



## Market profile

Peru is a member of the Andean Community and the APEC (Asia-Pacific Economic Cooperation) forum. Peru currently has 24 trade agreements, 3 to go into effect soon and 7 in negotiation, being the most relevant the ones with the EU, US, UK, and China, among others. Recently celebrated 200 years of obtaining independence from Spain.

### FACTS

- Merchandise exports 57 billion USD
- Service exports 7 billion USD
- Capital: Lima
- Official language: Spanish
- Area: 1.285 MM sq km
- Population: 32.63 million

## Economy and business structure

Peru is one of the most dynamic and steady economies in Latin America with a qualification of BBa1 (Stable) by Moody's and BBB (Stable) by Standard & Poor's & Fitch ratings, which places it as the second-best sovereign rating in Latin America. Among the key factors for the decision to maintain Peru's rating is the resilience that the Peruvian economy showed in the face of different adverse shocks

Peru is ranked 68<sup>th</sup> in ease of Doing Business and represents the 7<sup>th</sup> largest economy in Latin America. The country underwent a structural improvement in the past 30 years, which included several trade agreements. It has a Gross Domestic Product (GDP) of US\$ 202 billion. Upcoming projects of national relevance include the modernization of the main airport, the construction of the Lima metro system, three large ports, and several potential large mining projects.

Recently, domestic demand has been the main driver of growth as an overall improvement in confidence in the economy has boosted domestic consumption and investment. Moreover, the steady fiscal consolidation that led to budget surpluses in the past decade has increased confidence in public finances and allowed for productive public expenditures. A period of relatively stable inflation and the stability of the national currency, the sol, have helped the economy-overcome periods of nominal volatility.

## Key industries and their trends

Peru has megadiverse geography and biology and is making efforts to the diversification of its industries and manufacturing base. Peru's main economic activity is mining followed by the fishing industry, fossil fuels, and agricultural products. Despite the world crisis unleashed by the coronavirus, Peru had a historical record export figure, which represents +35% more than the previous year and +21% more than the years before the pandemic.

In 2021, all productive sectors achieved positive figures in their exports. Such is the case of the metallurgical (+75.9%), iron and steel (+74.7%), textile (+68.4%), jewelry (+64.3%), fishing (+34.7%), mining (+33.5%), glass (+32%), forestry (+30.8%), chemical (+29.4%) and agro-export (+18%).

In the mining-energy sector, the most dynamic products were natural gas (+220.3%), tin (+134.7%), oil/derivatives (+98.4%), molybdenum (+82.9%) and iron (58.1%). Copper exports, Peru's main export commodity, grew 36.7%.

Telecommunications and financial services are the main branches of the services sector; together they account for nearly 40% of GDP. Industry, which represents around 35% of GDP, has undergone a process of modernization, which has translated into increased employment in the country's primary industrial areas. The Mining sector represents around 10% of the country's GDP and 60% of national exports and stands out for its potential and low production costs. Peru is the 2nd and 3rd world producer of copper and zinc, respectively. In Latin America, Peru is the largest producer of zinc, lead, and gold.

This offers opportunities for Finnish companies in Mining, Telecommunications, Cybersecurity, and Digitalization. Energy, Bio & Circular Economy, and Healthcare.

## Important things to consider when doing business in Peru

Peru currently is ranked 76<sup>th</sup> in the "Doing Business" ranking according to the World Bank in 2020. Establishing a business in Peru has a simple procedure and the tools to do this are very accessible and simple, the drawback is in time & costs, which are usually longer and costlier respectively than in other regions. During the last decade, some reforms were implemented to make it easier to set up a business in Peru, such as making the process of obtaining a construction permit much simpler, improving the access to credit, reduced the corporate income tax rate among others.

Because of the economic opening and the capital requirements, many large companies in key sectors have foreign investors and operate under high-level first-world standards. Suppliers-to-be go through scrutiny and proof of high standards are required. This happens for instance in Mining and Banking.

In other segments, however, there is more openness to new products and solutions.

In both cases, however, a local ally is advisable. A good and respected distributor, reseller or representative presents a faster way to successfully get to potential clients, and can communicate in the local language as many Peruvians do not always speak English fluently.

Although there may be some bureaucratic steps to follow, Finnish businesses have little limitation for establishing, operating, or selling trade goods and services in Peru. Business etiquette is cordial and open, with genuine individual friendliness. Potential customers will compare exhaustively your product to other solutions in the market (quality, price, life cycle, success cases in similar situations, etc.) so be prepared to make your case. Finnish products are respected and perceived as transparent and quality-oriented, although potentially expensive.

## Annual main trade shows and events

- Perumin, Arequipa, 26 Sep. - 30 Sep. 2022, International Mining Convention, <https://perumin.com/>
- Expomina, Lima, 27 Apr. – 29 Apr. 2022, International Mining Fair for Main Providers, <https://www.expominaperu.com/>
- Peru Energia, Lima, 17 Oct. – 18 Oct. 2022, Energy Summit, <https://peruenergia.com.pe/>
- Tecnoagro, Trujillo, 20 Oct. – 22 Oct. 2022, Technology for the agricultural industry Expo, [www.tecnoagroperu.com.pe](http://www.tecnoagroperu.com.pe)
- SITDEF (international exhibition of technology for defense and disaster prevention), Lima, 18 May – 21 May 2023, Defense Expo and Congress, <https://sitdef.com/>
- Tecnosalud, Lima, 7 Sep. – 9 Sep. 2022, Healthcare fair of technology, <https://www.tecnosalud.com.pe/>
- Expoplast Peru, Lima, 25 Aug. – 27 Aug. 2022, Plastic Industry Fair, <https://expoplastperu.com/>

- Expoalimentaria, Lima, 21 Sep- - 23 Sep. 2022, Largest Food Expo in Latin America, <https://expoalimentariaperu.com/>

## Market data sources and other useful links

- Peruvian National Institute of Statistics and Informatics: <https://www.inei.gob.pe/>
- Peruvian Ministry of Foreign Trade and Tourism: <https://www.gob.pe/mincetur>
- Peruvian Association of Exporters: <https://www.adexperu.org.pe/>
- Limas Chamber of Commerce: <https://www.camaralima.org.pe/>
- The World Bank: <https://www.worldbank.org/en/home>
- International Monetary Fund: <https://www.imf.org>
- Moodys Risk Rating Agency: <https://www.moodys.com/>

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