

PERU: MAIN MACRO-FINANCIAL INDICATORS

International Economics and Euro Area
Department

BANCO DE **ESPAÑA**
Eurosistema



Cut-off date: 31.1.2023

<https://doi.org/10.53479/29682>

Table 1

Peru: main economic and social indicators

	2021					2020
GDP per capita (constant \$)	6,127	Life expectancy (years)				76.9
GDP per capita (PPP)	11,879	Poverty rate (% of the population) (a)				30.1
GDP (\$bn)	202,014	Inequality (Gini)				43.8
Population (million)	33.0	Inflation target (2023)				2.0% (± 1.0 pp)
Monetary and real sector and prices	2000-2004 average	2005-2009 average	2010-2014 average	2015-2019 average	2020	2021
GDP (year-on-year rate)	3.6	6.5	5.8	3.2	-11.0	13.4
CPI (year-on-year rate)	2.4	2.8	2.9	2.7	2.0	4.3
Underlying CPI (year-on-year rate)	1.8	2.7	3.1	3.1	1.8	2.4
Policy interest rate (%)	3.0	4.1	3.8	3.3	0.3	2.5
Unemployment rate (%)	4.7	4.2	3.4	3.5	7.2	4.8
Budget balance (% of GDP)	-1.7	1.2	0.9	-1.8	-8.3	-2.5
Primary balance (% of GDP)	0.6	2.9	1.9	-1.1	-6.9	-1.2
Public debt (% of GDP)	47.6	29.1	20.9	24.8	34.6	35.9
External sector						
Trade openness (% of GDP)	44.2	63.4	60.4	54.1	49.6	66.3
Current account balance (% of GDP)	-1.8	0.2	-3.3	-2.4	1.2	4.3
Foreign direct investment received (% of GDP)	2.5	4.8	4.8	3.1	1.5	3.3
Portfolio capital inflows (% of GDP)	-0.5	-0.8	0.0	-0.7	0.7	5.2
Reserves (months of imports)	9.5	9.2	11.7	12.7	17.9	15.6
Reserves (% of GDP)	17.8	23.6	30.2	30.6	37.1	35.8
ARA metrics (IMF) (b)	6.8	11.0	21.1	23.3	26.4	27.1
External debt (% of GDP)	52.8	32.9	30.3	32.1	35.9	34.7
Domestic debt held by non-residents (% of total)	15.6	26.0	34.9	40.0	50.2	54.2
Financial markets						
Exchange rate against the euro	3.6	4.2	3.7	3.7	3.7	4.4
Exchange rate against the dollar	3.4	3.1	2.8	3.3	3.6	4.0
10-year government debt yield (%)	—	—	5.5	5.2	4.1	3.7
Average government debt maturity (months)	91.7	120.6	153.3	146.8	144.8	159.2
CDS (basis points)	—	—	130	104	81	88.3
Banking sector						
Size of the sector (% of GDP)	—	—	24.4	34.7	51.4	40.6
Credit to the private sector (% of GDP)	27.6	28.4	38.0	46.9	58.7	50.9
Basel credit-to-GDP gap (c)	—	—	2.4	1.2	3.8	-0.3
Housing prices (year-on-year)	0.0	13.1	16.1	-0.016	1.0	0.0
Regulatory capital/RWAs	—	—	14.0	14.8	15.6	15.0
Tier 1	—	—	10.7	11.1	11.8	11.0
RWAs/total assets	67.0	64.9	71.3	79.6	76.4	72.5
Non-performing loans (% of portfolio)	—	—	2.3	3.2	4.1	3.9
ROA (d)	0.9	2.2	2.2	2.1	1.4	0.7
ROE (e)	8.1	24.9	22.8	19.7	12.6	6.3
Liquidity ratio	28.5	42.3	41.8	28.7	37.1	44.5
Primary expenditure (% of total revenues)	—	—	49.6	46.2	46.7	50.9
Net interest income (% of gross revenues) (f)	—	—	85.5	85.6	90.5	89.5

SOURCES: IMF, Thomson Reuters and national statistics.

a Percentage of population with income of less than \$3.2 (purchasing power parity) 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		
	2017		2018		2019		2020		2021			2022	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	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Red	
Exchange rate (quarterly change)	Green	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Green	
Sovereign spread (quarterly change)	Green	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Green	
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	Green	
Currency overvaluation	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	
Budget balance (% of GDP)	Red	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Green	
Gross public sector debt (% of GDP)	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	
Credit (real, year-on-year)	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Red	
Deposits (real, year-on-year)	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Green	
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	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	
Banks' equity index (quarterly change)	Green	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Red	
Banks' external debt spread	Green	Green	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	Red	
Banking risk (BICRA)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Green	
Banking risk (IHS)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Green	
Current account balance (% of GDP)	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Yellow	
Foreign direct investment (% of GDP)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Green	
External debt (% of GDP)	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	—	
Short-term external debt (% of reserves)	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)	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	—	
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	—	
Political risk (IHS)	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Red	
Geopolitical risk (GPR)	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	
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	—	

SOURCES: Irma Alonso and Luis Molina. (2021). "A GPS navigator to monitor risks in emerging economies: the vulnerability dashboard". Documentos Ocasionales - Banco de España, 2111. <https://www.bde.es/f/webbde/SES/Secciones/Publicaciones/PublicacionesSerriadas/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 (2021 unless otherwise stated)

	\$bn		Percentage of GDP		Percentage of total		Ranking	
	Euro area	Spain	Euro area	Spain	Euro area	Spain	Euro area	Spain
Exports of goods	3.7	0.8	0.0	0.1	0.1	0.2	81	49
Imports of goods (2020)	5.3	1.2	0.0	0.1	0.1	0.4	64	41
Exports of services (2020)	2.0	—	0.0	—	0.1	—	64	—
Imports of services (2020)	0.6	—	0.0	—	0.0	—	88	—
International Investment Position: Foreign direct investment. Assets (2020)	16.2	4.9	0.1	0.4	0.1	0.8	69	21
International Investment Position: Foreign direct investment. Liabilities (2020)	2.0	0.5	0.0	0.0	0.0	0.1	81	40
International Investment Position: Portfolio investment. Assets (December 2021)	21.9	0.2	0.2	0.0	0.1	0.0	51	47
International Investment Position: Portfolio investment. Liabilities (December 2021)	0.0	0.0	0.0	0.0	0.0	0.0	90	87
Credit exposure to Peru of BIS reporting banks (a) (March 2022)	37.0	32.2	0.3	2.3	0.3	1.6	40	12
Claims of Peruvian banks vis-à-vis residents of the euro area or Spain (March 2022)	—	—	—	—	—	—	—	—
Debt of Peruvian residents to banks from the euro area or Spain (b) (March 2022)	37.0	32.2	11.8	10.2	52.3	45.4	—	1

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

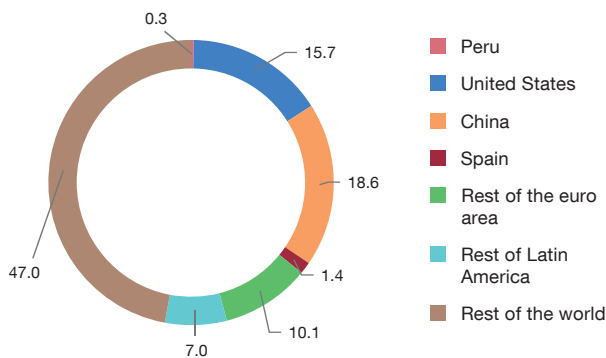
a With respect to euro area and Spanish figures.

b With respect to Peruvian figures.

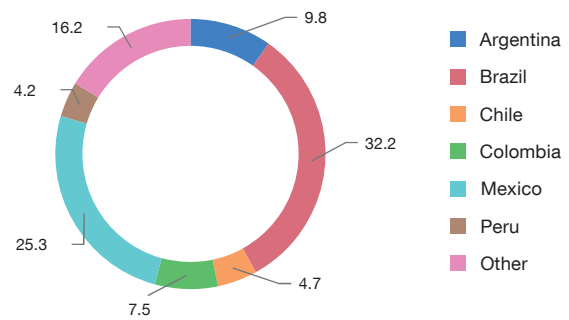
Chart 1

Peru: structural economic data

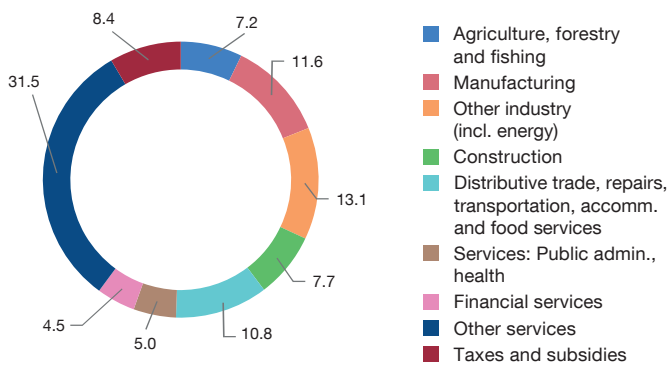
1.a Share of global GDP (%) (2021)



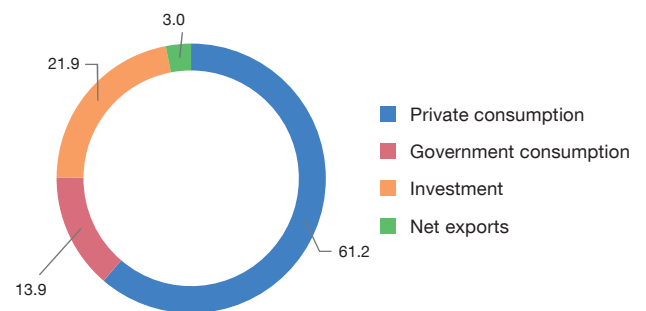
1.b Share of Latin American GDP (%) (2021)



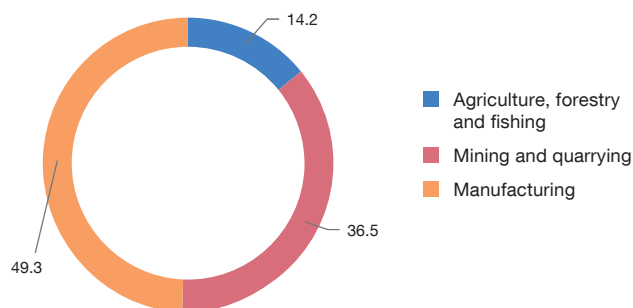
1.c Breakdown of GDP: supply (%) (2021)



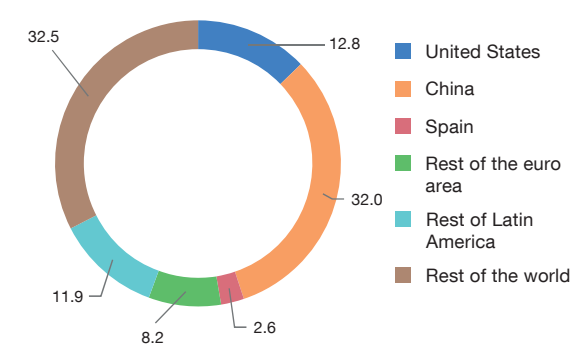
1.d Breakdown of GDP: demand (%) (2021)



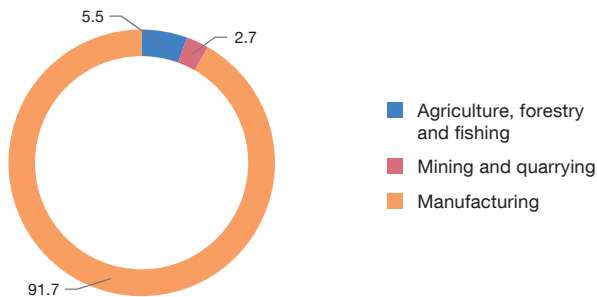
1.e Exports of goods, by sector (%) (2021)



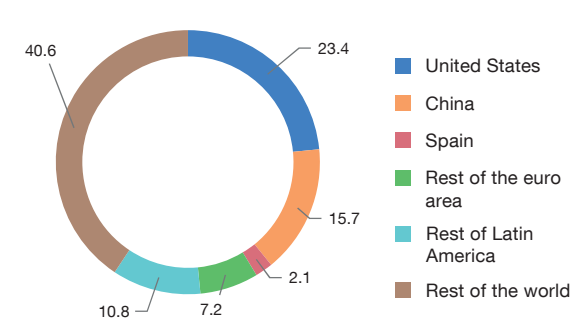
1.f Exports of goods, by destination (%) (2021)



1.g Imports of goods, by sector (%) (2021)



1.h Imports of goods, by origin (%) (2021)



SOURCES: OECD, Instituto Nacional de Estadística e Informática and IMF.

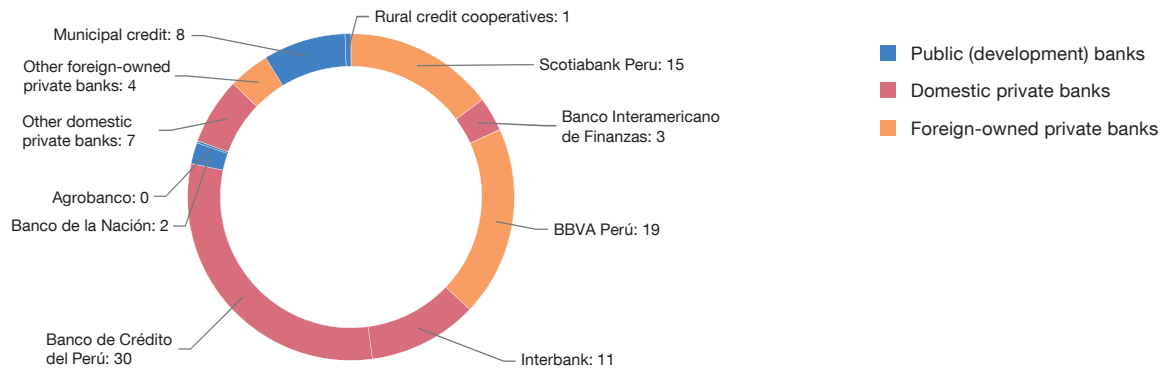


Chart 2

Peru: structure of the banking sector and relevance for Spain

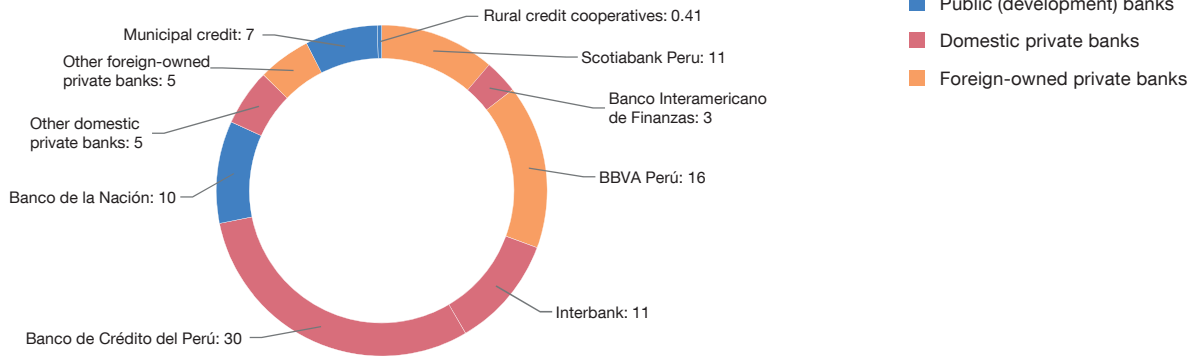
2.a Breakdown of the banking sector (March 2022): loans

% of the total

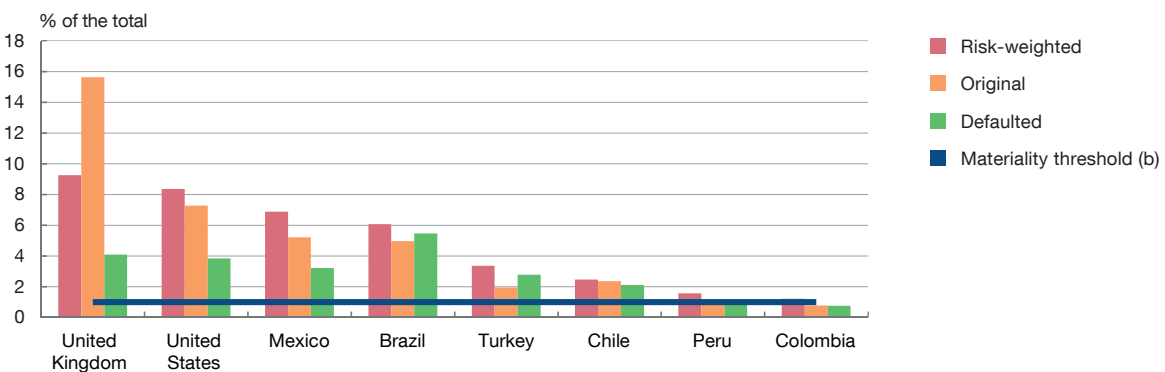


2.b Breakdown of the banking sector (March 2022): deposits

% of the total



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



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

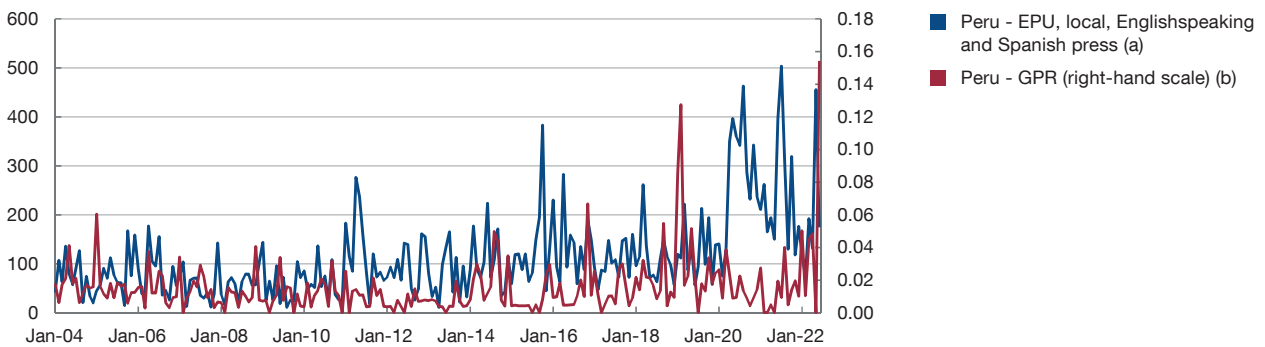
a Credit and other claims on households and non-financial corporations, excluding public entities and financial institutions.
 b 1% of any of the types of exposure.



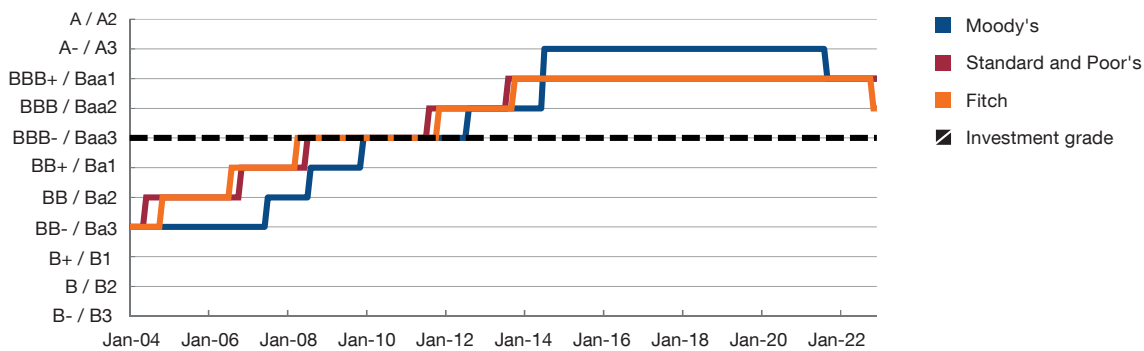
Chart 3

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).

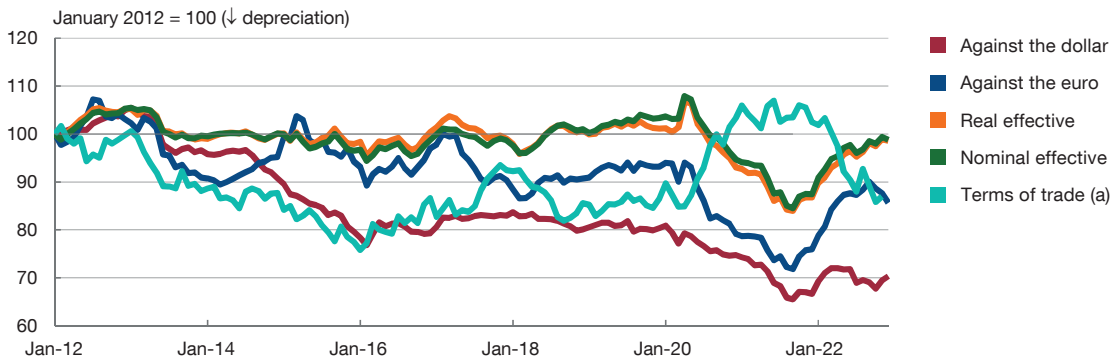
- a The Economic Policy Uncertainty (EPU) index is constructed drawing on the local and international press using words related to uncertainty over economic policies, based on the following methodology: Scott R. Baker, Nicholas Bloom and Steven J. Davis. (2016). "Measuring economic policy uncertainty". *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 Exchanges rates of the Peruvian sol



4.b Stock exchange index



4.c Sovereign spread (EMBI+)



SOURCE: Banco de España.

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)

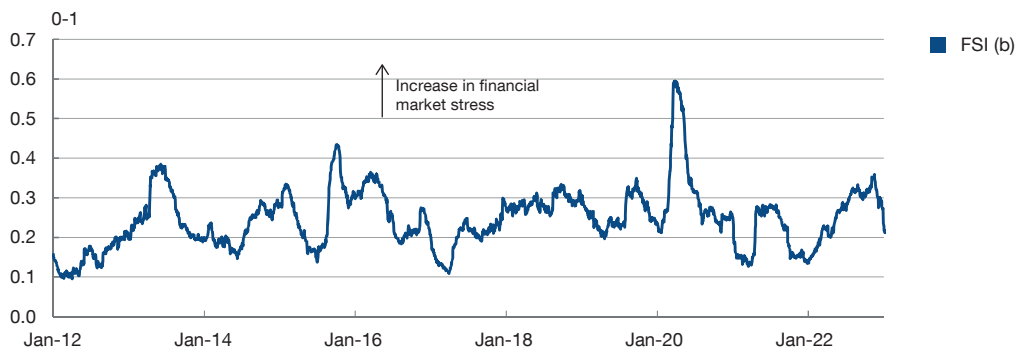
4.d Long-term interest rate in Peruvian soles



4.e Financial conditions index



4.f Financial stress index



SOURCE: Banco de España.

- a. Prepared 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. Prepared on the basis of the volatilities and spreads of six market segments, standardised and grouped discounting any cross-correlations.

