

PERU

1. General trends

In 2019, the economy of Peru grew at a rate of 2.2%, a slowdown from the 4.0% growth seen in 2018. This was as a result of worsening external and internal conditions that caused exports and public investment to stagnate. The decline in external demand affected exports, while production experienced difficulties in the primary sectors (mining stoppages and a shortened fishing season), which had knock-on negative effects on related manufacturing. These production shocks were compounded by zero growth in public investment, which was adversely impacted by the change of subnational authorities. This combination of events slowed growth, which cooled consumption and led, in turn, to a less dynamic job market. Conversely, the pace of expansion of private investment was maintained, driven by investment in the mining sector, causing total investment to grow overall.

The current account deficit narrowed (1.5% of GDP) owing to the contraction of the income deficit associated with the reduction of foreign company profits, following the fall in prices and volumes of the primary products in which they specialize. Dynamic foreign investment flows (towards mining investment projects under development), favourable international financial conditions and a healthy financial position made it possible to finance the current account deficit and accumulate reserves, which rose to 30% of GDP. Although an expansionary monetary policy stance was adopted, difficulties in the implementation of public spending meant that it did not contribute to closing the output gap. As a result of the slowdown in aggregate demand and the containment of labour costs, the inflation rate fell to 1.9% at the end of the year, which was within the central bank's target range. The employment rate fell (in metropolitan Lima it declined from 63.5% in 2018 to 62.8% in 2019), while the average real wage stagnated and the rate of informality rose.

According to available data for 2020, economic activity shrank by 17.4% in the first six months. The outbreak of the coronavirus disease (COVID-19) pandemic began impacting the country's economy in March, causing a contraction in GDP. In April, as a result of the physical distancing measures introduced on 16 March, the monthly national production index collapsed, tumbling by 39.9%, affecting all sectors and representing one of the largest falls in the world. The government has announced that activities will resume in four phases. Indeed, there were some signs of recovery in May and June, when the monthly indicator fell by 32.7% and 18.1%, respectively. This means that a gradual recovery in production could be expected through year-end, although it could take years to reach the pre-crisis level.

Despite the early lockdown measures, the impact of the disease in Peru has been severe. This can be put down to people gathering in large numbers on public transport, at traditional markets (only one in two households has a refrigerator) and at banks. In the case of the latter, the crowding is caused by the need for people to collect COVID-19 relief transfers, given that 57% of adults do not have a bank account. Other factors that may explain the disease's serious impact are the high rate of labour informality (which prompts violation of the lockdown rules out of necessity) and the high level of overcrowding in households.

The sustained trade balance surplus of recent years retreated significantly during the first half of the year, as a result of the plunge in exports, which declined by 26.7% in nominal terms from January to June, owing to disruptions in mining production and the logistics chain in general. Imports also contracted (by 21.0% in nominal terms), albeit to a lesser degree than exports, although they may not yet fully reflect the serious impact on incomes. The first quarter of 2020 saw a small outflow (US\$ 500 million) from the

financial account; however, the growth in international reserves in April (US\$ 10 billion) suggests a return of capital, partly supported by new sovereign debt placements (US\$ 3 billion). The fiscal account balance was in deficit in the first half of the year, in contrast to the comfortable surplus in the same period in 2019. ECLAC forecasts that the economy will shrink by 13% for the year as a whole, as a result of the combination of unprecedented external and internal shocks. Public debt will increase substantially by the end of the year to around 35% of GDP. Employment could be the area worst affected by the crisis.

2. Economic policy

(a) Fiscal policy

The NFPS deficit narrowed from 2.3% of GDP in 2018 to 1.6% in 2019. This reduction is attributable to an increase in income, which rose from 19.3% of GDP in 2018 to 19.7% in 2019, on the strength of the following factors: control measures, tax policy measures (including hikes in selective consumption tax rates) and the increase in non-tax income on the back of the improved performance of State-owned enterprises. NFPS debt amounted to 26.8% of GDP in 2019 (25.8% in 2018), remaining one of the lowest levels in the region. Meanwhile, non-financial expenditure edged down 0.1 percentage points as a result of lower public investment, which fell by 0.3 percentage points. This decline was the result of the dip in capital expenditure associated with the change in local governments, which was not fully offset because current expenditure on the public-sector payroll and the purchase of goods and services rose by 0.2 percentage points. As a result, the NFPS primary deficit shrank from 0.9% of GDP in 2018 to 0.2% of GDP in 2019.

Cumulative current income to June 2020 was down 20.4% in real terms owing to the effects of COVID-19 on economic activity and the tax deferral measures decreed in March. The reduction was reflected in both non-tax and tax income; in the latter, the contraction was greater in terms of revenue from value-added tax (less economic activity and fewer imports) than that from income tax. Non-financial expenditures, meanwhile, rose by 1.3%, in particular, on the back of higher current spending to finance transfers to vulnerable households, and the drop in capital spending exacerbated by the standstill in public investment caused by the stay-at-home measures.

For the remainder of the year, non-financial expenditure is expected to exceed 25% of GDP, reflecting two factors: (i) the fiscal stimulus aimed at supporting aggregate demand in the face of the economic slump caused by COVID-19; and (ii) the extension of transfers to the most vulnerable households as the lockdown is prolonged. Consequently, more resources will be needed to finance the primary balance. These will be raised from existing financial assets and new borrowing operations, pushing public debt to more than 35% of GDP.

(b) Monetary policy

With regard to monetary policy, an expansionary stance was maintained in 2019, given the environment of controlled inflation and international interest rate cuts; however, it failed to provide sufficient impetus for GDP growth to reach its potential. Given the persistent negative performance of the primary sectors and public investment, the central bank cut its benchmark rate twice (in August and November), lowering it overall from 2.75% to 2.25%. Accordingly, national-currency interest rates fell from August onwards, from 20.1% in January 2019 to 18.7% in December of that year. However, despite the expansionary monetary policy that was transmitted to the financial system, the year-on-year growth rate in lending to the private sector showed signs of running out of steam and decelerated (from 8.7% in January to 7% in December), owing to worsening business expectations and a cooling of activity.

In March and April 2020, as an extraordinary response to the impact of COVID-19, the central bank cut its benchmark rate to an historic low of 0.25%. It has also implemented a series of emergency measures aimed at injecting liquidity to shore up the payments system and the credit chain, while expanding monetary stimulus by resorting to unconventional quantitative measures. The latter include reducing reserve requirements; easing the maturities, minimums and collateral for repurchase (repo) agreements; a national government guarantee programme for the financial system's loan portfolio; and foreign exchange intervention through swaps, repos and extension of the additional reserve requirement in soles placed on the sale of foreign exchange derivatives. This flexibility has been reflected in lending interest rates, which fell from 18.5% in January to 7.1% in June, albeit unevenly, since despite being applied to business loans, it has hardly had any effect on the consumer and mortgage loan segment. As a result, while the business credit growth rate has picked up significantly (from 4.5% in January to 20.1% in June), mortgage and consumer lending is slowing, with growth rates dropping from 9.2% to 4.6% and from 12.8% to 1.6%, respectively, over the same period. However, the extent of the impact of the disease, which continues to spread in the country, suggests a need for policies to provide greater support, which could lead to the adoption of more drastic non-conventional quantitative expansion tools. Arguments for this include the fact that there is scope to flatten the interest rate curve at the long end and that there are few legal barriers, as the Constitution allows the central bank to buy sovereign bonds in the secondary market.

(c) Exchange-rate policy

In 2019 there were three episodes of international exchange rate volatility associated with the rise in the United States Federal Reserve's benchmark rate, although the sol was one of the least volatile currencies in the region, appreciating on average by 2.2% in real terms. Given the lower current account deficit and the higher inflow of capital from foreign investment, the central bank intervened indirectly in the exchange market and continued its policy of de-dollarization by draining dollars from banks on a temporary basis. As a result of those operations, international reserves increased from US\$ 60 billion to US\$ 68 billion, reaching almost 30% of GDP. However, this did not produce inflationary pressures, while the average nominal depreciation was 1.5% in 2019.

In the first six months of 2020, the sol depreciated by 5.7% in nominal terms owing to the risk aversion of international financial markets over the uncertainty generated by COVID-19. This has also resulted in greater exchange rate volatility, which increased when some groups of workers were allowed to make withdrawals from private pension funds (AFPs) in an effort to alleviate economic hardship. The abrupt slowdown in capital inflows and the decline in the current account deficit led to a significant depreciation of the exchange rate at the end of March. These developments have led to increased central bank intervention in the exchange market with the aim of maintaining exchange rate and price stability, while avoiding currency mismatches. In addition, the robust measures taken by the major central banks in April have restored calm to international financial markets and helped restore flows. Coupled with new issuances of government bonds, this led the international reserves of the central bank to top US\$73 billion. This comes in addition to a flexible credit line of US\$ 11 billion approved by the International Monetary Fund (IMF) that the Peruvian government requested as a precautionary measure. Together, these resources represent an important line of defence for maintaining exchange rate stability in the economy.

3. The main variables

(a) The external sector

The current account deficit fell from US\$ 3.821 billion in 2018 to US\$ 3.531 billion in 2019, equivalent to 1.7% and 1.6% of GDP, respectively. This is the result of a reduction in the income deficit,

which shrank by 0.6 percentage points of GDP to 4.7%. The contraction was associated with the fact that the profits of companies linked to foreign direct investment (those in the mining, hydrocarbon and industrial sectors) dropped amid the fall in the prices of those commodities and the global economic slowdown.

The trade surplus narrowed owing to the negative effect of worsening terms of trade (-1.8%) and lower output in the primary sectors, particularly mining and fishing, both of which felt the impact of supply constraints. The value of exports lost 2.8% as a result of falling prices (-3.4%), especially of copper and zinc, despite a slight increase in volume (0.5%) thanks to the dynamism of the non-traditional agriexport sectors. Imports also fell (-1.9%), which is explained by lower prices (-1.7%), particularly of fuels and other inputs, and stagnant volumes (-0.1%) as a result of the weaker output.

With regard to the financial account, in 2019 the country received net financing from abroad of US\$ 10.548 billion, which in GDP terms meant a very significant increase over the previous year (4.6% of GDP in 2019 compared to 0.7% in 2018). This increase, together with the smaller current account deficit, pushed up the international reserves position to US\$ 8.2 billion, rising from 26.8% of GDP in 2018 to 29.7% in 2019. The gain is largely attributable to the sharp rise in direct investment inflows (linked to the new mining investment cycle that began in 2018) and, to a lesser extent, to the increase in public debt issuances, the reduction in nationals' portfolio outflows abroad and the liquidation of assets to meet exceptional withdrawals by AFP members.

In the first half of 2020, the lockdown had an impact on exports, the value of which fell by 26.7% compared to the same period in 2019. The downturn in both quantities (-23.6%) and prices (-4.9%) accounted for the slide. The main falls were recorded in the value of mining, fishing, non-primary manufacturing and hydrocarbon products. In the same period, the value of imports diminished by 19.5%, as both prices (-5.8%) and volumes (-16.5%) fell. The contraction occurred across the board, although fuels and raw materials for industry stood out, in line with the fall in international prices and in demand due to the halt in production and national transport. These trends led to a sharp decline in the trade and transfer surpluses in the first quarter of 2020, in the latter case as a result of the fall in remittances. The downturn far exceeded that of the income balance deficit, leading to a larger current account deficit of 2.8% of GDP. For the year as a whole, this deficit could be expected to be corrected to some extent if goods exports recover, imports continue to contract and the terms of trade remain positive. At the same time, in the financial account, the financing inflows were maintained thanks to public debt issuances, which, together with reduced direct investment flows, offset the portfolio outflows of residents who sought refuge in the dollar amid increased uncertainty. From April onwards, central bank measures eased tensions in financial markets, allowing financial flows to return, the loss of international reserves to be reversed and the accumulation trend to be restored, supported by new sovereign debt issues.

(b) Economic activity

In 2019, economic growth slowed to 2.2%, compared to 4.0% in 2018. The reason for this was both external and internal conditions: the former as a result of sluggish growth in the world economy and the multiple episodes of trade tensions between the United States and China; the latter owing to difficulties in primary production (mining and fishing) and zero growth in public investment, affected by the change in subnational authorities and difficulties in implementing public works projects. On the demand side, the weakening drivers of growth were private investment and public spending. The former, contributed 0.7 percentage points of GDP (the same as the previous year) owing to the inertia of copper mining projects under development. The latter provided a 0.5 percentage-point contribution to GDP (compared to 0.3 percentage points in 2018), thanks to the hike in public-sector wages. Public investment contributed 0.0 percentage points in 2019 (compared with 0.3 percentage points in 2018): there were difficulties in

implementing projects, which led to a loss of dynamism in total investment, where growth of 4.7% in real terms in 2018 fell to 2.9% in 2019.

Owing to the difficulties already mentioned, exports stopped contributing to growth (0.1 percentage points in 2019 compared to 1.1 percentage points in 2018). Overall, these developments resulted in a slower rate of job creation and stagnation of wages, which, in turn, led to weaker consumption and a drop in the latter's contribution to 1.9 percentage points, compared to 2.4 percentage points in 2018. However, consumption was more resilient than output, partly thanks to credit and immigration, with 750,000 Venezuelans joining the domestic economy. Imports, for their part, slowed in line with faltering output, and detracted a smaller share of GDP growth: 0.4 percentage points in 2019 versus 0.9 percentage points in 2018.

At the sectoral level, the fall in activity stemmed from the contraction in manufacturing (-0.2 percentage points, compared with 0.7 percentage points in 2018) and fishing (-0.1 percentage points, compared with 0.1 percentage points in 2018) and less dynamic contributions from construction, agriculture, transport and financial services to GDP generation.

On 16 March 2020, a compulsory lockdown was decreed that lasted until 30 June, during which time the economy suffered a downturn unprecedented in the last 100 years, reaching 39.9% in April. The four-phase resumption of activities that began in May has brought a degree of recovery and the decline improved to 32.7%, and to 18.1% in June. This change of trend is expected to consolidate in the third quarter, although there will be a marked negative impact on the year as a whole. On the demand side, exports are expected to fall sharply throughout the year, as recession hits the rest of the world simultaneously. This will be compounded by an uncertainty-fuelled plunge in private investment and by a sharp decline in public investment associated with the halt in construction. Private consumption will also plummet owing to GDP contraction and the temporary loss of workers' income, which could become prolonged and brings to the fore the added problem of the very high rate of labour informality (over 65%), leaving the majority of households exposed to job losses without social protection. Added to this is the risk that the small percentage of households that have maintained their incomes and whose savings have increased involuntarily will convert these into precautionary savings on a permanent basis if their confidence dwindles. In such a context, public spending will be the only component of demand that will grow and mitigate the other adverse impacts on aggregate demand. That spending will be increased to cover transfers to families and the need for medical materials and equipment. During the first five months of the year, all sectors contributed negatively to economic activity, except agriculture, which was sustained by the domestic market; it contributed 0.1 percentage points to GDP. The largest negative contributions were recorded in the services sector (6.0 percentage points), trade (3.0 percentage points), non-primary manufacturing (2.8 percentage points), mining (2.6 percentage points) and construction (2.4 percentage points), as they were the hardest hit by the mandatory lockdown.

(c) Prices, wages and employment

At year-end 2019, the inflation rate was 1.9% (compared with 2.2% in 2018), putting it within the central bank's target range (2.0%, with a margin of 1.0% on either side). Inflation was on a downward trajectory at the end of the year, amid falling food and energy prices. This downward trend continued during the first half of 2020, at the end of which inflation stood at 1.6%, although it rebounded to 1.9% in July. The first seven months have seen a moderation in core inflation and, in turn, a rise in food prices that has more than offset the fall in fuel prices. The central bank expects inflation to be around 0% by the end of 2020, in line with the contraction in consumption and the fall in the price of oil and other imported inputs.

In the labour market, the employment rate in Lima fell to 62.9% in 2019, compared with 63.5% in 2018, while the unemployment rate remained steady (6.5% in both years). In line with the slowdown in activity, formal job creation at the national level decreased from 3.8% in 2018 to 2.8% in 2019. The average wage in real terms grew more sluggishly than the previous year (0.9% in 2019 compared to 3.5% in 2018) and the informality rate increased from 65.7% in 2018 to 66.4% in 2019. In the first five months of 2020, on aggregate, the employment rate in Lima plunged to 46.6%, while the unemployment rate rose to 10.0%, as 55.0% of those in work were made jobless in the second quarter of the year.

Table 1
PERU: MAIN ECONOMIC INDICATORS

	2011	2012	2013	2014	2015	2016	2017	2018	2019 a/
	Annual growth rates b/								
Gross domestic product	6.3	6.1	5.9	2.4	3.3	4.0	2.5	4.0	2.2
Per capita gross domestic product	5.5	5.3	4.9	1.3	2.0	2.4	0.8	2.8	3.8
Gross domestic product, by sector									
Agriculture, livestock, hunting, forestry and fishing	8.1	1.8	2.6	-1.1	4.0	1.7	3.0	9.6	0.9
Mining and quarrying	0.3	1.8	5.1	-1.6	8.4	12.3	3.6	-1.3	-0.1
Manufacturing	8.3	1.3	5.2	-1.1	-0.9	-0.1	0.6	5.7	-1.7
Electricity, gas and water	8.2	5.9	3.4	5.2	6.6	7.8	0.9	4.5	3.9
Construction	3.6	15.9	9.4	1.8	-5.4	-2.6	2.4	5.4	1.6
Wholesale and retail commerce, restaurants and hotels	9.2	9.0	5.3	2.7	3.1	2.8	1.3	2.8	3.4
Transport, storage and communications	11.4	9.0	7.4	4.9	6.2	6.1	5.8	5.4	3.8
Financial institutions, insurance, real estate and business services	9.9	8.2	8.3	8.2	6.7	3.9	2.4	4.6	4.0
Community, social and personal services	4.0	5.6	4.3	4.5	4.3	4.1	3.1	4.1	4.1
Gross domestic product, by type of expenditure									
Final consumption expenditure	7.2	7.6	6.0	4.6	4.6	4.0	2.7	3.5	2.8
Government consumption	7.4	8.3	7.5	6.5	8.0	5.2	3.3	2.7	2.8
Private consumption	7.2	7.4	5.7	4.2	4.0	3.7	2.6	3.7	2.9
Gross capital formation	12.2	9.5	8.5	-1.1	-3.6	-5.8	0.0	4.7	1.4
Exports (goods and services)	5.5	3.1	-0.6	-3.8	4.3	11.8	8.8	3.9	0.0
Imports (goods and services)	13.6	10.0	2.9	-1.0	1.0	1.6	7.1	3.3	1.5
Investment and saving c/	Percentages of GDP								
Gross capital formation	24.2	24.6	25.6	24.7	24.3	22.0	20.7	21.3	20.9
National saving	22.2	21.4	20.4	20.1	19.3	19.4	19.4	19.6	19.3
External saving	2.0	3.2	5.2	4.5	5.0	2.6	1.3	1.7	1.6
Balance of payments	Millions of dollars								
Current account balance	-3 374	-6 091	-10 380	-9 086	-9 526	-5 064	-2 779	-3 821	-3 531
Goods balance	9 224	6 393	504	-1 509	-2 916	1 953	6 700	7 197	6 614
Exports, f.o.b.	46 376	47 411	42 861	39 533	34 414	37 082	45 422	49 066	47 688
Imports, f.o.b.	37 152	41 018	42 356	41 042	37 331	35 128	38 722	41 870	41 074
Services trade balance	-2 815	-3 295	-3 044	-2 210	-2 397	-2 031	-2 452	-2 589	-3 628
Income balance	-13 555	-13 159	-12 073	-9 907	-7 884	-8 982	-11 523	-11 814	-10 749
Net current transfers	3 201	3 307	3 346	4 372	3 331	3 967	3 589	3 556	3 718
Capital and financial balance d/	8 027	20 879	13 282	6 898	9 599	5 233	4 408	192	10 440
Net foreign direct investment	7 340	11 867	9 334	2 823	8 125	5 583	6 360	6 469	7 996
Other capital movements	687	9 012	3 948	4 074	1 474	-350	-1 953	-6 277	2 444
Overall balance	4 653	14 788	2 902	-2 188	73	168	1 629	-3 629	6 909
Variation in reserve assets e/	-4 686	-14 806	-2 907	2 178	-73	-168	-1 629	3 629	-6 909
Other financing	33	19	5	10	0	0	0	0	0
Other external-sector indicators									
Real effective exchange rate (index: 2005=100) f/	96.6	90.1	90.4	92.5	94.1	95.3	92.1	93.6	91.6
Terms of trade for goods (index: 2010=100)	108.2	104.7	98.4	93.1	86.7	86.5	93.0	92.6	91.0
Net resource transfer (millions of dollars)	-5 495	7 738	1 214	-2 999	1 714	-3 749	-7 116	-11 622	-310
Total gross external debt (millions of dollars)	47 977	59 376	60 823	69 215	73 274	74 645	76 499	77 787	80 089
Employment	Average annual rates								
Labour force participation rate g/	70.0	73.6	73.2	72.3	71.6	72.2	72.4	72.2	72.6
Open unemployment rate g/	4	3.7	3.9	3.7	3.5	4.2	4.1	3.9	3.9
Visible underemployment rate h/	12.4	12.0	11.6	11.3	10.4	11.3	11.5	13.6	13.2

Table 1 (concluded)

	2011	2012	2013	2014	2015	2016	2017	2018	2019
Prices	Annual percentages								
Variation in consumer prices (December-December)	4.7	2.6	2.9	3.2	4.4	3.2	1.4	2.2	1.9
Variation in producer prices (December-December)	6.3	-0.6	1.6	1.5	2.6	1.9	-0.6	3.2	-0.1
Variation in nominal exchange rate (annual average)	-2.5	-4.2	2.5	5.0	12.2	6.0	-3.4	0.8	1.5
Variation in average real wage	8.4	2.4	3.3	2.8	-0.3	4.0	-0.4	3.3	0.8
Nominal deposit rate i/	2.3	2.5	2.3	2.3	2.3	2.6	2.7	2.3	2.4
Nominal lending rate i/	18.7	19.2	18.1	15.7	16.1	16.5	16.8	14.5	14.4
Central government	Percentages of GDP								
Total revenue	21.7	22.4	22.4	22.6	20.5	19.1	18.6	19.7	20.3
Tax revenue	18.3	19.0	19.0	19.3	17.6	16.5	15.7	16.9	17.3
Total expenditure	19.7	20.3	21.7	22.8	22.5	21.3	21.5	21.7	21.7
Current expenditure	14.5	14.7	15.5	16.7	17.0	16.5	16.7	16.8	17.0
Interest	1.1	1.1	1.1	1.1	1.0	1.1	1.1	1.3	1.3
Capital expenditure	5.1	5.7	6.2	6.0	5.5	4.7	4.8	5.0	4.6
Primary balance	3.2	3.2	1.9	0.9	-1.0	-1.1	-1.7	-0.8	-0.1
Overall balance	2.0	2.1	0.8	-0.2	-2.0	-2.2	-2.9	-2.0	-1.4
Central government public debt	18.4	18.3	17.3	18.2	19.7	21.6	23.3	23.8	24.8
Domestic	8.9	8.4	8.5	8.6	9.0	11.2	15.5	16.5	17.7
External	9.5	9.8	8.8	9.6	10.7	10.4	7.8	7.3	7.0
Money and credit	Percentages of GDP, end-of-year stocks								
Domestic credit	9.8	8.9	9.5	12.6	12.8	13.1	15.3	18.9	18.9
To the public sector	-11.2	-13.5	-13.4	-12.9	-12.9	-12.1	-9.1	-7.9	-8.2
To the private sector	31.3	33.0	36.5	39.4	42.3	41.5	41.0	42.4	43.8
Others	-10.3	-10.5	-13.6	-13.9	-16.6	-16.3	-16.6	-16.0	-16.6
Monetary base	8.4	10.4	9.6	9.4	8.5	8.2	8.3	8.4	8.5
Money (M1)	10.3	11.3	11.4	12.0	11.8	11.4	11.9	12.6	13.1
M2	21.0	24.2	25.2	26.6	25.8	26.3	27.8	29.4	31.3
Foreign-currency deposits	12.2	10.7	12.4	12.6	15.4	13.9	13.3	13.1	13.3

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/ 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/ Urban total.

h/ Metropolitan Lima.

i/ Market rate, average for transactions conducted in the last 30 business days.

Table 2
PERU: MAIN QUARTERLY INDICATORS

	2018				2019				2020	
	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/	3.1	5.4	2.5	4.8	2.4	1.2	3.2	1.8	-3.4	...
Gross international reserves (millions of dollars)	62 904	59 816	59 768	59 412	63 028	66 024	67 702	67 736	68 139	72 897
Real effective exchange rate (index: 2005=100) c/	95.3	94.4	92.0	92.8	92.0	91.4	91.1	91.7	92.1	88.4 d/
Open unemployment rate e/	5.2	3.7	3.8	3.2	5.2	3.6	3.5	3.6	5.1	...
Employment rate e/	69.2	68.8	69.5	69.7	69.2	68.6	69.7	70.4	66.6	...
Consumer prices (12-month percentage variation)	0.4	1.4	1.3	2.2	2.2	2.3	1.9	1.9	1.8	1.6
Wholesale prices (12-month percentage variation)	0.3	1.7	2.3	3.22	1.7	1.2	0.7	-0.12	0.4	-0.1 f/
Average nominal exchange rate (soles per dollar)	3.2	3.3	3.3	3.4	3.3	3.3	3.3	3.4	3.4	3.4 d/
Nominal interest rates (average annualized percentages)										
Deposit rate g/	2.4	2.2	2.3	2.4	2.4	2.5	2.4	2.2	2.1	1.8 d/
Lending rate g/	15.6	14.2	14.2	14.2	14.4	14.5	14.5	14.2	14.2	13.1 d/
Interbank rate	3.0	2.8	2.7	2.8	2.8	2.8	2.6	2.4	2.1	0.4 d/
Monetary policy rates	2.9	2.8	2.8	2.8	2.8	2.8	2.6	2.3	1.9	0.3
Sovereign bond spread, Embi + (basis points to end of period) h/	156	166	133	168	130	124	131	107	265	182
Risk premia on five-year credit default swap (basis points to end of period)	82	89	74	94	67	54	55	41	119	92
International bond issues (millions of dollars)	-	1 425	-	1 211	273	3 911	2 827	2 991	650	5 150
Stock price index (national index to end of period, 31 December 2005 = 100)	428	412	407	403	439	429	408	427	301	351
Domestic credit (variation from same quarter of preceding year)	37.5	46.4	37.4	31.0	13.6	3.0	3.1	4.3	12.1	25.9

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/ Nationwide total.

f/ Figures as of April.

g/ Market rate, average for transactions conducted in the last 30 business days.

h/ Measured by J.P.Morgan.