal sectors), forced labor, and employers engaging in antiunion practices remain significant problems. In some regions, lack of capacity hinders the government's ability to enforce regulations.

In February 2013, the superintendent of the Lima Stock Exchange published the Code on Good Corporate Governance for Peruvian Companies, developed in conjunction with thirteen public and private entities including the Ministry of Economy and Finance. The document outlines shareholder protections.

Several independent NGOs monitor and promote RBC, notably Peru 2021. These organizations are able to work freely.

ProInversion serves as the National Point of Contact (NCP) for the OECD Guidelines for Multinational Enterprises, to which Peru is an adherent. The NCP held a workshop to promote MNE guidelines in Arequipa in October 2017, attended by representatives from several companies, the regional government, and the Arequipa Chamber of Commerce. ProInversion has also hosted a number of activities in 2017 to promote the OECD guidelines such as an event with the Embassy of France and the French Chamber of Commerce in April

2017 and another one to attract investment that promotes responsible enterprise conduct with the Netherlands Embassy in September 2017.

On February 15, 2012, Peru was listed as a compliant country under the Extractive Industries Transparency Initiative (EITI), as the GOP and extractive industries openly publish all company payments and government revenues from oil, gas, and mining. Peru is one of two EITI-compliant countries in Latin America.

Corruption

It is illegal in Peru for a public official or employee to accept any type of outside remuneration for the performance of his or her official duties. The law extends to family members of officials and to political parties. Regulations published in March 2017 aim to limit conflicts of interest.

Peru has ratified both the UN Convention against Corruption and the Organization of American States Inter-American Convention against Corruption. Peru is not a member of the Organization of Economic Cooperation and Development (OECD), but it signed a Country Program agreement in December 2014 to provide an anchor for policy reforms aimed at meeting OECD standards and practices. It has signed the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. The Contraloria General is the responsible government agency for overseeing proper procedures in public administration. In January 2017, the GOP passed legislative decrees extending the scope of civil penalties for domestic acts of bribery, including by NGOs, corporate partners, board members, and parent companies if its subsidiaries acted under authorization. Penalties include an indefinite exclusion from government contracting and substantially increased fines. The Controlaria General also began implementing audits of reconstruction projects that run in parallel to the project, rather than after project implementation, in an effort to improve transparency.

U.S. firms have reported problems resulting from corruption, usually in government procurement processes and in the judicial sector, with defense and police procurement generally considered among the most problematic in spite of PTPA's stipulations and of Peru's Government Procurement Law (Legislative Decree No. 1017, DL 1017, one of several laws passed with the specific intention to implement PTPA). Transparency International lowered Peru's ranking to 105th out of 180 countries in its 2018 Corruption Perceptions Index from 96th in 2017.

Of the 25 regional governors elected in 2018 regional elections, at least five were under preliminary investigation or had been convicted of corruption-related charges. A study published in May of 2014 by the office of the anti-corruption solicitor reported that 92 percent of the over 1,800 district-level mayors in office between 2011 and 2014 had been investigated for criminal activity. A study published in August 2017 counted 395 investigations of corruption or trials against current or former governors, with 30 percent of the cases in the regions of Pasco, Tumbes, and Ucayali. It also identified 1,052 investigations of corruption or trials against 530 current or former mayors, with Lima leading the list with 109 cases (10.4 percent of the total). <https://plataformaanticorruccion.pe/wp-content/uploads/2017/07/INFORME-CORRUPCION-SOBRE-GOBERNADORES-Y-ALCALDES.pdf>

In December 2016, Brazilian company Odebrecht admitted in a settlement with the United States, Brazil, and Switzerland that it had paid USD 29 million in bribes in Peru between 2004 and 2015, though recent reports indicate that this figure may be over USD 60 million. In 2017, the Peruvian Government issued an emergency decree restricting the sale of Odebrecht assets to ensure payment of corruption-related reparations. In May 2018, the Peruvian Government formally filed a request with the United States to extradite former President Alejandro Toledo (2001-2006) who resides in the United States, for allegedly laundering over USD 20 million in Odebrecht bribes in exchange for facilitating Odebrecht's winning bid to build the Inter-Oceanic Highway. High-ranking officials from the last four Peruvian administrations have also been investigated in connection with the Odebrecht scandal.

Resources to Report Corruption

Susana Silva Hasenbank
Secretary of Public Integrity of the Prime Minister's Office and General Coordinator
High Commission to Fight Corruption (CAN)
Jr. Carabaya Cdra. 1 S/N - Lima,
(51) (1) 219-7000, ext. 7118
ssilva@pcm.gob.pe

General Comptroller's Office
Jr. Camilo Carrillo 114, Jesus Maria, Lima
(51) (1) 330-3000
contraloria@contraloria.gob.pe

Contact at "watchdog" organization (international, regional, local or nongovernmental organization operating in the country/economy that monitors corruption, such as Transparency International):

Samuel Rotta
Executive Director
ProEtica, the Peruvian chapter of Transparency International
Calle Manco Capac 816, Miraflores, Lima
(51) (1) 446-8581, 446-8941, 446-8943
srotta@proetica.org.pe

Political and Security Environment

Although political violence against investors is rare, protests, sometimes violent, have taken place in or near communities with extractive industry operations. Environmental and service delivery concerns were often the reason cited. Protestors often objected to the fact that environmental impact assessments were reviewed by the Ministry of Energy and Mines, rather than the Ministry of Environment. In January 2016, the Ministry of Environment's National Service for Environmental Assessments (SENACE) assumed responsibility for evaluating and approving environmental impact assessments and monitoring related to mining and hydrocarbons, eliminating the previous conflict of interest with the Ministry of Energy and Mines responsible for oversight. In many cases, protestors sought public services not provided by the government. Ideological opposition to foreign mining firms, not opposition to mining itself, often leads to protests incited by NGOs. Protests related to extractive activities stopped operations of Peru's northern oil pipeline for nearly two months in 2018 and effectively closed Peru's second largest copper mine, Las Bambas for a month in early 2019. According to the Ombudsman, there were 132 active social conflicts in Peru as of March 2019, of which 71 affected mining projects.

Politically motivated movements at times have opposed large extractive projects. In some cases, these movements have been successful in delaying large investments, as occurred in the USD 4.8 billion Conga mine project in Cajamarca in August 2012. In 2015, protestors in Arequipa delayed Mexican-owned Southern Copper's planned USD 1.4 billion Tia Maria copper mine. In other cases, protests have stopped such investments entirely.

The Secretariat of Dialogue and Social Management within the Vice-Ministry of Territorial Governance in the Prime Minister's office (created January 2017) are actively engaged in mitigating social conflict connected to the extractive industry in Peru. The offices are responsible for addressing conflict in a broader community development context, rather than only responding to social conflicts after they have already erupted. To this end, using the Social Progress Fund (created in January 2017 and implementing regulations published March

2018), the government plans to provide education, infrastructure, and health care services in areas where extractive industry projects are planned or under development. The goal is to increase government presence and reduce potential for conflict in areas that are historically underserved and often remote.

Peru issued the Prior Consultation Law in 2011, approving implementing regulations in 2012. The law requires the GOP to consult with indigenous communities before enacting any legislation, administrative measures, or development projects that could affect communities' rights of territorial demarcation. There have been several successful prior consultation processes related to the extractive industry, but the law remains controversial. Critics believe it creates burdensome processes and results in delays. The National Society of Mining, Electricity and Petroleum (SNMPE) and the government have become involved in assisting local governments to access the extractive industry "canon" (tax revenue-sharing scheme with funding for public works projects) as a way to both stimulate local development and prevent conflicts. Although these efforts have been effective in some mining regions, in others, conflicts have continued or expanded.

Violence remains a concern in coca-growing regions. The Shining Path narco-terrorist organization continued to conduct a limited number of attacks in its base of operations in the Valley of the Apurimac, Ene, and Mantaro Rivers (VRAEM) emergency zone, which includes parts of Ayacucho, Cusco, Huancavelica, Huanuco, and Junin regions. In November 2016, the Department of State designated Victor Quispe Palomino, Jorge Quispe Palomino, and Tarcela Loya Vilchez as Specially Designated Global Terrorists (SDGTs) under Executive Order (E.O.) 13224, which imposes sanctions on foreign persons and groups determined to have committed, or pose a significant risk of committing, acts of terrorism that threaten the security of U.S. nationals or the national security, foreign policy, or economy of the United States.

At present, there is little government presence in the remote coca-growing zones of the VRAEM, although President Vizcarra has pledged to "pacify" the VRAEM by Peru's bicentennial in 2021. The U.S. Embassy in Lima restricts visits by official personnel to these areas because of the threat of violence by narcotics traffickers and columns of the Shining Path. Information about insecure areas and recommended personal security practices can be found at <http://www.osac.gov> or <http://travel.state.gov>.

Labor Policies and Practices

Labor is abundant, although several large investment projects in recent years led to localized shortages of highly skilled workers in some fields. While the legal framework to uphold international labor standards is well defined, the government does not effectively enforce the law in all cases.

Mining sector contacts praise the technical knowledge and professional dedication of Peruvian engineering graduates. Since the 1960s, the number of jobs created by the Peruvian economy was consistently below the number of new entrants to the labor market. The situation meant underemployment or seeking work in the informal economy. According to the National Bureau for Statistics (INEI), 73.2 percent of the labor force is informal.

The statutory monthly minimum wage is PEN 930/month (approximately USD 281). INEI estimated the poverty line to be PEN 328/month (USD 99) per person, although it varied by region due to different living costs. The Ministry of Labor (MOL) enforces the minimum wage only in the formal sector. Many workers in the unregulated informal sector, most of them self-employed, make less than the minimum wage. Wages are sometimes higher than U.S. wages in the mining sector for management positions and consulting services. Workers in Peru are paid by the month, not by the year. Some workers, like formal miners, are highly paid and also (per statute) receive a share of company profits up to a maximum total annual amount of 18 times their base monthly salary. Peru's labor law provides for a 48-hour workweek and one day of rest, and requires companies to pay overtime for more than eight hours of work per day and additional compensation for work

at night. Noncompliance with the law is a punishable infraction. There is no prohibition on excessive compulsory overtime. Micro-enterprise workers are entitled to social security and pensions.

Unemployment was 5 percent in 2017. Urban unemployment is most prevalent among 14-24 year olds (13.7 percent unemployment in 2017). Additionally, 96 percent of unemployed people reside in urban areas. The ILO's Global Wage Report 2018/2019 stated that average real wages in Peru grew at over 0.8 percent in 2016 and decreased by 0.2 percent in 2017.

Foreign employees may not comprise more than 20 percent of the total number of employees of a local company (whether owned by foreign or Peruvian persons) or more than 30 percent of the total company payroll. However, under the PTPA, Peru has agreed not to apply most of its nationality-based hiring requirements to U.S. professionals and specialty personnel. Peru also has bilateral agreements with Spain and Argentina, for example, so that Spaniards and Argentines working in Peru do not count as foreigners and vice versa.

Employers are not obligated to pay severance if the reason for dismissing an employee is covered by law. If the dismissal is found to be arbitrary, severance pay is required. Unemployed workers are eligible for benefits through the Compensation for Time of Service program.

Peru does not have a specific unemployment insurance program. The country does, however, have the "Compensation for Time of Service" (CTS) requirement that mandates an employer pay one month's salary of an employee per year worked into the employee's CTS Account. When the employee stops working for the employer (willingly or not), she/he can access the CTS Account. The amount will vary according to how much the employee earned and how long she/he worked for the employer. In addition, a fired employee receives one month's salary per year worked, up to a maximum of twelve months.

Peru's Decree Law 22342 relaxed labor laws for the non-traditional exports (NTE) sector, which includes textiles and certain agricultural products. Law 27360, published in 2000, also gave such exceptions in the agricultural sector. The laws allow businesses in the NTE and agricultural sectors to employ workers indefinitely on consecutive short-term contracts, in contrast to the 5-year limit on consecutive short-term contracts in place for other sectors. Peru used the exceptions to boost these industries. On March 18, 2016, the U.S. Department of Labor identified serious concerns that the provisions may violate the U.S.-Peru Trade Promotion Agreement by infringing on workers' freedom of association. As of April 2018, two proposed bills seek to end the exceptions, which would stop the indefinite use of short-term contracts and provide a path for contract workers to become full time employees.

Labor unions are independent of the government and employers. Approximately six percent of Peru's private sector labor force was organized in 2017, with unionization highest in electricity, water, construction, and mining (from 39 percent to 22 percent) and generally low in the rest of the economy. The labor procedure law (No.29497) requires the resolution of labor conflicts in less than six months, allows unions or their representatives to appear in court on behalf of workers, requires proceedings to be conducted orally and video-recorded, and relieves the employee from the burden of proving an employer-employee relationship. The labor procedure law was in effect in 30 of Peru's 31 judicial districts in 2017.

Either unions or management can request binding arbitration in contract negotiations. Strikes can be called only after approval by a majority of all workers (union and non-union), voting by secret ballot, and only in defense of labor rights. Unions in essential public services, as determined by the government, must provide a sufficient number of workers during a strike to maintain operations.

Foreign-owned extractive projects are frequently the source of social unrest (see section 11, Political and Security Environment). In August 2017, Indigenous communities in Loreto region seized facilities from a Canada-based oil company, claiming lack of consultation with local communities over changes to operations.

In March 2017, union workers at the Freeport McMoran’s Cerro Verde mine initiated a strike over pay and working conditions.

While the government has made improvements in recent years, it often does not dedicate sufficient personnel and resources to labor law enforcement. The Ministry of Labor created the National Labor Inspectorate Superintendence (SUNAFIL) in April 2014 and opened nine regional offices to represent the labor inspectorate nationally. SUNAFIL opened four new regional offices in Callao, Lambayeque, Cusco, and Piura in 2017 and two in Ayacucho and Puno in 2018. There are now 16 SUNAFIL offices in Lima, Huanuco, La Libertad, Loreto, Cajamarca, Ica, Moquegua, Tumbes, Ancash, Arequipa, Callao, Lambayeque, Cusco, Piura, Ayacucho, and Puno. As of November 2018, SUNAFIL had 636 labor inspectors, compared to 480 in 2017. The Ministry has announced plans to open up additional SUNAFIL offices in 2019 and 2020. SUNAFIL labor inspectors also help identify and investigate cases of forced and child labor. Additional information on forced labor in Peru can be found in the 2017 Trafficking in Persons Report: <https://www.state.gov/j/tip/rls/tiprpt/2017/index.htm>.

OPIC and Other Investment Insurance Programs

The Overseas Private Investment Corporation (OPIC), an independent U.S. Government agency, offers medium-to-long-term financing and political risk insurance. There is an OPIC agreement between Peru and the United States. From 2010 thru 2014, OPIC supported solar power plants, consumer lending, operation and expansion of retail stores, microfinance, installation/operation of stereotactic radiosurgery equipment, consulting services, export services, import-export logistical services, and portfolio expansion of SME, micro-credit and consumer loans, in the form of commitments totaling more than USD 21 million. OPIC is soon to be subsumed into the U.S. International Development Finance Corporation (DFC), which will serve as the “Issuer” under Investment Incentive Agreements with the U.S. Peru is a member of the Multilateral Investment Guarantee Agency.

Foreign Direct Investment and Foreign Portfolio Investment Statistics

Key Macroeconomic Data, U.S. FDI in Host Country/Economy

Economic Data	Year	Amount	Year	Amount	Source of Data:
Host Country Gross Domestic Product (GDP) (M USD)	2018	\$225,259	2017	\$211,390	https://data.worldbank.org/country/peru?view=chart
U.S. FDI in partner country (M USD, stock positions)	2017	\$2,757	2017	\$6,370	BEA data available at https://www.bea.gov/international/di1usdbal
Host country’s FDI in the United States (M USD, stock positions)	N/A	N/A	2017	\$164	BEA data available at https://www.bea.gov/international/di1fdibal
Total inbound stock of FDI as % host GDP	N/A	N/A	2017	47.4%	https://unctad.org/en/pages/diae/world%20investment%20report/country-fact-sheets.aspx

Contact for More Information

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Trade & Project Financing

A wide variety of sources of project financing are available in Peru, both from U.S. and international organizations. The U.S. Overseas Private Investment Corporation (OPIC), EXIMBANK, and the U.S. Trade and Development Agency (USTDA) are all involved in private sector projects in Peru. The International Finance Corporation (IFC-World Bank Group), the Multi-Lateral Investment Guaranty Agency (MIGA), the World Bank and the Inter-American Development Bank are all active players in project finance in Peru.

Methods of Payment

Peru's current economic situation is a far cry from that of the mid-to-late-1990s, when its banks were heavily dependent on foreign credit lines (59% of the banks' credit sources in the first half of 1998 came from foreign credit lines). Before the 1990s, Peru suffered from chronic balance of payments, fiscal deficits, and low foreign reserves. As of March 2019, Peru had over \$63 billion in net foreign reserves. Most banks' funding comes from domestic deposits. The local branches of foreign banks are strong. Private pension funds control large and growing assets. The financial system enjoys a low delinquency ratio. Additionally, the Ministry of Economy and Finance saved close to \$6 billion from fiscal surpluses in the 2006-2008 period. The Peruvian government used part of these savings to address the effects of the global financial crisis in 2008-2009, when Peru had a \$2.4 billion fiscal deficit. From 2009 to 2013, Peru again ran a fiscal surplus because of domestic demand, high commodity prices, exports, and foreign investment. As of 2016, Peru maintained a fiscal budget deficit of 3.1% of GDP (\$6.4 billion). This is largely due to growing public debt, which rose 12.9% from 2015, resulting from infrastructure and government modernization investment.

Banking System

The banking system is considered generally sound, thanks to lessons learned during the 1997-1998 Asian crises, and continues to revamp operations, increase capitalization, and reduce costs. Non-performing bank loans rose to 4.3% of gross loans as of September 2015, down from a high of 11% in early 2001. Capable bank supervision and strong GDP growth over the last decade also helped banks weather the 2008-2009 global financial crises with little trouble. Economic opening since the 1990s, coupled with competition, has led to banking sector consolidation. Sixteen commercial banks comprise the system, with assets accounting for 89.4% of Peru's financial system. In 2018, three banks accounted for 71% of local loans and deposits among commercial banks. Of \$122.6 billion in total banking assets at the end of May 2019, assets of the three largest commercial banks amounted to \$87.3 billion. The Central Reserve Bank of Peru (BCRP) serves as the country's central bank. The BCRP is an independent institution, free to manage monetary policy to maintain financial stability. The BCRP's primary goal is to maintain price stability via inflation targeting. Inflation at year-end in Peru reached 1.4% in 2017, and 2.2% in 2018.

Foreign Exchange Controls

There are no reported difficulties in obtaining foreign exchange. Under Article 64 of the 1993 Constitution, the GOP guarantees the freedom to hold and dispose of foreign currency. The GOP has eliminated all restrictions on remittances of profits, dividends, royalties, and capital, although foreign investors are advised to register their investments with ProInversion to ensure these guarantees. Exporters and importers are not required to channel foreign exchange transactions through the BCRP and can conduct transactions freely on the open market. Anyone may open and maintain foreign currency accounts in Peruvian commercial banks. U.S. firms have reported no problems or delays in transferring funds or remitting capital, earnings, loan repayments or lease payments since Peru's economic reforms of the early 1990s. Under the PTPA, portfolio managers in the United States are able to provide portfolio management services to both mutual funds and pension funds in Peru, including funds that manage Peru's privatized social security accounts.

The 1993 Constitution guarantees free convertibility of currency. However, limited capital controls still exist as private pension fund managers (AFPs) are constrained by how much of their portfolio can be invested in foreign securities. The maximum limit is set by law (currently 50% since July 2011), but the BCRP sets the operating limit AFPs can invest abroad. Over the years, the BCRP has gradually increased the operating limit, which reached 42% in January 2015. A combination of GOP policies and market forces has led to gradual de-dollarization of the economy. U.S. dollars account for a decreasing share of banking system transactions, according to SBS. In 2001, U.S. dollars accounted for 82% of loans and 73% of deposits. The amount of credit issued in USD fell by 4% for commercial loans and 3% for personal loans in July 2016 compared to the same period in 2015. Dollar-denominated loans in these sectors now stand at 45% and 24% of total credit, respectively, as of October 2016. Funds associated with any form of investment can be freely converted into any world currency

The foreign exchange market operates freely, for the most part. To quell “extreme variations” of the exchange rate, the BCRP intervenes through purchases and sales in the open market without imposing controls on exchange rates or transactions. Since 2014, the BCRP has pursued de-dollarization to reduce dollar denominated loans in the market and purchased U.S. dollars to mitigate the risk that spillover from expansionary U.S. monetary policy might result in over-valuation of the Peruvian Sol relative to the U.S. dollar. As the U.S. economic recovery begins to tighten credit conditions and stronger terms of trade support a more stable currency, this policy may shift. While another important resource can be found here: Cavali is in charge for the compensation, liquidation, custody, and administration of the Peruvian financial system – they are an important player in capital market development.

Project Financing

Since the market reforms of the early 1990s, the private sector has carried out all major projects, though sometimes in a Public-Private Partnership with the government. Foreign companies have undertaken large projects with financing obtained in their countries of registration, from multilateral development banks, and/or from local lenders. In recent years, due to the Central Bank limit on the amount that Peruvian pension funds can invest abroad, there has been intense local competition for lending, interest rates have fallen below those in New York and London for creditworthy companies, and local banks have increased their sophistication. The number of projects totally or partly locally-financed has grown since 1999. The three major banks involved in this area are Banco de Credito del Peru, Banco BBVA-Continental, and Citibank. Some projects, such as the Camisea natural gas pipeline, have been partly financed by multilateral development banks, including the IDB, World Bank, and Andean Finance Corporation (CAF). Some projects have been structured with simultaneous or subsequent financing from the local capital market (e.g., corporate bonds). The Export-Import Bank of the United States (Ex-Im Bank) offers loans and loan guarantees to U.S. exporters of goods and services and foreign purchasers. The Ex-Im Bank also provides credit insurance to U.S. businesses against non-payment by foreign buyers in the case of political or commercial risk. The Overseas Private Investment Corporation (OPIC), an independent U.S. Government agency, offers medium- to long-term financing and political risk insurance.

Peru's financial system consists of 11 commercial banks, 33 municipal and rural savings banks and microfinance institutions, eleven specialized institutions ("financiers"), two leasing institutions and four government-owned entities: The Central Bank (Banco Central de Reserve del Peru, or BCRP), the government's financial agent (Banco de la Nacion), development banks, the Corporación Financiera de Desarrollo (COFIDE), and Agrarian Bank. These institutions, along with four private pension fund administrators, 20 insurance companies, and 20 miscellaneous companies, are regulated by the Superintendence of Banks, Insurance, and Pension Funds Administrators (Superintendencia de Banca, Seguros y AFP, SBS). SBS policy generally follows regulatory guidelines set by the Switzerland-based Bank for International Settlements (BIS). For example,

regulators must audit bank financial statements in compliance with internationally accepted auditing standards.

Multilateral Development Banks

The Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the Inter-American Development Bank and the World Bank. These institutions lend billions of dollars in developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help American businesses learn how to get involved in bank-funded projects, and advocate on behalf of American bidders. Learn more by contacting the:

- Commercial Liaison Office to the [Inter-American Development Bank](#)
- Commercial Liaison Office to the [World Bank](#)

Multilateral Development Banks are present and help companies with financing. A recent example of the aid such banks have given involving infrastructure and the Metro Line 2 is as follows, with a total of \$5.8 billion are being financed from a number of sources. MDL2 will invest \$1.6 billion while nearly half of the financing will come directly from the government of Peru. Multilateral support for the project is estimated at:

- A \$300 million loan from the IBRD
- A \$400 million non-sovereign guaranteed loan from the IDB, managed by the Inter-American Investment Corporation
- A \$50 million loan from the China Co-Financing Fund for Latin America and the Caribbean, under the management of the IDB
- A \$300 million sovereign guaranteed loan from the IDB
- A \$200 million loan from Kreditanstalt für Wiederaufbau (KfW)
- A \$150 million loan from the Corporación Andina de Fomento (CAF)
- A €120.4 million loan from the Agence Française de Développement (AFD)

Financing Web Resources

Trade Finance Guide: A Quick Reference for U.S. Exporters, published by the [International Trade Administration's Industry & Analysis team](#)

[Export-Import Bank of the United States](#) (Ex-Im Bank)

811 Vermont Avenue, N.W.

Washington D.C. 20571

Tel.: Toll Free (800) 565-EXIM (3946), Business Development (202) 565-3900

Fax: (202) 565-3380

Email: Fill out form on website: <http://www.exim.gov/contact>

Xiomara Creque, Acting Regional Director-Americas

Email: Xiomara.creque@exim.gov

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[Overseas Private Investment Corporation](#) (OPIC)
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Tel.: InfoLine: (202) 336-8799 Fax: (202) 336-7949
Email: info@opic.gov

[SBA's Office of International Trade](#)

[USDA Commodity Credit Corporation:](#)

[U.S. Agency for International Development](#)

[Inter-American Development Bank](#)

[The World Bank Group](#)

Business Travel

Business Customs

In Peru, business attire is conservative. Women should wear dresses or suits, and for men, suits and ties are customary. Normally, business partners will exchange business cards at the outset of a meeting. Business travelers to Peru seeking appointments with U.S. Embassy Lima officials should contact the Commercial Service in advance. Contact information for the Commercial Service located in the U.S. Embassy is:

by telephone (51) (1) 618-2000;

by e-mail office.lima@trade.gov;

or by [website](#).

Travel Advisory

In general, travel information, including travel warnings and alerts, can be found at U.S. Department of State's [webpage](#).

The Department of State issues country specific information for all foreign countries, including Peru, with information including the location of the U.S. Embassy or consulate, immigration requirements, health conditions, minor political disturbances, unusual currency and entry regulations, crime and security information, and drug penalties. Peru's Country Specific Information can be found at [State Department Consular Information Sheet for Peru](#). Passports must have six months validity at time of entry.

Visa Requirements

The U.S. Embassy in Lima also maintains a website with a wealth of information for U.S. business travelers.

The Department of State recommends that all U.S. citizens traveling overseas enroll their trip with the Smart Traveler Enrollment Program. [Travelers may register their stay in Peru online](#).

Currency

The Peruvian local currency is the Peruvian Sol (PEN), and the average exchange rate in the first quarter of 2019 was 3.30 PEN to 1 USD. While major retailers, hotels and some restaurants accept credit cards, smaller businesses operate on a cash basis. Visa and MasterCard predominate where credit is accepted, but American Express is also accepted on a limited basis. Mobile payment applications (Venmo/Paypal) are yet to catch on.

ATMs are readily accessible in urban areas. The use of traveler's checks is not common as businesses and hotels generally do not accept them, and banks will charge a commission fee to cash them.

Telecommunications/Electronics

Peru's telecommunications industry steadily modernized following the privatization of the national telephone company, which was bought by Telefónica de España (Telefonica) in 1994. The mobile phone industry provided a significant boost to internet access and population connectivity, growing rapidly in the past decade. Peru has four main mobile service providers: Telefonica Movistar is the biggest service provider, with about 54% of the market; America Movil's Claro is second with a little less than one third of all users; and Entel Peru is third. Vietnamese Bitel entered the market in 2014, and has since gained approximately one million customers. A fifth carrier, British Virgin Mobile, entered the market in 2016, after Peru's Congress passed laws requiring mobile network operators to sell or rent space to mobile virtual network providers.

For travelers to Peru, a smartphone will function if it has GSM/GPRS service. For long distance calling there are a variety of pre-paid calling services. Long distance Direct Access through credit card numbers for AT&T, Sprint

and MCI WorldCom (among others) is also available. International calls can be made through Voice over Internet Protocol (VoIP) services such as Skype or Google Talk. Major U.S. long distance calling cards can be used at major hotels. Wireless internet (WiFi) access is available at many public and private places.

Transportation

Airlines

The Jorge Chavez International Airport (LIM) in Lima serves as the gateway for international flights into Peru and as the central hub for inter-country connections. Direct flights from the United States to Peru are available from: Atlanta, Dallas, Ft. Lauderdale, Houston, Los Angeles, Miami, New York – Newark.

At the regional level, direct flights to Lima are available from: Bogota, Buenos Aires, Mexico City, Panama City, Quito, Rio, Santiago, Sao Paulo, Cartagena, Punta Cana, Cordova, Mendoza, Medellin, Cancun, San Jose, El Salvador, Guayaquil, La Paz, Santa Cruz, Asuncion.

Domestically, although there are daily flights between Lima and provincial cities, flights between provincial cities are extremely rare, and traveling between metropolitan areas will require a layover in Lima

Airport Taxis

Armed robberies, express kidnappings, carjackings, and petty theft occur frequently. Smash-and-grab-style robberies are most often reported on main tourist corridors immediately following arrival at Lima's airport. The U.S. Embassy in Lima recommends the use of official airport taxi services and cautions against hailing taxis on the street. Two safe and reliable taxi services located at the Lima International Airport as soon as one passes through Customs: MITSUI, Taxi 365 and CMV. Visitors can also make arrangements with hotels ahead of time.

Rail

The Ministry of Transportation and Communications oversees the limited rail system in Peru through a system of government concessions to private corporations. In terms of metropolitan transportation, Lima is the only urban area with a basic metro system. Line 1 is in operation and runs from Villa El Salvador to Downtown Lima. Line 2, approved in 2014 and estimated to be completed by 2019, will run from the industrial district in Ate to the port district of Callao.

Ground Transportation

Driving conditions in Peru differ from those found in the United States and can be considerably more dangerous. Visitors are strongly encouraged to familiarize themselves with local law and driving customs before attempting to operate vehicles. Road travel at night is particularly dangerous due to poor road markings and frequent unmarked road hazards. Due to safety concerns, inter-city bus travel can be dangerous. Armed robbers, who force passengers off buses and steal their belongings, have held up inter-city buses at night. Bus accidents resulting in multiple deaths and injuries are common. Accidents are frequently attributed to excessive speed, poor bus maintenance, poor road conditions, poorly marked hazards at night, and driver fatigue.

Language

Peru has three official languages: Spanish, Quechua, and Aymara, but business is primarily conducted in Spanish. While some members of the Peruvian business community may speak English, marketing literature for the Peruvian market should be translated into Spanish. Quechua and Aymara are most commonly spoken in the Andean highlands, with high-tech companies like Microsoft and Claro promoting their products in these languages.

Health

Medical care is generally good in Lima and adequate in major cities, but less so elsewhere in Peru. Private, urban healthcare facilities are often better-staffed and better-equipped than public or rural ones. Public facilities in Cusco are generally inadequate for serious medical conditions. Visitors to popular Andean destinations, such as Cusco/Machu Picchu, Arequipa/Colca Canyon or Puno/Lake Titicaca often suffer from altitude-related illness.

The following food safety precautions may help in mitigating the risks of water-and-food-borne illnesses: drinking purified, bottled water; avoiding ice cubes; and consuming fish, shellfish, and vegetables that are thoroughly cooked.

Local Time, Business Hours and Holidays

Lima is situated directly south of New York in terms of longitude, occupying the Eastern Standard time zone (UTC minus 5), despite Peru not adhering to Daylight Saving Time. The format for writing dates is: day of the month, month, and year e.g. April 28, 2018 would be written as 28/04/2018.

Business hours in Peru are generally from 9:00 a.m. to 6:00 p.m. Breakfast meetings are becoming increasingly common, and business lunches are normally scheduled between the hours of 1:00 to 3:30 p.m. Business offices, excluding banks, are closed on Saturdays. In the provinces, business hours are usually from 9:00 a.m. to 1:00 p.m. and from 4:00 p.m. to 7:00 p.m. “Peruvian time” refers to the fact that it is acceptable to arrive a half an hour late for social functions. However, punctuality is generally expected from business visitors for social and business functions.

Official Peruvian Holidays:

New Year’s Day	January	1	2019
Holy Thursday	April	18	2019
Good Friday	April	19	2019
Labor Day	May	1	2019
St. Peter and St. Paul	June	29	2019
Peruvian Independence Day	July	28	2019
Peruvian Independence Day	July	29	2019
Saint Rose of Lima	August	30	2019
Battle of Angamos	October	8	2019
All Saints Day	November	1	2019
Immaculate Conception	December	8	2019

The U.S. Embassy is closed on the Peruvian holidays mentioned above and the following U.S. holidays:

Martin Luther King Day	January	21	2019
Presidents' Day	February	18	2019
Memorial Day	May	27	2019
Independence Day	July	4	2019
Labor Day	September	2	2019
Columbus Day	October	14	2019
Veterans' Day	November	11	2019
Thanksgiving Day	November	28	2019
Christmas Day	December	25	2019

Temporary Entry of Materials or Personal Belongings

The Customs Authority oversees temporary entry of items into Peru. Goods for registered trade fairs may temporarily enter Peru by paying a bond, but without paying duties. In addition, travelers may enter Peru with a cellular phone and a laptop computer as long as the items are for personal use and not for resale.

Information regarding items that require temporary entry registration can be found on [ADUANET](#).

A customs guide for travelers can be found on [SUNAT](#).

The Peruvian Customs Baggage Declaration form is available on [SUNAT](#).

Travel Related Web Resources

U.S. Department of State's Travel Website

[U.S. Department of State's Country Specific Information for Peru](#)

[U.S. Department of State's Consular Information Sheet for Peru](#)

[U.S. Department of State's Smart Traveler Enrollment Program \(STEP\)](#)

[U.S. Department of State, Visas](#)

[U.S. Embassy in Lima](#)

[U.S. Embassy in Lima, Lost and Stolen Passports](#)

[U.S. Embassy in Lima, Visas](#)

[Embassy of Peru in Washington D.C.](#)

[Peruvian Customs Information in English](#)