

PERU

1. Recent trends

Poverty in Peru decreased from 19.1% in 2016 to 17.2% in 2022, remaining below the Latin America and the Caribbean (LAC) average of 24.1%. Similarly, extreme poverty decreased from 5.2% in 2016 to 3.3% in 2022, standing below the LAC average (8.3%). The Gini index decreased from 43.6 in 2016 to 40.2 in 2021, remaining below the LAC average (44.8). Regarding investment and production transformation indicators, total investment in Peru increased from 21.4% of GDP in 2016 to 23.6% in 2022, in line with the region's average trend, which increased from 20.8% to 21.3% over the same period. Private investment increased slightly from 15.7% to 15.9%. Peru's labour productivity, measured against output per employed person in the United States, decreased from 19.0% in 2016 to 18.6% in 2023, remaining below the LAC average of 27.1% in 2023. The share of exports of high-tech products in total exported manufactured goods remained unchanged at 4.8% from 2016 to 2020, well below the LAC average (7.2%). Positive perceptions of foreign direct investment (FDI), which declined across the region also dropped in Peru, from 67.8% in 2016 to 41.3% in 2020. The country's tax revenue increased from 16.1% of GDP in 2016 to 17.9% in 2021, remaining below the regional average of 21.5%. Environment-related tax revenues remained the same at 0.5% of GDP between 2016 and 2021, about half of the LAC average of 0.9% in 2021.

2. Long-term policies to promote investment and production transformation

Peru has made significant efforts to **attract and mobilise high-quality investment**, focusing mainly on providing the country with quality economic and social infrastructure. In 2018, it established the National Policy on Competitiveness and Productivity to achieve sustainability and proper operation of economic, social, and environmental infrastructure. This approach centres on territorial growth and the ability to withstand natural disasters. In July 2019, Peru published its first-ever National Infrastructure Plan for Competitiveness (PNIC) for 2019-22, which prioritised implementing 52 projects throughout the country, with an investment worth nearly USD 30 billion. In October 2022, Peru released the National Sustainable Infrastructure Plan for Competitiveness for 2022-25, which builds upon and extends the PNIC 2019-22, adding social aspects and a focus on sustainability.

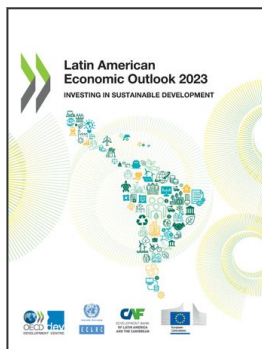
To advance an **inclusive and sustainable production model**, the General Directorate of Multi-annual Investment Programming of Peru developed its Multiannual State Investment Programme 2021-2023 (*Programa Multianual de Inversiones del Estado [PMIE]*) to allocate public resources towards the construction of public infrastructure that contributes to the country's development. The programme focuses on six key areas for public investment: education; healthcare; transportation and communication; housing and sanitation; agriculture; and energy and mining.

In terms of **regional and international partnerships** to support the attraction of quality investments, Peru has established collaborative initiatives with partners within and beyond LAC. **Within** the region, Peru participates in defining sustainable infrastructure through the Pacific Alliance, together with Chile, Colombia and Mexico. The Pacific Alliance, through the Working Group on Infrastructure Investment, seeks to standardise the concept of sustainable infrastructure among member countries, in line with the conceptual framework of the Inter-American Development Bank (IDB). This framework covers four sustainability dimensions: economic and financial, social, environmental, and institutional. **Beyond** LAC, Peru is also a member of Euroclima, the flagship programme of the European Union (EU) to promote green action in LAC countries. This membership will contribute to implementing the EU Global Gateway Investment Agenda in the region, further strengthening efforts to promote sustainable development and attractiveness for local and international investments.

	Key indicators – Peru					
	Peru		LAC		OECD	
	2016	2022	2016	2022	2016	2022
Social						
Extreme poverty	5.2	3.3	8.1	8.3	N/A	N/A
Poverty	19.1	17.2	25.9	24.1	N/A	N/A
	2016	2021	2016	2021	2016	2021
Share of internet users (% of population)	45.5	71.1	54.5	74.2	81.8	89.6
	2016	2021	2016	2021	2016	2020
Gini index	43.6	40.2	46.3	44.8	34.1	33.6
	2010	2018	2009	2021	2009	2021
Share of total population in informal households (%)	67.2	60.6	44.2	46.8	N/A	N/A
	2010	2019	2009	2021	2009	2021
Share of total population in informal households, upper-income quintile (%)	27.6	21.4	23.9	21.3	N/A	N/A
Share of total population in informal households, lower-income quintile (%)	93.5	95.5	77.6	78.2	N/A	N/A
	2019	2023	2019	2023	2019	2023
SIGI index	24.5	18.6	25.4	21.6	17.5	15.3
	2015	2018	2015	2018	2015	2018
PISA score in science	397	404	411	407	489	487
Productivity and innovation						
	2016	2023	2016	2023	2016	2023
Labour productivity (% of the United States)	19.0	18.6	29.3	27.1	70.0	68.5
	2016	2020	2016	2021	2016	2021
High-tech exports (% of manufactured exports)	4.8	4.8	8.4	7.2	16.5	16.0
	2016	2019	2016	2019	2016	2019
R&D expenditures (% of GDP)	0.1	0.2	0.3	0.4	1.8	2.0
Investment and production transformation						
	2016	2022	2016	2022	2016	2022
Total investment, gross fixed capital formation (% of GDP)	21.4	23.6	20.8	21.3	21.9	22.8
Foreign direct investment (FDI), net capital inflow (% of GDP)	3.5	4.5	4.4	4.6	6.8	3.5
	2016	2019	2016	2019	2016	2019
Private investment (% of GDP)	15.7	15.9	16.1	15.8	18.2	18.8
	2016	2019	2016	2021	2016	2021
Public investment in economic infrastructure (% of GDP)	2.6	2.1	2.3	1.6	N/A	N/A
Citizens' perceptions and institutions						
	2016	2020	2016	2020	2016	2020
Share of population who perceive FDI as beneficial (%)	67.8	41.3	70.9	53.9	N/A	N/A
	2018	2020	2018	2020	2018	2020
Share of population who consider that, in general, domestic products are of lower quality than imported ones (%) (agreeing or strongly agreeing)	33.4	33.7	44.6	42.7	N/A	N/A
	2016	2022	2016	2022	2016	2022
Corruption Perception Index (score on a scale of 0 [highly corrupt] to 100 [totally clean])	35.0	36.0	41.2	40.6	67.3	66.3
Security risks indicator (score from 0 [low security risks] to 10 [high security risks])	7.3	5.8	5.9	5.6	2.8	2.6
	2010-14	2017-22	2010-14	2017-22	2010-14	2017-22
Belief that science and technology will create more opportunities for the next generation (score on a scale from 1 [strongly disagree] to 10 [strongly agree])	7.3	6.9	7.3	7.2	7.6	7.2
Share of population who worry (very much or a great deal) about not being able to provide a good education for their children (%)	83.0	81.0	75.4	74.0	49.8	41.4
Fiscal position						
	2016	2021	2016	2021	2016	2021
Total tax revenues (% of GDP)	16.1	17.9	22.0	21.5	33.6	34.1
Environmentally related tax revenue (% of GDP)	0.5	0.5	1.1	0.9	2.4	2.0
Share of VAT (% GDP)	6.0	7.2	5.9	6.1	6.6	7.0
Share of PIT (% GDP)	1.8	1.9	2.0	2.0	7.8	8.3
Share of CIT (% of GDP)	3.8	4.5	3.2	3.4	2.9	3.1
Debt service (% of total tax revenue)	5.8	7.3	11.3	12.3	5.4	5.3
Social expenditure (% of GDP)	N/A	N/A	11.3	13.3	20.1	22.0
	2016	2020	2016	2020	2016	2019
Perception of tax evasion (%)	N/A	34.8	N/A	27.3	N/A	N/A

Note: See the Reader's Guide for definitions and sources.

StatLink  <https://stat.link/d4a6w9>



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