# PERU

## 1. General trends

Peru's economic growth accelerated in 2018, reaching 4.0% —a figure close to potential GDP— compared with 2.5% in 2017. This was thanks to a recovery in domestic demand, which picked up after overcoming the impacts of the El Niño phenomenon and of the stoppage of some investment projects related to corruption cases in 2017. Stronger consumption and investment underpinned this higher growth: the former was boosted by the sharper uptick in wages and domestic credit, while the later was driven by a new round of mining projects.

The current account deficit widened to 1.6% of GDP, owing to an increase in the services deficit. Foreign direct investment inflows continued, attracted by the recovery in mineral prices, although they accounted for a lower share of GDP than the previous year. At the same time, the hike in the benchmark interest rate by the United States Federal Reserve led to an increase in net outflows of other financial flows. The result was a significant decline in international reserves, which mitigated the depreciation of the exchange rate. Despite this, Peru continues to have one of the highest ratios of international reserves to GDP in the region.

The fiscal deficit narrowed to 2.3% of GDP thanks to the containment of spending and the upturn in tax revenues. Public debt of the non-financial public sector (NFPS) rose to 25.8% of GDP, one of the lowest levels in the region. The soundness of the fiscal and external accounts encouraged investors to buy sovereign bonds in local currency, which helped to decrease the dollar-denominated debt to local-currency debt ratio.

The average inflation rate was 1.3% in 2018 and closed at 2.2%, which was within the target range.

Data available for 2019 show that economic growth in the first quarter was weak, against the backdrop of a more challenging global environment and continued domestic political tension, and GDP grew by 2.3%. In the first four months, the current account deficit widened to 3.1% owing to falling export prices, although the trade balance continued to post a surplus. During the same period, the fiscal accounts ran a comfortable surplus in anticipation of the recovery of public investment. The trends observed in the first few months of 2019 suggest that the deficit will remain within comfortable levels at year-end, which should maintain public debt at a similar percentage of GDP to that registered in 2018.

Inflation stood at 2.7% in May 2019, within the target range, and the central bank kept the benchmark interest rate unchanged at 2.75% up to June.

The Economic Commission for Latin America and the Caribbean (ECLAC) expects growth to remain at 3.2% for the year as a whole, driven by robust private consumption and investment in mining (with several projects already under way). The public sector is expected to continue to pursue fiscal consolidation, with public investment suffering because of the changes in subnational administration. The external sector will contribute only marginally to growth, and only if mining production recovers in the second half of the year and mineral prices pick up.

## 2. Economic policy

### (a) Fiscal policy

The NFPS deficit narrowed by 0.7 percentage points of GDP, from 3.0% in 2017 to 2.3% in 2018. This sharper-than-anticipated reduction was a result of the upturn in economic activity and was aided by the government's commitment to fiscal adjustment, which should bring the public deficit down to 1% in 2021 under the existing fiscal rule.

The deficit narrowed thanks to the increase in current income, which rose from 18.1% of GDP in 2017 to 19.3% in 2018, while non-financial expenditure was contained, edging up from 20.0% in 2017 to 20.2% in 2018. As a result, the NFPS primary deficit narrowed from 1.8% of GDP to 0.9%.

The jump in revenue was fuelled by tax receipts. Specifically, there were higher proceeds from income tax revenue (0.3 percentage points) and value added taxes (0.4 percentage points), as domestic demand recovered and mining companies registered higher profits.

Non-financial public expenditure rose by a mere 0.2 percentage points, as a result of an increase in capital expenditure on road infrastructure, facilities for the Pan American Games to be held in 2019, and the expedited implementation of the comprehensive reconstruction being conducted by regional and local authorities (contributing 0.1 percentage point each to the aforementioned rise). Current expenditure, meanwhile, maintained its share of GDP.

Gross debt continued to rise, up from 24.9% of GDP in 2017 to 25.8% in 2018. The weight of domestic public debt increased (16.9% of GDP), while the external debt burden remained stable (8.8% of GDP). On the domestic debt side, the weight of sovereign bonds increased significantly in the wake of new issues, while that of short-term loans dropped slightly.

In 2019, current income continued to grow by a cumulative 6.7% in real terms up to April, driven by tax revenues. However, non-financial expenses stalled (0.4%), with a notable drop in capital expenditures as a result of changes in regional and local governments. Capital spending is expected to accelerate in the second half of the year as authorities resume investment. Still, the overall fiscal deficit for the year is expected to continue to narrow —how much it declines will depend on the performance of domestic demand and the trends in export prices.

### (b) Monetary policy

Monetary policy remained accommodating in 2018 against a backdrop of controlled inflation and was intended to push growth closer to potential GDP. The benchmark policy rate was thus lowered twice —in January and in March 2018— from 3.25% to 2.75%.

In line with the reduction in the central bank's policy interest rate, the average lending rate in domestic currency fell across the board (from 15.9% in January to 14.1% in May), before edging up to 14.3% in December in a reflection of the volatility caused by international rate hikes. Rates in foreign currency were up over the course of the year (from 6.8% to 7.9%), keeping pace with the increase in international rates. These reductions in national-currency interest rates were passed on primarily to the segments of consumer credit, small-business loans and mortgage lending, and to a lesser extent to the corporate and large-firm segments.

This drop in interest rates, together with consumer and business expectations of a moderate improvement in the economy over the year, resulted in an acceleration in the expansion of credit to the private sector, which saw an annual increase from a 4.9% in 2017 to 8.5% in 2018, and thus underpinned the uptick in consumption (consumer credit grew by 12%) and in private investment (mortgage lending and business lending rose by 9% and 7%, respectively).

The benchmark rate remained at 2.75% through to June 2019, in response to indicators that showed the weak performance of primary sectors and, consequently, activity that was below potential. Given that inflation had been kept within the target range, the central bank maintained a neutral discourse on future rate variations while it awaited changes stemming from the weakening of global economic activity. The average lending rate held steady, at around 14.5%, to June 2019, reflecting the fact that the domestic benchmark rate and the United States Federal Reserve benchmark rate both remained unchanged. Foreign-currency rates also remained roughly stable, with no clear trend. Cumulative figures through to April 2019 show a slight slowdown in credit —with an average annual growth rate of 8.3%— dampened by a slight deceleration in business lending (6.3%), while consumer credit (13.4%) and mortgage lending (9%) remained dynamic.

### (c) Exchange-rate policy

In 2018, the central bank intervened systematically on the foreign-exchange market to help to slow exchange-rate depreciation, since it maintains a managed floating regime. Against the backdrop of a strengthening dollar throughout the year, the deterioration of external accounts and lower inflows of foreign capital, the currency was under downward pressure in 2018. The central bank intervened indirectly in the exchange market throughout the year and boosted the supply of United States dollars, cutting the legal reserve requirement on dollar deposits and releasing other commercial bank deposits in the central bank through the amortization of repurchase (repo) agreements and the use of other instruments. As a result, the sol was among the least volatile of the region’s currencies. The sol’s real effective exchange rate depreciated by only 0.8% on average.

In the first four months of 2019, the downward pressure subsided and the real effective exchange rate appreciated by 0.8% relative to the last quarter of 2018; the central bank capitalized on this trend to increase its foreign-exchange position by buying up currency and to facilitate the recovery of commercial bank deposits by issuing repo agreements.

## 3. The main variables

### (a) The external sector

The current account deficit grew from US$ 2.669 billion in 2017 to US$ 3.594 billion in 2018 (equivalent to 1.3% and 1.6% of GDP, respectively). This was driven mainly by a widening of the services account deficit by 0.5 percentage points of GDP between 2017 and 2018, up to 1.1% of GDP, as a result of the increase in Peruvians’ travel abroad and a drop in insurance exports. There were only marginal variations in the other categories: the goods balance surplus (at 1.6%) was up by 0.1 percentage point of GDP, as the increase in value of exports outstripped that of imports; the income balance deficit narrowed by 0.1 percentage point (to 5.3%) as it grew at a rate below GDP growth; and the transfers surplus contracted by 0.1 percentage points (1.6%) due to the high comparison base from the previous year resulting from the enforcement of a penalty clause related to a construction contract. However, remittances continued to grow by 6% in nominal terms.

There was a significant slowdown in goods exports in value terms (from 22.5% growth in 2017 to 8.0% in 2018), partly because of the stabilization of the comparison base and some production issues. The expansion in 2018 was attributable to improved prices (6.3%) and, to a lesser extent, increased volumes (2.0%). The contribution of traditional exports to export performance fell, while that of non-traditional exports increased. Meanwhile, the value of imports showed a lower nominal deceleration, with growth slowing from 10.2% in 2017 to 8.1% in 2018. Growth in 2018 was the result of the increase in prices (6.5%) and, to a lesser degree, in volume (1.5%). As a result of the trend of export and import prices, the terms of trade remained stable, edging down by a mere 0.1% in 2018, compared with the 7.5% improvement recorded in 2017.

In 2018, the financial account received US$ 1.537 billion in net financing from abroad, which was half that of the previous year as a percentage of GDP (0.7% in 2018, compared with 1.4% in 2017). This decrease, together with the larger current account deficit, led to a decumulation of US$ 3.5 billion in international reserves, which fell to US$ 60.2 billion (slipping from 29.6% of GDP in 2017 to 26.8% of GDP in 2018).

The economy received less net capital from abroad. This was because although it continued to receive direct investment flows, attracted by the new round of mining investment and the rebound in manufacturing, there was an increase in net outflows of other capital. Portfolio investment was largely responsible for this, as nationals invested more in portfolios abroad and foreigners divested their Peruvian portfolios —a sign of lower market appetite for risk and the effect of rate increases by the United States Federal Reserve during the year.

In the first four months of 2019, the value of exports fell by 5.4% year on year, reflecting a decline in prices (7.4%), despite the increase in export volumes (2.2%). The largest falls were in the value of mining and oil products. During this time, the value of imports contracted by 0.7% as a result of a fall in both prices (0.2%) and volume (0.5%). The largest contraction was in the value of consumer goods, while the value of capital goods continued to grow. These trends led to a narrower trade surplus in the first quarter of 2019, coupled with a worsening of the income balance deficit, which widened the current account deficit (3.1% of GDP). In contrast, there was a significant increase in financing inflows into the financial account (direct investment and long-term financing to the public sector). This enabled a rapid accumulation of international reserves.

### (b) Economic activity

In 2018, economic growth accelerated to 4.0%, up from 2.5% in 2017, thanks to the recovery in private consumption and investment, both public and private.

On the demand side, private consumption was the main engine of growth, contributing 2.4 percentage points of GDP (compared with 1.7 percentage points in 2017), boosted by the improvement in the formal labour market, the increase in real wages, the strong growth in credit and the incorporation of 750,000 Venezuelan migrants in the national economy.

Private investment, spurred by the new round of investment in mining, especially copper and iron projects, contributed more to growth (0.6 percentage points). The contribution of the public sector, through public spending (0.4 percentage points) and investment (0.3 percentage points), was lower against the backdrop of fiscal consolidation and difficulties encountered in carrying out infrastructure projects.

Exports, meanwhile, continued to contribute to overall GDP growth although their contribution dropped (from 2.1 percentage points in 2017 to 1.1 percentage points in 2018). This was due to weakness in the traditional sectors —affected by cuts in some mines' production and lower ore grades— while non-traditional, agriculture, fishing, textile and chemical products registered good performances.

At the same time, the behaviour of imports did not fully reflect GDP expansion and growth in imports slowed (they contributed -1.3 percentage points to economic growth in 2018 as against -1.9 percentage points in 2017) as a result of lower growth in imported inputs volume, despite rising prices, particularly for oil. Along with the recovery in investment, there was a pick-up in imports of capital goods, while imports of consumer goods slowed.

At the sectoral level, the economic recovery was the result of a general improvement in all sectors, led by non-primary sectors. Manufacturing registered strong growth, driven by fish meal and fish oil production, and contributed to GDP growth by 0.8 percentage points (compared with 0.0 percentage points in 2017). Agriculture expanded thanks to better weather conditions, and the sector contributed 0.4 percentage points to GDP growth (against 0.1 percentage point in 2017). In line with the trend observed in investment, construction increased its contribution to 0.3 percentage points (as against 0.1 percentage points in 2017). The only negative contribution was from the extractive industry, which subtracted 0.2 percentage points from growth, in contrast to a positive contribution of 0.4 percentage points in 2017.

In the first quarter of 2019, GDP grew by 2.3% as domestic demand cooled, with a reduction in all components: private consumption (which contributed 2.1 percentage points to growth), public consumption (0.2 percentage points) and private investment (0.3 percentage points), while public investment subtracted 0.3 percentage points from growth. External demand also slowed, as exports registered a contraction (with a negative contribution to growth of 0.2 percentage points). All sectors of the economy showed signs of weakness, resulting from an overall slowdown.

### (c) Prices, wages and employment

Over the course of 2018, inflation rose 1.3% on average, ending the year at 2.2% in December and trending upwards, driven by energy and food prices. This trend continued until May 2019, when inflation reached 2.7%, still within the central bank's target range of 2% ± 1%. However, inflation is expected to decrease during the second half of the year in the foreseeable absence of inflationary pressures. Among other factors, lower imported inflation is expected as the prices of certain inputs (oil, wheat and soybeans) fall, labour costs are being contained as a result of increasing immigration and, overall a negative output gap is projected for the year.

As regards the labour market, the employment rate remained stable in 2018 (69.5%) and the unemployment rate fell (from 4.1% in 2017 to 3.9% in 2018) at the national level. Consistent with the improvement in activity, formal employment increased by 3.9% and average wages rose by 3.5% in real terms. In the first quarter of 2019, growth in formal employment and average wages slowed to 2.6% and 1.7%, respectively.

Table 1

**PERU: MAIN ECONOMIC INDICATORS**

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 a/ |
|---|---|---|---|---|---|---|---|---|---|
| | **Annual growth rates b/** | | | | | | | | |
| Gross domestic product | 8.3 | 6.3 | 6.1 | 5.9 | 2.4 | 3.3 | 4.0 | 2.5 | 4.0 |
| Per capita gross domestic product | 7.0 | 4.9 | 4.7 | 4.4 | 1.0 | 1.9 | 2.7 | 1.3 | 2.8 |
| Gross domestic product, by sector | | | | | | | | | |
| Agriculture, livestock, hunting, forestry and fishing | 1.0 | 8.1 | 1.8 | 2.6 | -6.8 | 3.1 | 2.6 | 2.1 | 7.5 |
| Mining and quarrying | 1.4 | 0.3 | 1.8 | 5.1 | -1.6 | 8.4 | 12.3 | 3.5 | -1.3 |
| Manufacturing | 10.1 | 8.3 | 1.3 | 5.2 | -1.1 | -0.9 | -0.2 | 0.2 | 6.2 |
| Electricity, gas and water | 8.7 | 8.2 | 5.9 | 3.4 | 5.2 | 6.6 | 7.8 | 0.9 | 4.4 |
| Construction | 17.0 | 3.6 | 15.9 | 9.4 | 1.8 | -5.3 | -2.5 | 2.4 | 5.4 |
| Wholesale and retail commerce, restaurants and hotels | 10.9 | 9.2 | 9.0 | 5.3 | 2.7 | 3.1 | 2.8 | 1.6 | 2.8 |
| Transport, storage and communications | 12.0 | 11.4 | 9.0 | 7.4 | 4.9 | 6.2 | 6.1 | 5.8 | 5.2 |
| Financial institutions, insurance, real estate and business services | 10.9 | 9.9 | 8.2 | 8.3 | 8.2 | 6.8 | 3.9 | 2.4 | 4.2 |
| Community, social and personal services | 4.7 | 4.0 | 5.6 | 4.3 | 4.5 | 4.2 | 4.1 | 3.4 | 4.1 |
| Gross domestic product, by type of expenditure | | | | | | | | | |
| Final consumption expenditure | 8.3 | 7.2 | 7.6 | 6.0 | 4.6 | 4.6 | 3.9 | 3.0 | 3.7 |
| Government consumption | 3.9 | 7.4 | 8.3 | 7.5 | 8.8 | 7.9 | 5.2 | 4.5 | 3.4 |
| Private consumption | 9.1 | 7.2 | 7.4 | 5.7 | 3.9 | 4.0 | 3.7 | 2.6 | 3.8 |
| Gross capital formation | 35.8 | 12.2 | 9.5 | 8.5 | -1.3 | -3.5 | -5.7 | 0.0 | 5.3 |
| Exports (goods and services) | 3.2 | 5.5 | 3.1 | -0.6 | -3.8 | 4.3 | 11.8 | 8.1 | 4.1 |
| Imports (goods and services) | 26.6 | 13.6 | 10.0 | 2.9 | -1.0 | 1.0 | 1.6 | 7.0 | 4.5 |
| Investment and saving c/ | **Percentages of GDP** | | | | | | | | |
| Gross capital formation | 23.8 | 24.2 | 24.6 | 25.6 | 24.6 | 24.3 | 22.0 | 20.7 | 21.9 |
| National saving | 21.3 | 22.2 | 20.3 | 18.1 | 15.6 | 15.2 | 14.3 | 17.3 | 19.1 |
| External saving | 2.4 | 2.0 | 4.3 | 7.5 | 9.0 | 9.1 | 7.7 | 3.4 | 2.8 |
| Balance of payments | **Millions of dollars** | | | | | | | | |
| Current account balance | -3 564 | -3 374 | -6 091 | -10 380 | -9 086 | -9 526 | -5 064 | -2 669 | -3 594 |
| Goods balance | 6 988 | 9 224 | 6 393 | 504 | -1 509 | -2 916 | 1 953 | 6 700 | 7 197 |
| Exports, f.o.b. | 35 803 | 46 376 | 47 411 | 42 861 | 39 533 | 34 414 | 37 082 | 45 422 | 49 066 |
| Imports, f.o.b. | 28 815 | 37 152 | 41 018 | 42 356 | 41 042 | 37 331 | 35 128 | 38 722 | 41 870 |
| Services trade balance | -2 410 | -2 815 | -3 295 | -3 044 | -2 210 | -2 397 | -2 031 | -2 476 | -2 502 |
| Income balance | -11 225 | -13 555 | -13 159 | -12 073 | -9 907 | -7 884 | -8 982 | -11 523 | -11 814 |
| Net current transfers | 3 026 | 3 201 | 3 307 | 3 346 | 4 372 | 3 331 | 3 967 | 3 589 | 3 556 |
| Capital and financial balance d/ | 14 737 | 8 027 | 20 879 | 13 282 | 6 898 | 9 599 | 5 233 | 4 297 | -36 |
| Net foreign direct investment | 8 018 | 7 340 | 11 867 | 9 334 | 2 823 | 8 125 | 5 583 | 6 360 | 6 469 |
| Other capital movements | 6 719 | 687 | 9 012 | 3 948 | 4 074 | 1 474 | -350 | -2 063 | -6 505 |
| Overall balance | 11 173 | 4 653 | 14 788 | 2 902 | -2 188 | 73 | 168 | 1 629 | -3 629 |
| Variation in reserve assets e/ | -11 192 | -4 686 | -14 806 | -2 907 | 2 178 | -73 | -168 | -1 629 | 3 629 |
| Other financing | 19 | 33 | 19 | 5 | 10 | 0 | 0 | 0 | 0 |
| Other external-sector indicators | | | | | | | | | |
| Real effective exchange rate (index: 2005=100) f/ | 94.4 | 96.6 | 90.1 | 90.5 | 93.0 | 94.9 | 96.4 | 93.4 | 93.8 |
| Terms of trade for goods (index: 2010=100) g/ | 100.0 | 107.9 | 105.3 | 99.0 | 93.3 | 87.5 | 87.1 | 93.4 | 93.2 |
| Net resource transfer (millions of dollars) | 3 531 | -5 495 | 7 738 | 1 214 | -2 999 | 1 714 | -3 749 | -7 226 | -11 850 |
| Total gross external debt (millions of dollars) | 43 674 | 47 977 | 59 376 | 60 823 | 69 215 | 73 274 | 74 645 | 76 499 | 77 787 |
| Employment | **Average annual rates** | | | | | | | | |
| Labour force participation rate | 70.0 | 70.0 | 73.6 | 73.2 | 72.3 | 71.6 | 72.2 | 72.4 | 72.2 |
| Open unemployment rate h/ | 5.3 | 5.1 | 4.7 | 4.8 | 4.5 | 4.4 | 5.2 | 5.0 | 4.8 |
| Visible underemployment rate i/ | 11.2 | 13.4 | 11.3 | 12.5 | 12.8 | 12.4 | 9.0 | 8.1 | 8.7 |

Table 1 (concluded)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|
| Prices | **Annual percentages** | | | | | | | | |
| Variation in consumer prices | | | | | | | | | |
| (December-December) | 2.1 | 4.7 | 2.6 | 2.9 | 3.2 | 4.4 | 3.2 | 1.4 | 2.2 |
| Variation in producer prices | | | | | | | | | |
| (December-December) | 4.6 | 6.3 | -0.6 | 1.6 | 1.5 | 2.6 | 1.9 | -0.6 | 3.2 |
| Variation in nominal exchange rate | | | | | | | | | |
| (annual average) | -6.2 | -2.5 | -4.2 | 2.5 | 5.0 | 12.2 | 6.0 | -3.4 | 0.8 |
| Variation in average real wage | -3.0 | 8.4 | 2.4 | 3.3 | 2.8 | -0.3 | 4.0 | -0.4 | 3.3 |
| Nominal deposit rate j/ | 1.5 | 2.3 | 2.5 | 2.3 | 2.3 | 2.3 | 2.6 | 2.7 | 2.3 |
| Nominal lending rate j/ | 19.0 | 18.7 | 19.2 | 18.1 | 15.7 | 16.1 | 16.5 | 16.8 | 14.5 |
| Central government | **Percentages of GDP** | | | | | | | | |
| Total revenue | 21.2 | 21.7 | 22.4 | 22.4 | 22.6 | 20.5 | 19.1 | 18.6 | 19.9 |
| Tax revenue | 17.7 | 18.3 | 19.0 | 19.0 | 19.3 | 17.6 | 16.5 | 15.7 | 17.1 |
| Total expenditure | 21.2 | 19.7 | 20.3 | 21.7 | 22.7 | 22.5 | 21.3 | 21.5 | 21.9 |
| Current expenditure | 15.0 | 14.5 | 14.7 | 15.5 | 16.7 | 17.0 | 16.5 | 16.7 | 16.9 |
| Interest | 1.2 | 1.1 | 1.1 | 1.1 | 1.1 | 1.0 | 1.1 | 1.1 | 1.3 |
| Capital expenditure | 6.3 | 5.1 | 5.7 | 6.2 | 6.0 | 5.5 | 4.7 | 4.8 | 5.0 |
| Primary balance | 1.2 | 3.2 | 3.2 | 1.9 | 0.9 | -1.0 | -1.1 | -1.8 | -0.8 |
| Overall balance | 0.0 | 2.0 | 2.1 | 0.8 | -0.2 | -2.0 | -2.2 | -2.9 | -2.0 |
| Central government public debt | 20.7 | 18.4 | 18.3 | 17.3 | 18.2 | 19.7 | 21.6 | 21.7 | 22.2 |
| Domestic | 9.5 | 8.9 | 8.4 | 8.5 | 8.6 | 9.0 | 11.2 | 13.7 | 14.6 |
| External | 11.2 | 9.5 | 9.8 | 8.8 | 9.6 | 10.7 | 10.4 | 8.0 | 7.5 |
| Money and credit | **Percentages of GDP, end-of-year stocks** | | | | | | | | |
| Domestic credit | 6.9 | 9.8 | 8.9 | 9.5 | 12.6 | 12.8 | 13.1 | 15.4 | 19.0 |
| To the public sector | -9.9 | -11.2 | -13.5 | -13.3 | -12.8 | -12.9 | -12.1 | -9.1 | -7.9 |
| To the private sector | 29.2 | 31.3 | 33.0 | 36.5 | 39.3 | 42.2 | 41.5 | 41.1 | 43.1 |
| Others | -12.4 | -10.3 | -10.5 | -13.6 | -13.8 | -16.5 | -16.3 | -16.6 | -16.1 |
| Monetary base | 8.2 | 8.4 | 10.4 | 0.1 | 9.4 | 8.5 | 8.2 | 8.3 | 8.5 |
| Money (M1) | 10.2 | 10.3 | 11.3 | 11.4 | 12.0 | 11.8 | 11.4 | 11.9 | 12.8 |
| M2 | 20.5 | 21.0 | 24.2 | 25.2 | 26.5 | 25.8 | 26.3 | 27.9 | 29.7 |
| Foreign-currency deposits | 12.3 | 12.2 | 10.7 | 12.4 | 12.6 | 15.4 | 13.9 | 13.3 | 13.2 |

**Surce**: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
a/ Preliminary figures.
b/ Based on figures in local currency at constant 2007 prices.
c/ Based on values calculated in national currency and expressed in current dollars.
d/ Includes errors and omissions.
e/ A minus sign (-) indicates an increase in reserve assets.
f/ Annual average, weighted by the value of goods exports and imports.
g/ Economic Development Division, calculations for Economic Survey of Latin America and the Caribbean, 2019.
h/ Urban total.
i/ Metropolitan Lima.
j/ Market rate, average for transactions conducted in the last 30 business days.

Table 2

**PERU: MAIN QUARTERLY INDICATORS**

| | 2017 | | | | 2018 | | | | 2019 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Q.1 | Q.2 | Q.3 | Q.4 | Q.1 | Q.2 | Q.3 | Q.4 | Q.1 | Q.2 a/ |
| Gross domestic product (variation from same quarter of preceding year) b/ | 2.2 | 2.5 | 2.9 | 2.4 | 3.2 | 5.5 | 2.4 | 4.8 | 2.3 | … |
| Gross international reserves (millions of dollars) | 62 561 | 63 153 | 63 273 | 63 461 | 62 904 | 59 816 | 59 768 | 59 412 | 63 028 | 65 679 c/ |
| Real effective exchange rate (index: 2005=100) d/ | 92.0 | 92.5 | 94.1 | 95.2 | 95.8 | 94.5 | 92.1 | 92.9 | 92.1 | 91.4 c/ |
| Open unemployment rate e/ | 7.7 | 6.9 | 6.4 | 6.5 | 8.1 | 6.2 | 6.2 | 6.1 | 8.2 | … |
| Employment rate f/ | 69.1 | 68.2 | 70.4 | 69.8 | 69.2 | 68.2 | 69.6 | 70.0 | 69.2 | … |
| Consumer prices (12-month percentage variation) | 4.0 | 2.7 | 2.9 | 1.4 | 0.4 | 1.4 | 1.3 | 2.2 | 2.2 | 2.7 c/ |
| Wholesale prices (12-month percentage variation) | 1.8 | 1.4 | 0.8 | -0.59 | 0.3 | 1.7 | 2.3 | 3.22 | 1.7 | 1.6 c/ |
| Average nominal exchange rate (soles per dollar) | 3.3 | 3.3 | 3.2 | 3.2 | 3.2 | 3.3 | 3.3 | 3.4 | 3.3 | 3.3 c/ |
| Nominal interest rates (average annualized percentages) | | | | | | | | | | |
| Deposit rate g/ | 2.7 | 2.7 | 2.6 | 2.5 | 2.4 | 2.2 | 2.3 | 2.4 | 2.4 | 2.5 c/ |
| Lending rate g/ | 17.3 | 16.9 | 16.9 | 16.1 | 15.6 | 14.2 | 14.2 | 14.2 | 14.4 | 14.5 c/ |
| Interbank rate | 4.2 | 4.1 | 3.7 | 3.4 | 3.0 | 2.8 | 2.7 | 2.8 | 2.8 | 2.8 c/ |
| Monetary policy rates | 4.3 | 4.1 | 3.7 | 3.3 | 2.9 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 c/ |
| Sovereign bond spread, Embi + (basis points to end of period) h/ | 136 | 138 | 115 | 111 | 132 | 141 | 109 | 141 | 106 | 122 c/ |
| Risk premiia on five-year credit default swap (basis points to end of period) | 102 | 86 | 83 | 72 | 82 | 89 | 74 | 97 | 69 | 55 |
| International bond issues (millions of dollars) | 605 | 2 550 | 4 390 | 1 517 | 1 694 | 1 120 | - | 3 063 | 273 | 1 412 |
| Stock price index (national index to end of period, 31 December 2005 = 100) | 328 | 336 | 386 | 416 | 428 | 412 | 407 | 403 | 439 | 429 |
| Domestic credit (variation from same quarter of preceding year) | 2.6 | 1.0 | 15.4 | 26.5 | 37.5 | 46.4 | 37.4 | 31.0 | 13.8 | 3.2 |

**Source**: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
a/ Preliminary figures.
b/ Based on figures in local currency at constant 2007 prices.
c/ Figures as of May.
d/ Quarterly average, weighted by the value of goods exports and imports.
e/ Metropolitan Lima.
f/ Nationwide total.
g/ Market rate, average for transactions conducted in the last 30 business days
h/ Measured by J.P.Morgan.

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