

PERU: MAIN MACRO-FINANCIAL INDICATORS

International Economics and Euro Area
Department

BANCO DE **ESPAÑA**
Eurosistema



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Table 1

Peru: main economic and social indicators

	2022					2021	
GDP per capita (constant \$)	7,157	Life expectancy (years)				72.4	
GDP per capita (PPP)	13,749	Poverty rate (% of the population) (a)				25.9	
GDP (\$bn)	223,249	Inequality (Gini)				40.2	
Population (million)	34	Inflation target (2023)				2.0% (± 1.0%)	
Monetary and real sector, and prices	2000-2004 average	2005-2009 average	2010-2014 average	2015-2019 average	2020	2021	2022
GDP (year-on-year rate)	3.6	6.5	5.8	3.2	-11.0	13.4	2.7
CPI (year-on-year rate)	2.4	2.8	2.9	2.7	2.0	4.3	8.3
Underlying CPI (year-on-year rate)	1.8	2.7	3.1	3.1	1.8	3.8	6.5
Policy interest rate (%)	3.0	4.1	3.8	3.3	0.3	2.5	7.5
Unemployment rate (%)	4.7	4.2	3.4	3.5	7.2	5.1	3.7
Budget balance (% of GDP)	-1.7	1.2	0.9	-1.8	-9.0	-2.5	-1.3
Primary balance (% of GDP)	0.6	2.9	1.9	-1.1	-6.9	-1.2	0.0
Public debt (% of GDP)	47.6	29.1	20.9	24.8	34.6	35.9	33.8
External sector							
Trade openness (% of GDP)	44.2	63.4	60.5	54.3	50.1	66.8	68.8
Current account balance (% of GDP)	-1.8	0.2	-3.3	-2.4	1.2	-2.2	-4.1
Foreign direct investment received (% of GDP)	2.5	4.8	4.9	2.9	0.4	3.3	4.3
Portfolio capital inflows (% of GDP)	-0.5	-0.8	0.0	-0.7	0.7	5.1	0.7
Reserves (months of imports)	9.5	9.2	11.7	12.7	17.9	19.6	15.5
Reserves (% of GDP)	17.3	23.7	31.0	30.6	37.4	36.2	29.3
ARA metrics (IMF) (b)	1.5	2.2	2.7	2.7	2.8	2.7	2.4
External debt (% of GDP)	52.8	32.9	30.3	32.1	35.8	38.8	36.1
Domestic debt held by non-residents (% of total)	15.6	26.0	34.9	40.0	50.2	54.2	53.4
Financial markets							
Exchange rate against the euro	3.6	4.2	3.6	3.7	3.7	4.6	4.0
Exchange rate against the dollar	3.4	3.1	2.8	3.3	3.6	4.0	3.8
10-year government debt yield (%)	—	—	5.5	5.1	3.8	4.9	7.9
Average government debt maturity (months)	91.7	120.6	153.3	146.8	144.8	159.2	153.0
CDS (basis points)	—	—	130.2	104.3	81.3	88.3	88.3
Banking sector							
Size of the sector (% of GDP)	—	—	24.4	34.6	51.3	40.6	—
Credit to the private sector (% of GDP)	27.6	28.4	38.0	46.9	58.6	50.9	48.6
Basel credit-to-GDP gap (c)	—	—	2.4	1.5	3.8	-0.2	-3.1
Housing prices (year-on-year)	0.0	13.1	16.1	0.0	1.0	0.0	-0.5
Regulatory capital/RWAs	—	—	14.0	14.8	15.6	15.0	14.5
Tier 1	—	—	10.7	11.1	11.8	11.0	11.0
RWAs/total assets	67.0	64.9	71.3	79.6	76.4	72.5	81.1
Non-performing loans (% of portfolio)	—	—	2.3	3.2	4.1	3.9	4.1
ROA (d)	0.9	2.2	2.9	2.8	1.2	1.3	2.6
ROE (e)	8.1	24.9	21.2	18.7	7.3	9.0	16.9
Liquidity ratio	28.5	42.3	41.8	28.7	37.1	44.5	23.7
Primary expenditure (% of total revenues)	—	—	49.6	46.2	46.5	50.9	46.8
Net interest income (% of gross revenues) (f)	—	—	85.5	85.6	90.9	89.8	90.4

SOURCES: IMF, Thomson Reuters and national statistics.

- a Percentage of population with income of less than \$3.65 (purchasing power parity in 2017 dollars) per day.
b Drawing on the IMF's calculations for assessing reserve adequacy, which take into account the level of reserves relative to different aggregates and the related opportunity cost.
c Difference between the actual level and the trend in credit to the private sector as a percentage of GDP.
d Return on Assets (ROA) is defined as profit as a percentage of assets in the banking sector portfolio.
e Return on Equity (ROE) is defined as profit as a percentage of capital in the banking sector.
f Defined as the ratio of net income from financial intermediation to operating income. Provisioning expenses are not included in the numerator. Operating income comprises income from financial intermediation, income from services, income from shares and other operating income/expenditure, except for administration expenses..

Table 2

Peru: situation of vulnerability (a)

	Time series										With respect to other emerging market economies		
	2018		2019		2020		2021		2022			2023	Latest figure
	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2			
Sovereign spread (bp)	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	
Stock market (quarterly change)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	
Exchange rate (quarterly change)	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	
Sovereign spread (quarterly change)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	
GDP (year-on-year)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	
Inflation	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	
Industrial output	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	
Currency overvaluation	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	
Budget balance (% of GDP)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	
Gross public sector debt (% of GDP)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	
Credit (real, year-on-year)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	
Deposits (real, year-on-year)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	
Net foreign assets of banks (% of GDP)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	
Non-performing loans (% of portfolio)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	
Loan-to-deposit ratio	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	
Banks' equity index (quarterly change)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	
Banks' external debt spread	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	
Interbank interest rate	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	
Net interest income	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	
Banking risk (BICRA)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	
Banking risk (IHS)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	
Current account balance (% of GDP)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	
Foreign direct investment (% of GDP)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	
External debt (% of GDP)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	
Short-term external debt (% of reserves)	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	
Reserves (% of GDP)	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	
External debt service (% of exports)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	
Portfolio investment (% of GDP)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	
GDP per capita (change)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	
Political risk (IHS)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	
Geopolitical risk (GPR)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	
Sovereign rating	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	
Stability/Absence of violence (percentile)	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	

SOURCE: Irma Alonso and Luis Molina. (2021). "A GPS navigator to monitor risks in emerging economies: the vulnerability dashboard". Documentos Ocasionales, 2111, Banco de España. <https://www.bde.es/f/webbde/SES/Secciones/Publicaciones/PublicacionesSerias/DocumentosOcasionales/21/Files/do2111e.pdf>

a The risk level is indicated with shades of green (associated with lower levels of vulnerability), yellow (medium vulnerability) and red (variables in the highest risk percentiles).

Table 3

Spain and euro area exposure to Peru (2022, unless otherwise indicated)

	\$bn		Percentage of GDP		Percentage of total		Ranking	
	Euro area	Spain	Euro area	Spain	Euro area	Spain	Euro area	Spain
Exports of goods (2022)	4.3	0.8	0.0	0.1	0.1	0.2	81	49
Imports of goods (2022)	7.0	1.8	0.0	0.1	0.1	0.4	64	41
Exports of services (2021)	2.3	—	0.0	—	0.1	—	64	—
Imports of services (2021)	0.7	—	0.0	—	0.0	—	83	—
International Investment Position: Foreign direct investment. Assets (2021)	23.1	4.3	0.2	0.3	0.1	0.7	59	23
International Investment Position: Foreign direct investment. Liabilities (2021)	5.2	0.8	0.0	0.1	0.0	0.1	67	36
International Investment Position: Portfolio investment. Assets (June 2022)	18.2	0.1	0.1	0.0	0.1	0.0	51	47
International Investment Position: Portfolio investment. Liabilities (June 2022)	0.0	0.0	0.0	0.0	0.0	0.0	90	87
Credit exposure to Peru of BIS reporting banks (a) (December 2022)	33.6	30.0	0.2	2.1	0.3	1.5	40	12
Claims of Peruvian banks vis-à-vis residents of the euro area or Spain (December 2022)	—	—	—	—	—	—	—	—
Debt of Peruvian residents to banks from the euro area or Spain (b) (December 2022)	33.6	30.0	13.8	12.3	49.3	44.0	—	1

SOURCES: IMF, OECD, Eurostat, BIS and national statistics.

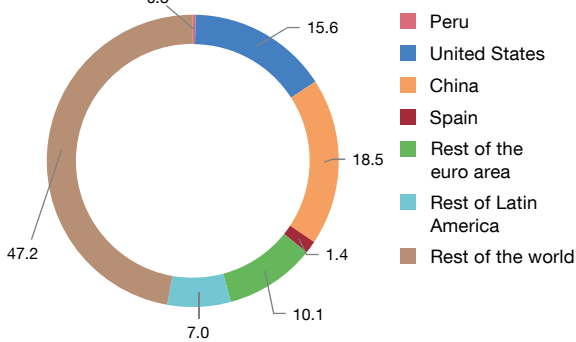
a With respect to euro area and Spanish figures.

b With respect to Peruvian figures.

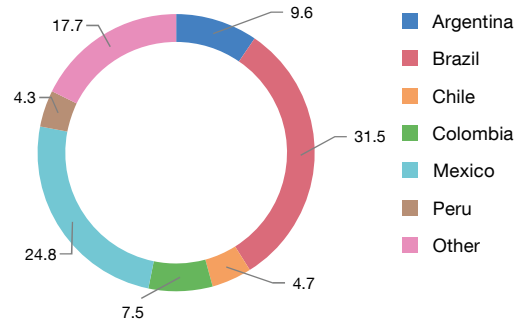
Chart 1

Peru: structural economic data

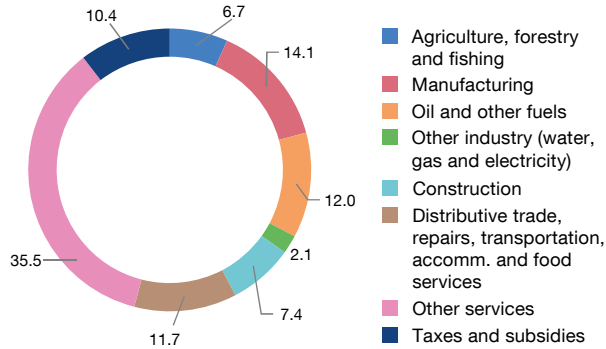
1.a Share of global GDP (%) (2022)



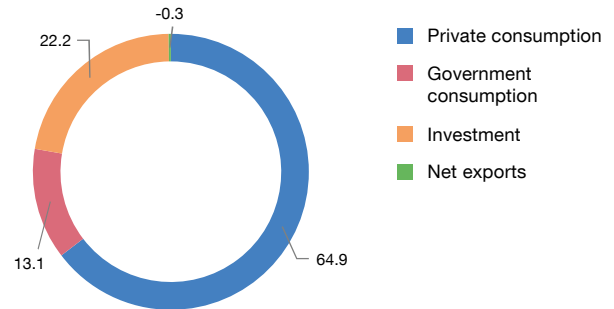
1.b Share of Latin American GDP (%) (2022)



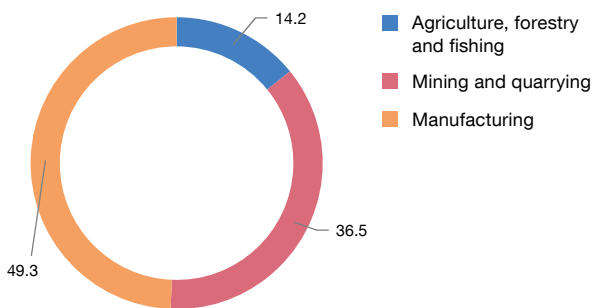
1.c Breakdown of GDP: supply (%) (2022)



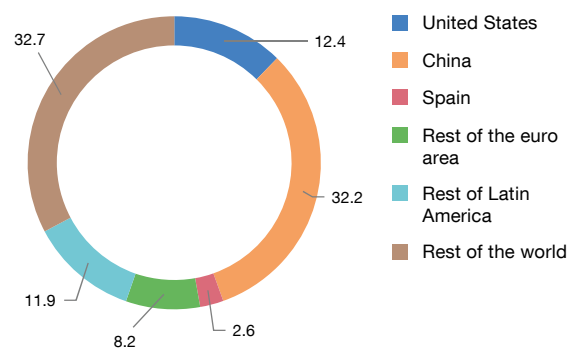
1.d Breakdown of GDP: demand (%) (2022)



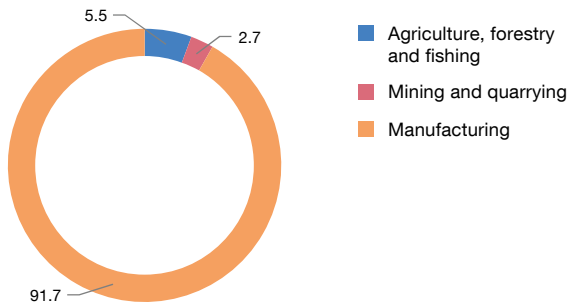
1.e Exports of goods, by sector (%) (2020)



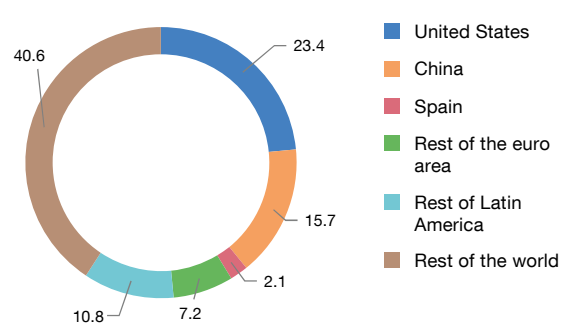
1.f Exports of goods, by destination (%) (2022)



1.g Imports of goods, by sector (%) (2020)



1.h Imports of goods, by origin (%) (2022)



SOURCES: OECD and IMF.

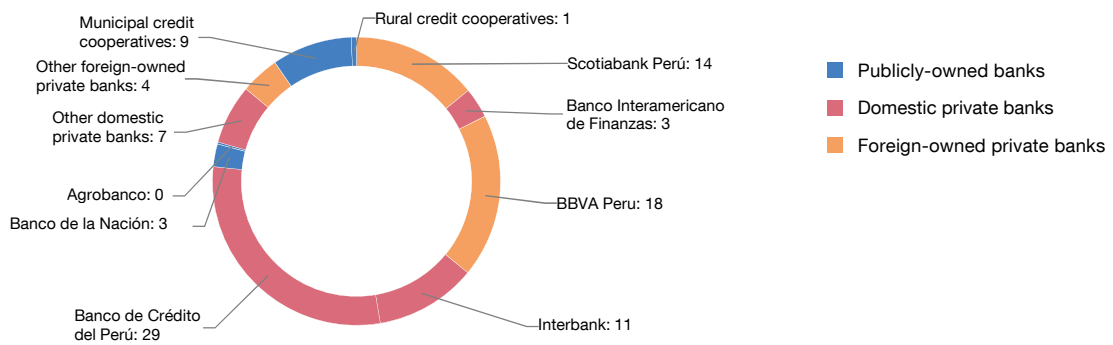


Chart 2

Peru: structure of the banking sector and relevance for Spain

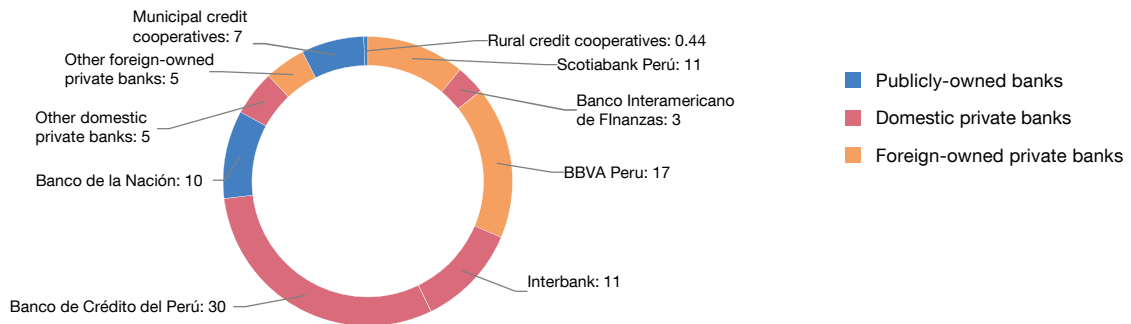
2.a Breakdown of the banking sector (March 2023): loans

% of the total

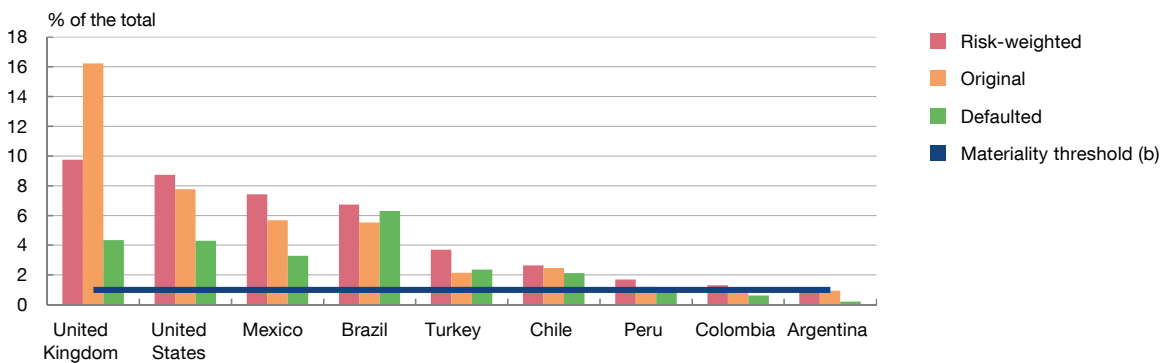


2.b Breakdown of the banking sector (March 2023): deposits

% of the total



2.c Exposures to material third countries, by type of exposure (December 2022) (a)



SOURCES: Superintendencia del Mercado de Valores and Banco de España.

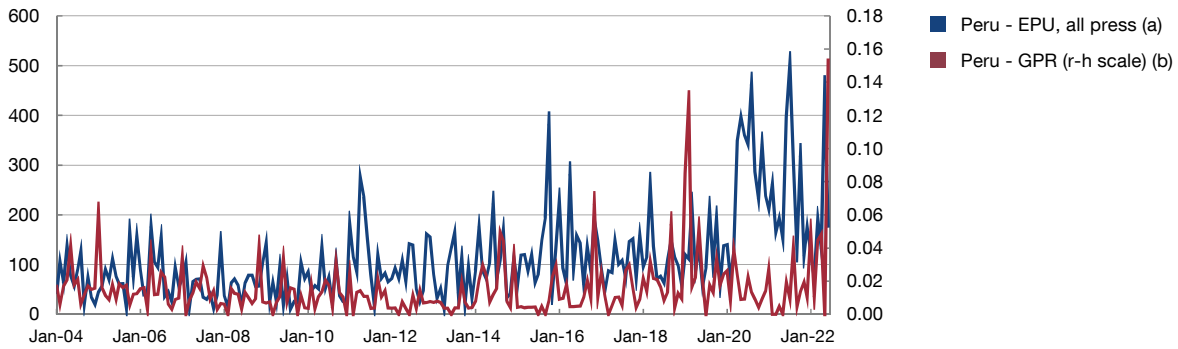
a Credit and other claims on households and non-financial corporations, excluding public entities and financial institutions.
 b 1% of any of the types of exposure.



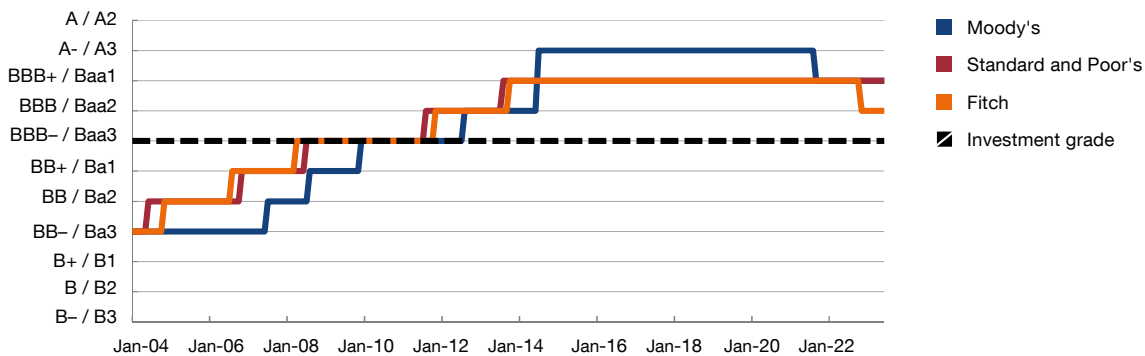
Chart 3

Peru: uncertainty and geopolitical risk indicators and sovereign ratings

3.a News-based indicators



3.b Sovereign ratings



SOURCES: Banco de España, Moody's, Standard and Poor's and Fitch, in addition to: Dario Caldara and Matteo Iacoviello. (2022). "Measuring geopolitical risk". *American Economic Review*, April, 112(4), pp. 1194-1225; and Corinna Ghirelli, Javier J. Pérez and Alberto Urtaun. (2021). "The spillover effects of economic policy uncertainty in Latin America on the Spanish economy". *Latin American Journal of Central Banking*, 2(2); and Erik Andres-Escayola, Corinna Ghirelli, Luis Molina, Javier J. Pérez and Elena Vidal. (2022). "Using newspapers for textual indicators: which and how many?". Banco de España - Documentos de Trabajo, 2235. <https://www.bde.es/f/webbde/SES/Secciones/Publicaciones/PublicacionesSeriasadas/DocumentosTrabajo/22/Files/dt2235e.pdf>.

a The Economic Policy Uncertainty (EPU) index is constructed drawing on the local and international press using words related to uncertainty over economic policies, based on the following methodology: Scott R. Baker, Nicholas Bloom and Steven J. Davis. (2016). "Measuring economic policy uncertainty". *Quarterly Journal of Economics*, 131(4), pp. 1593-1636.

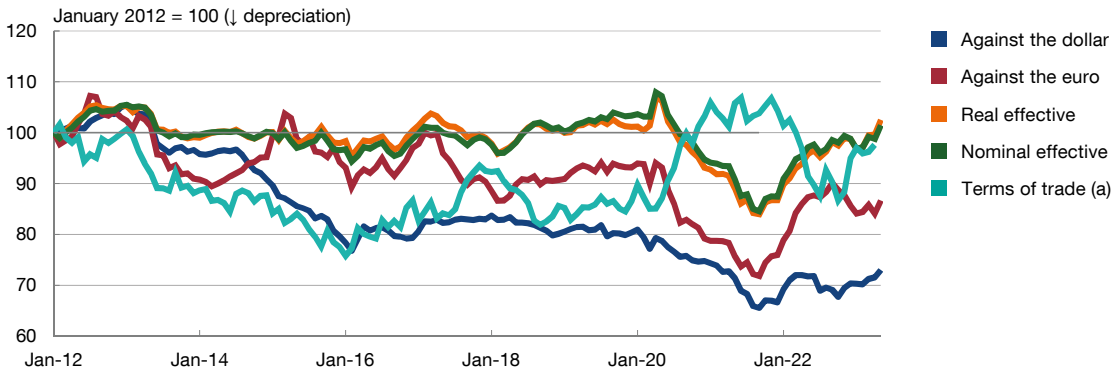
b The Geopolitical Risk (GPR) Index is a measure of adverse geopolitical events based on a survey of newspaper articles in the English-speaking press covering geopolitical unrest.



Chart 4

Peru: exchange rates, stock market, sovereign spreads, long-term interest rates, financial conditions and financial stress

4.a Exchange rates of the Peruvian sol



4.b Stock exchange index



4.c Sovereign spread



SOURCES: Banco de España and Refinitiv.

a Ratio of export prices to import prices.



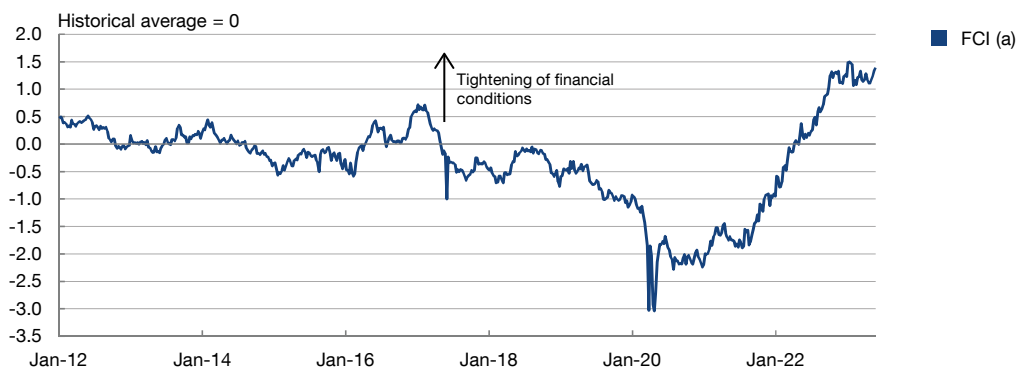
Chart 4

Peru: exchange rates, stock market, sovereign spreads, long-term interest rates, financial conditions and financial stress (cont'd)

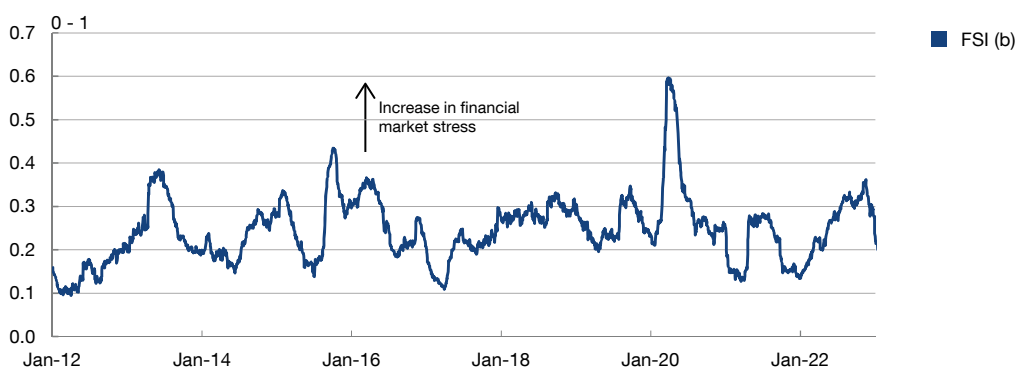
4.d Long-term interest rate in local currency



4.e Financial conditions index



4.f Financial stress index



SOURCES: Banco de España and Refinitiv.

- a Estimated using a principal component methodology drawing on changes in the stock market, short and long-term interest rates, the price of commodities and exchange rate fluctuations.
- b Calculated on the basis of volatilities and spreads of six market segments, standardised and grouped discounting any cross-correlations between indicators.

