

# Country profile : PERU

**Main cities :** Lima (8 472 935 inhab) ; Arequipa (784 651 inhab) ;  
Trujillo (682 834 inhab) ; Chiclayo (524 442 inhab) ; Piura (377 496 inhab).  
**Urban population :** 77,9%



Technology	Environmental	Economic issues	Political stability	Customs posture
A significant infrastructure deficit.	A geographical location making the country vulnerable to the risks of natural disasters. Peru's varied geography is reflected in its economy. The abundance of resources is mainly found in mineral deposits in mountainous regions, while its vast maritime territory has always provided excellent fishing resources. However, due to its complex geographic features (such as the arid coast, the rugged Andes and the hard-to-reach jungle), Peru has a relatively small agricultural area, which occupies only 1.7% of the territory. Nevertheless, the sector is quite large in relation to the size of the arable land. Agriculture contributes 6.9% of the country's GDP and employs 28% of the working population. The country's main agricultural products are cotton, sugar cane, coffee, wheat, rice, corn, quinoa and barley. Peru is also one of the world's main exporters of artichokes, quinoa, mangoes, citrus fruits, avocado and grapes. Peru experiences strong earthquakes.	Certain economic dynamism with a sustained growth rate for five years: 2.5% in 2017 and forecasts up to 3.8% in 2018. The IMF estimates that growth will remain the same in 2019 and 2020, that is to say 4, 1%. An abundance of natural resources (mining, energy and agriculture) generates a generally surplus trade balance thanks to its numerous exports. A favorable domestic market development and encouraged by an ever stronger domestic demand. High vulnerability to commodity prices and Chinese economic developments (China being the main recipient of Peruvian exports). Exports very dependent on the primary sector. A social situation that is sometimes difficult depending on the region, caused by a structuring of the redistribution of unstable and unequal wealth. Public debt, halved (reaching 26.4% in 2018) and is one of the lowest in Latin America.	Prudent macroeconomic policies that were carried out by a central bank independent of the executive, which enabled the country to have optimal management of the public debt and to reduce the external debt. A flawed legal and legal framework that does not eradicate corruption.	Peru is very open to trade (46.8% of its GDP) with its neighbors and the rest of the world and offers a favorable business environment for foreign investors. Its membership in the Pacific Alliance which gives it access to the markets of the countries of the region. In Peru, the principle of free trade exists: there are no quantitative restrictions or exchange controls. Peru is a member of the WTO. The country is seeking to position itself as a regional hub for trade between Latin America and the APEC (Asia-Pacific Economic Cooperation) countries.

**Who is this country already trading with?**

Peru's main partners are: China, the United States, South Korea, India, Brazil, Mexico and Ecuador.

**What are the problems facing Peru today?**

- Natural disasters;
- Deforestation;
- Illegal mines in the Amazon (lots of pollution).
- A high vulnerability to the prices of raw materials and to the Chinese economic situation (China being the first recipient of Peruvian exports);
- Exports very dependent on the primary sector;
- A legal and legal framework with gaps which does not make it possible to eradicate corruption;
- A sometimes difficult social situation depending on the region, caused by a structuring of the redistribution of unstable and unequal wealth;
- A significant infrastructure deficit;
- A geographical location making the country vulnerable to the risks of natural disasters;
- A large informal sector (70% of employment in 2017 according to COFACE).

Peru would like to monitor all of these rivers.