

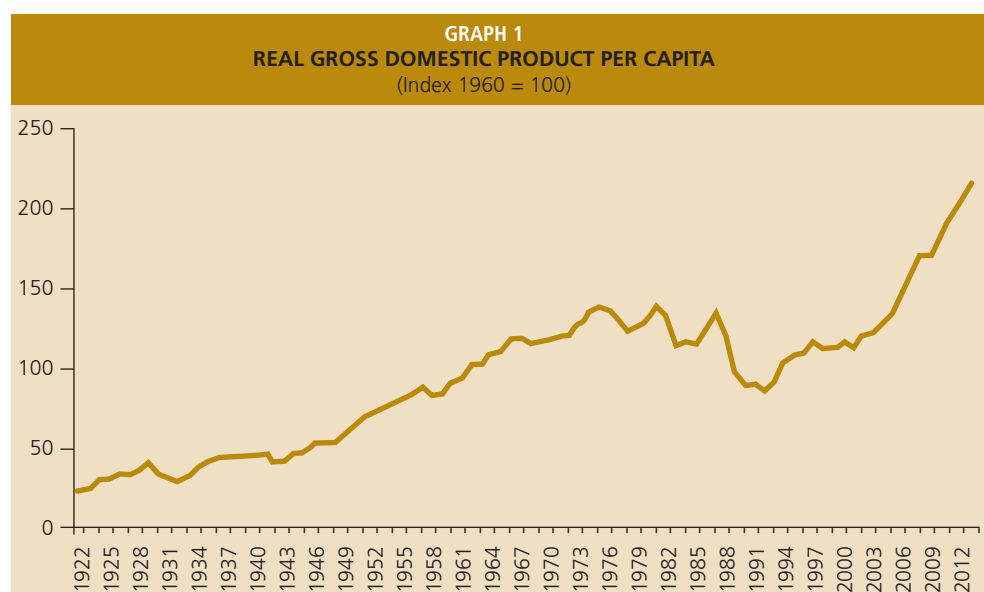
I.

Production and employment

Showing a lower growth rate than in 2012 (6.0 percent), the Peruvian economy grew 5.8 percent in 2013. This slower pace of growth largely reflected the lower external impulse associated with a less favorable international scenario marked by a high degree of uncertainty and a slowdown in the major emerging economies. In addition to lower exports, a slower pace of growth was also observed in both private investment (6.4 percent) and consumption (5.4 percent) in a context of deterioration of expectations during almost the first three quarters of the year.

At the sector level, the lower impulse was especially reflected in non-primary sectors, whose growth rate declined from 7.5 percent in 2012 to 6.1 percent in 2013. This decline was particularly observed in sectors such as non-primary manufacturing (4.4 percent), which was affected by external conditions, and construction (8.9 percent), which reflected the lower dynamism of mortgage loans and the slowdown of some investment projects. On the other hand, in the primary sector, the higher GDP growth rate was associated mainly with the recovery of the fishing industry due to the higher catch of anchovy, and with the recovery of the manufacturing sector based on raw materials due to an increased production of fishmeal and fish oil and a greater refining of non-ferrous metals.

In per capita terms, the output grew 4.6 percent in 2013.



Source: INEI and BCRP.



1. Domestic Demand

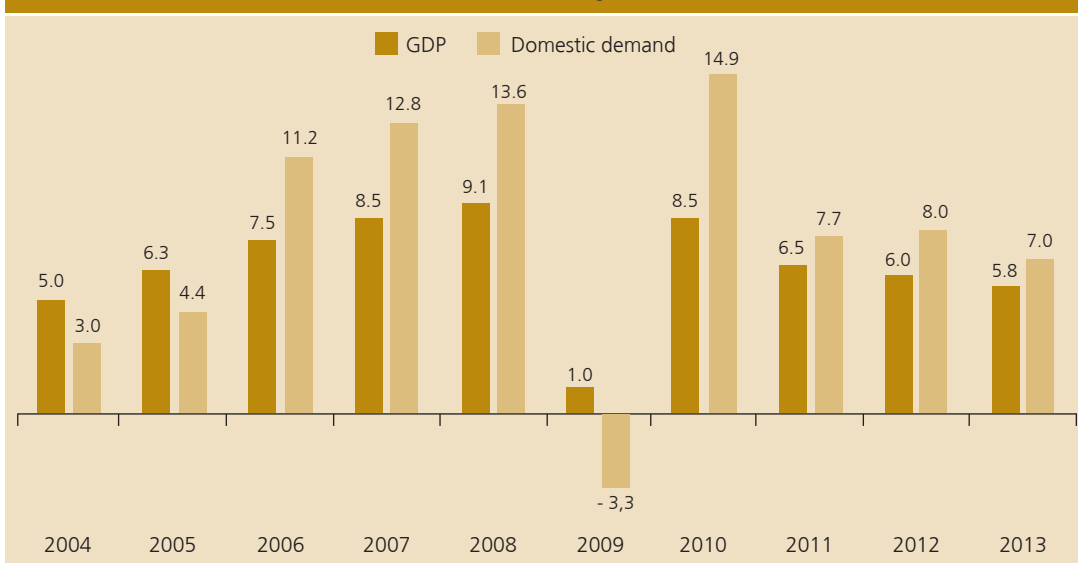
In 2013 domestic demand grew 7.0 percent, less than in 2012 (8.0 percent). By components, a tempering of growth was observed in private consumption, which fell from 6.1 percent in 2012 to 5.4 percent in 2013, as well as in private investment, which dropped to 6.4 percent after having grown 15.6 percent in 2012. Public spending (8.6 percent) continued to show a high yet lower growth rate than the one recorded in the previous year, but generated a positive fiscal impulse in the year.

TABLE 1
GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE
(Real % change)

	2011	2012	2013	2004-2013
Domestic Demand	7.7	8.0	7.0	7.8
a. Private consumption	6.0	6.1	5.4	6.0
b. Public consumption	4.8	8.1	6.7	6.8
c. Gross fixed investment	6.0	16.3	7.6	12.9
- Private	11.0	15.6	6.4	12.8
- Public	- 11.2	19.1	12.5	13.3
Change on inventories (% nominal GDP)	1.8	0.9	1.6	1.6
Exports	6.9	3.7	-0.9	4.7
Minus:				
Imports	11.6	11.3	3.6	10.2
GDP	6.5	6.0	5.8	6.4
Memo:				
Total public expenditure	- 0.7	11.5	8.6	8.6

Source: INEI and BCRP.

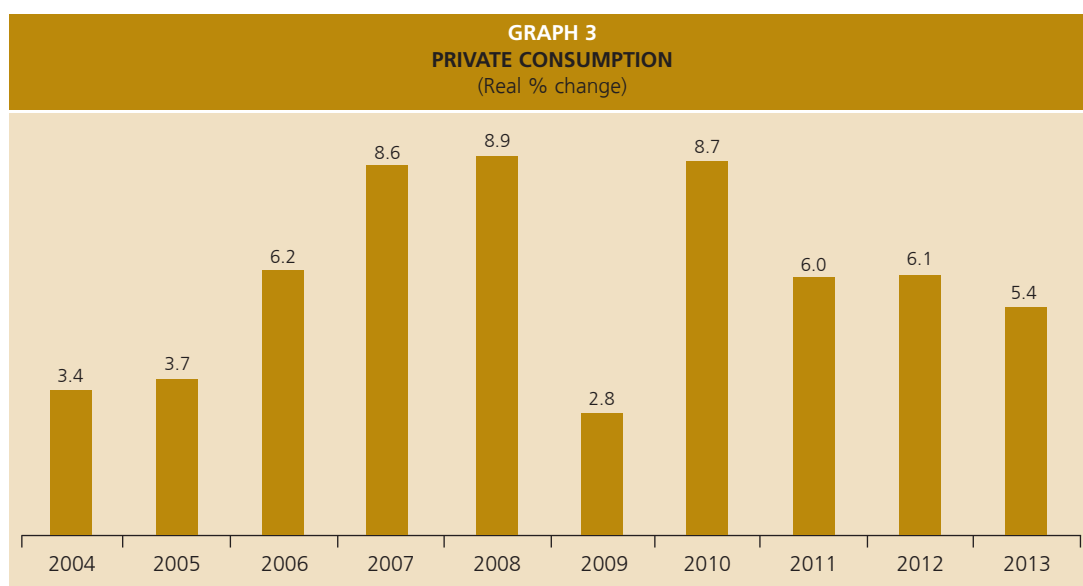
GRAPH 2
GDP AND DOMESTIC DEMAND
(Real % change)



Source: INEI and BCRP.

1.1. Private Consumption

Private consumption grew 5.4 percent in 2013, a lower rate than in 2012 (6.1 percent). This slowdown is consistent with the lower pace of growth observed in the national disposable income (down from 6.9 in 2012 to 5.9 percent), urban employment (down from 4.0 to 2.8 percent), and consumer loans (down from 15.3 to 11.4 percent). However, several indicators, including the consumer confidence index, the workforce employed, income in Metropolitan Lima, and the disposable income, showed a recovery in the fourth quarter of the year, which contributed to the growth of private consumption during this quarter.



Source: INEI and BCRP.

TABLE 2
NATIONAL DISPOSABLE INCOME 1/
(Real % change)

	2011	2012	2013	2004-2013
Gross domestic product	6.5	6.0	5.8	6.4
Gross national product 2/	5.9	7.7	7.3	6.2
Gross national income 3/	7.5	7.1	6.0	7.3
National disposable income 4/	7.4	6.9	5.9	7.2

1/ Preliminary data.

2/ Excludes non-resident factor income from GDP.

3/ Includes losses and gains due to changes in terms of trade.

4/ Adds net transfers received by non-residents to the gross national income.

Source: INEI and BCRP.

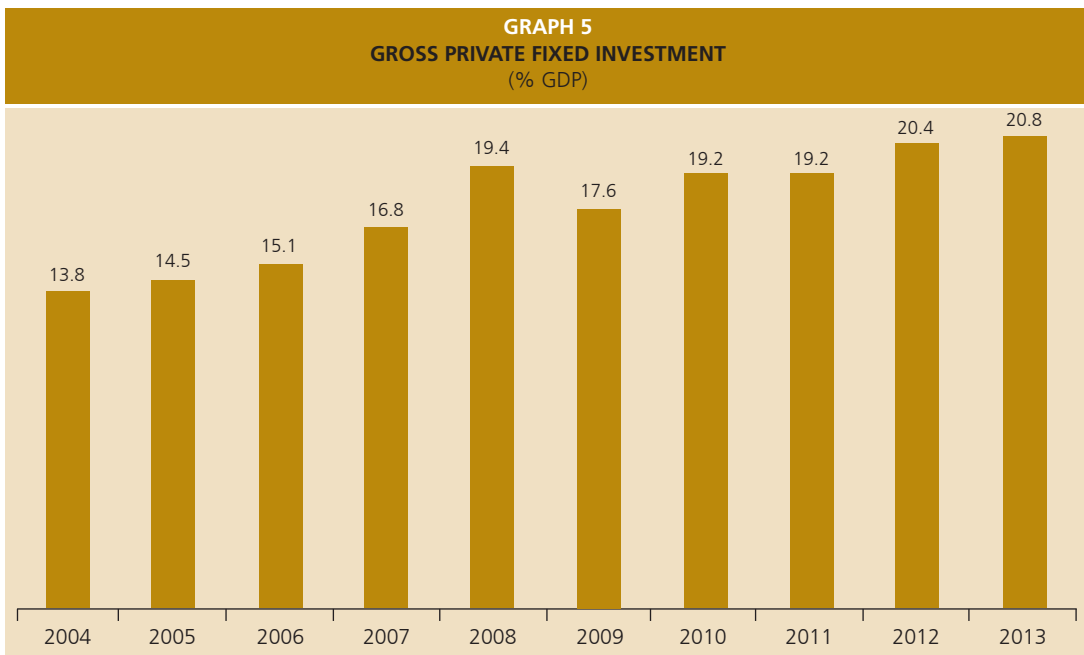
1.2 Private Investment

Showing a lower rate than in the previous year (15.6 percent) due mainly to the slowdown in the construction sector, private investment grew 6.4 percent in 2013. Thus, the ratio of private fixed gross investment- to-GDP remained at 20.8 percent.



Source: INEI and BCRP.

Private investment was the component that showed greater adjustment during the year. The slowdown largely reflected the deterioration of business expectations given the outlook of greater uncertainty in international conditions and a domestic outlook affected by business demands of measures to ease the development of investment projects, particularly in the sectors associated with the exploitation of natural resources. In line with this lower growth of private investment, indicators such as imports of capital goods and the domestic consumption of cement and imports, decreased over the year. On the other hand, the amount of new investments announced –indicator reflecting longer-term expectations– continued to increase during the year.



Source: INEI and BCRP.

TABLE 3
MINING INVESTMENT BY COMPANIES
(Million US\$)

	2011	2012	2013 ^{1/}
Xstrata Las Bambas	763	1,028	1,709
Minera Chinalco	750	1,182	1,188
Cerro Verde	195	601	1,073
Compañía Minera Antapaccay S.A. (ex Xstrata Tintaya)	668	427	627
Antamina	640	657	539
Hudbay Perú S.A.C.	-	6	532
Southern Perú Copper Corp.	209	63	387
Yanacocha	1,148	1,023	304
La Arena	58	252	209
Buenaventura	203	208	177
Barrick Misquichilca	145	191	144
Milpo	135	216	76
Resto	2,327	2,648	2,759
TOTAL	7,243	8,503	9,724

1/ Preliminary data.
Source: MINEM.

Although with a slower pace, investments were made in different economic sectors during the year. Investment in mining amounted to US\$ 9.72 billion, with the following investment projects standing out: Xstrata invested US\$ 1.7 billion in its mining project Las Bambas and Minera Chinalco invested US\$ 1.2 billion in the engineering and construction works required to complete the copper concentrator plant at Toromocho, which should start operating in December 2013. Sociedad Minera Cerro Verde invested US\$ 1.1 billion mainly in works required for the expansion of the Cerro Verde plant, where the processes of mineral concentration and leaching will be carried out. Moreover, Hudbay Minerals decided to invest US\$ 531.8 million in the development of copper project Constancia, which is expected to start production by late 2014, and Southern Peru Copper Corporation invested in the construction of a new crusher and in conveyor belt system in Toquepala and in technological improvements in Cujajone.

Investments in the hydrocarbons sector included the one made by Perenco Peru Petroleum, which began operations in Lot 67 with well Dorado 3-1D in November 2013 with an investment of US\$ 270 million. Pluspetrol Peru Corporation allocated part of their investments to complete the works required to the start the production stage of Lot 56 at the Mipaya site. In addition, Savia Perú S.A. invested US\$ 152 million in drilling exploratory wells, development wells, and confirmatory wells at Lot Z-2B. Petrobras Energia Peru S.A. invested US\$ 114 million in works to complete the drilling of well Paratori 4X-ST1.

In the electricity sector, Red Energía del Perú made investments for a total of US\$ 798 million in expansion works, calls for procurement of services, and contracts with private companies. In addition, Luz del Sur invested more than US\$ 141 million in the improvement and expansion of the electric system, the construction of the hydroelectric power plant of Santa Teresa-Ccollpani Grande, and in the implementation of new tools of information technology and telecommunications. Edelnor invested US\$ 113 million in expanding the capacity and in the reinforcement of feeders and networks, as well as in the expansion of the transformation substations.



In the manufacturing sector, Corporación JR Lindley invested US\$ 181 million in several projects, including the Pucusana mega plant project, starting operations at Almacén Inteligente, expanding the production capacity of Agua San Luis, as well as other expansions and modifications in soft drink plants. Corporación Aceros Arequipa allocated US\$ 80 million to Nuevo Tren de Laminación, to building new warehouses in Pisco, and to its distribution center in Lima, while La Pampilla invested US\$ 61 million in the development of the diesel desulfurization project and other projects such as using natural gas instead of liquid fuels, the expansion of the Asphalt Plant, and the maintenance of tanks. Furthermore, Fosfatos del Pacífico made investments in its project of phosphate rock and in its brick factory.

During the year Gloria invested US\$ 50 million in improvements in its Huachipa production plant, and in the implementation of its condensed milk plant and fruit cakes plant. Cementos Yura S.A. concentrated its investments in the expansion of its production capacity by buying a crane, a silo for cement, land, building warehouses, and making infrastructure improvements in their quarries and service areas, among other investments.

1.3 Government Spending

In line with the positive fiscal stimulus observed during the year, government spending increased 8.6 percent in 2013, less than in 2012 (11.5 percent). Spending in government consumption rose 6.7 percent as a result of the greater resources allocated by the ministries to administrative contracts for services (CAS), the purchase of educational materials and the purchase of insecticides and fungicides to combat the coffee plague, among others.

Public investment grew 12.5 percent, driven mainly by investment projects in the sectors of transportation (road concessions and road rehabilitation works), education (improvements in infrastructure), and health (hospital equipment).

1.4 Exports and Imports

After having increased by 3.7 percent in 2012, exports of goods and services dropped 0.9 percent in 2013. The weak performance of exports observed during the year was associated with a decline in exports of traditional products –down 4.4 percent–, mainly due to the lower volume of exports of coffee and gold, while exports of non-traditional products fell 1.5 percent, mainly due to lower exports of textiles.

On the other hand, imports of goods and services grew 3.6 percent –7.7 percentage points less than in 2012–, which reflected mostly the deceleration observed in imports of capital goods in a context of slowdown of private investment.

1.5 Savings and Investment

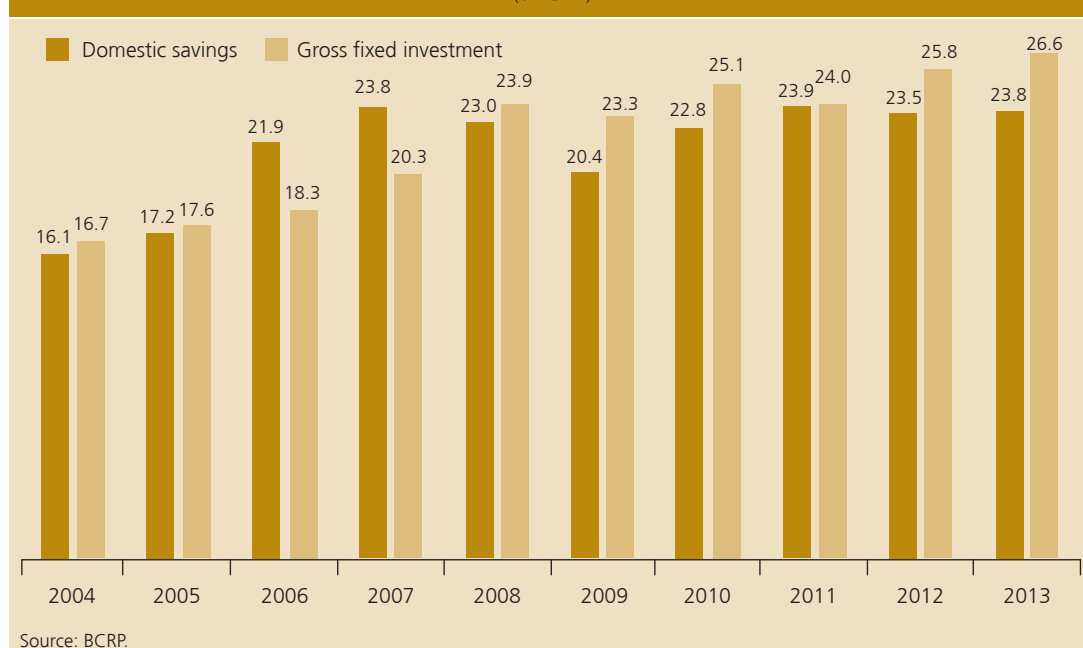
In a context of slowing economic activity, gross fixed investment increased from 25.8 to 26.6 percent of the GDP, which is explained by the fact that public investment increased from 5.4 percent to 5.8 percent of GDP. Net domestic savings increased slightly, from 23.5 to 23.8 percent of GDP. Since the increase in investment was higher than the increase in domestic savings, the gap was covered with foreign savings (deficit in the current account of the balance of payments). Thus, foreign savings rose from 3.3 percent of GDP in 2012 to 4.5 percent of GDP in 2013.

TABLE 4
SAVINGS AND INVESTMENT
(% GDP)

	2011	2012	2013
I. Investment (=II+III)	25.7	26.7	28.3
Gross fixed investment	24.0	25.8	26.6
Public investment	4.8	5.4	5.8
Private investment	19.2	20.4	20.8
Change on inventories	1.8	0.9	1.6
II. Domestic savings	23.9	23.5	23.8
Public sector	7.4	8.1	7.0
Private sector	16.4	15.4	16.7
III. External savings	1.9	3.3	4.5

Source: BCRP.

GRAPH 6
SAVINGS AND INVESTMENT
(% GDP)





2. Production Sectors

The slower growth of Peru's GDP between 2012 (6.0 percent) and 2013 (5.8 percent) is explained mainly by the slowdown in the sectors of construction, services, and agriculture. The slowdown in the construction sector –down from 15.8 percent in 2012 to 8.9 percent in 2013– accounts for 0.4 percentage points of the decline in GDP growth. The latter would be associated with a lower dynamism of self-construction and with the slower pace of progress of some investment projects. Furthermore, growth in the service sector, which dropped from 7.4 to 6.4 percent between 2012 and 2013, accounts for 0.4 percentage points of GDP lower growth. The agricultural sector accounts for 0.3 percentage points of this decline due to unfavorable weather conditions associated with a wave of cold temperatures that affected farming production.

TABLE 5
GROSS DOMESTIC PRODUCT
(Real % change)

	2011 1/	2012 1/	2013 1/	2004-2013 1/
Agriculture and livestock 2/	4.1	5.9	1.4	4.0
Agriculture	4.0	8.7	1.0	3.5
Livestock	5.8	5.6	2.5	5.3
Fishing	52.9	-32.2	18.1	5.0
Mining and hydrocarbons 3/	0.6	2.8	4.9	4.1
Metallic mining	-2.1	2.5	4.2	2.6
Hydrocarbons	5.1	1.0	7.2	7.6
Manufacturing 4/	8.6	1.5	5.7	5.9
Manufacturing based on raw materials	17.4	-9.0	9.8	1.4
Non-primary manufacturing	6.2	4.5	4.4	7.6
Electricity and water	7.6	5.8	5.5	6.4
Construction	3.6	15.8	8.9	11.4
Commerce	8.9	7.2	5.9	7.7
Other services	7.3	7.4	6.4	6.6
Import duties	5.7	6.9	4.8	7.1
GLOBAL GDP	6.5	6.0	5.8	6.4
Primary	5.0	0.6	5.0	3.6
Non-primary	6.9	7.5	6.1	7.3

1/ Preliminary data.

2/ Includes the forestry sector.

3/ Includes non-metallic mining and secondary production.

4/ Includes secondary production.

Source: INEI.

2.1 Agriculture Sector

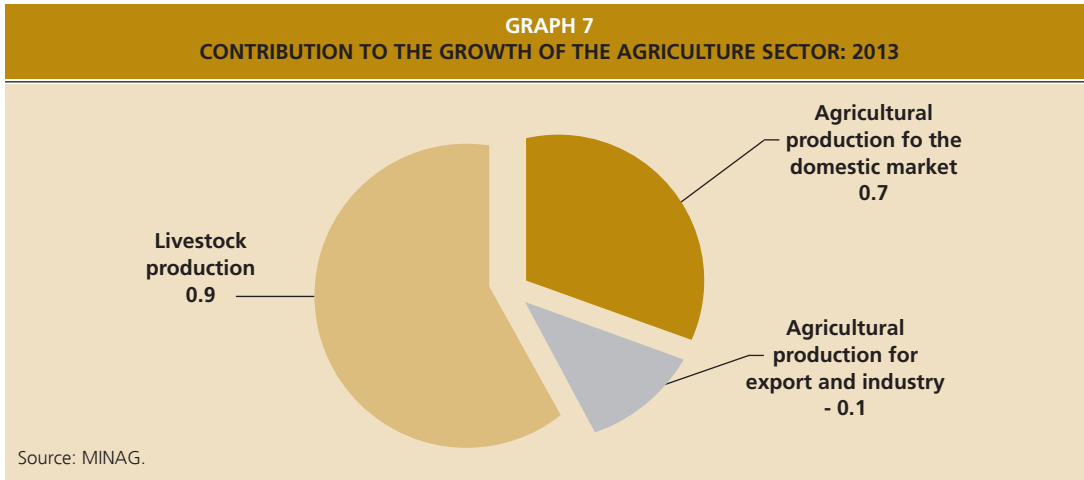
As a result of the lower production oriented to both the external markets and the domestic market, the agriculture sector grew 1.4 percent in 2013. The agricultural production for the external market declined relative to the previous year, reflecting largely the fall recorded in the production of coffee, while the agricultural production oriented to the domestic market showed a strong slowdown, particularly in crops such as potatoes, rice, and onions.

TABLE 6
AGRICULTURE AND LIVESTOCK PRODUCTION
 (Real % change)

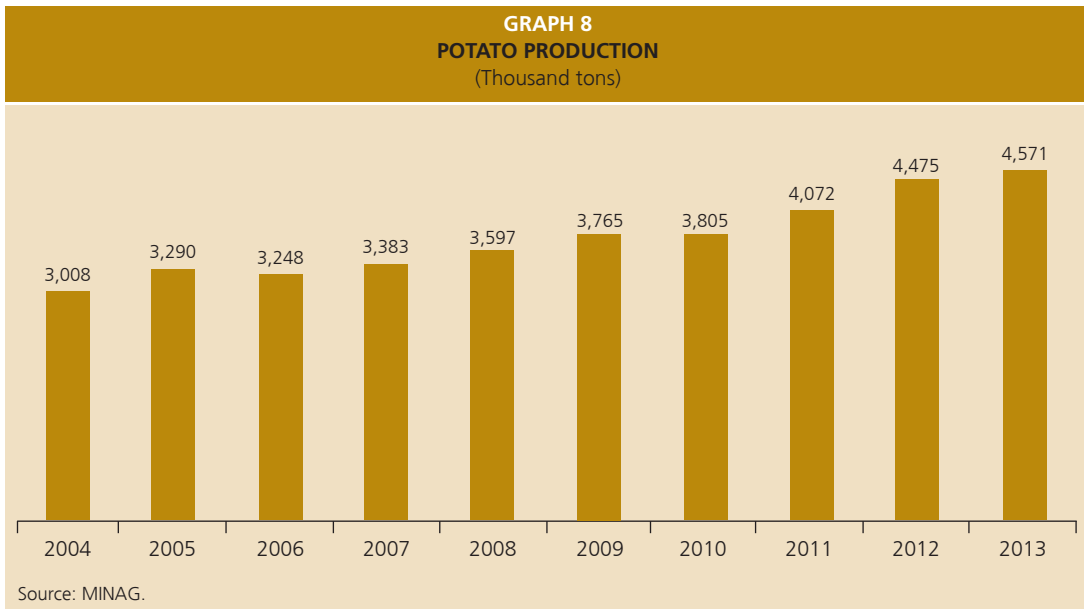
	2011 1/	2012 1/	2013 1/	Average 2004-2013 1/
Agricultural production	4.0	8.7	1.0	3.5
<u>For the domestic market</u>	<u>0.7</u>	<u>11.6</u>	<u>1.7</u>	<u>3.1</u>
Potato	7.0	9.9	2.1	3.8
Rice	- 7.3	16.0	0.2	3.6
Banana	- 2.0	5.8	1.6	2.7
Cassava	- 10.0	0.3	5.9	2.7
Amilaceous maize	- 0.7	9.9	9.5	1.8
Garlic	40.5	- 7.1	- 0.9	3.5
Onion	0.4	6.7	- 3.5	4.7
Dry beans	- 5.3	5.3	2.3	4.8
Lemon	- 3.6	4.5	2.0	- 0.6
Mandarine	6.8	19.0	11.6	6.9
Orange	6.1	2.4	1.8	3.6
Tomato	- 17.3	23.3	10.5	5.4
Other crops	2.9	14.3	0.3	2.5
<u>For export and industry</u>	<u>11.9</u>	<u>2.4</u>	<u>- 0.7</u>	<u>4.6</u>
Coffee	18.7	- 5.2	- 18.5	2.3
Sugar cane	0.3	4.9	6.0	2.2
Yellow maize	- 1.8	10.5	- 2.2	2.2
Asparagus	17.0	- 4.2	1.9	7.3
Grapes	5.9	21.9	21.1	11.6
Olive	- 2.6	26.6	- 37.6	4.3
Mango	- 22.5	- 47.4	146.9	8.7
Cocoa	21.2	10.6	13.9	11.4
Avocado	15.9	25.7	7.4	11.2
Cotton	91.4	- 9.1	- 25.7	- 5.1
Oil palm	23.3	44.0	9.3	12.1
Other crops	10.4	1.5	3.4	2.2
Livestock production	5.8	5.6	2.5	5.3
Poultry	6.4	8.0	2.7	7.6
Beef	3.9	4.7	1.9	3.3
Milk	4.0	2.7	0.8	4.0
Other products	6.8	3.1	3.5	4.2
AGRICULTURE AND LIVESTOCK 2/	4.1	5.9	1.4	4.0

1/ Preliminary data.
 2/ Includes the forestry sector.
 Source: MINAG.

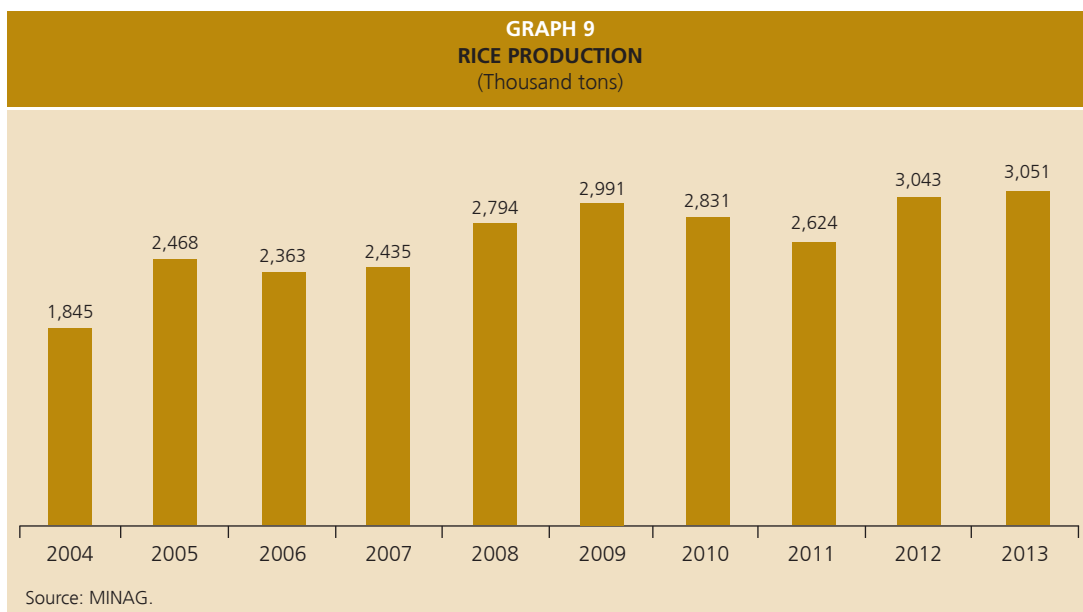
Showing a considerably lower outcome than the 11.6 percent increase registered in 2012, agricultural production for the domestic market grew 1.7 percent in 2013, this strong slowdown is being explained by the production of potatoes and husk rice, traditional crops in the Peruvian agriculture sector.



With a rate of 2.1 percent, **potato production** accumulated seven consecutive years of growth and registered a historical record volume of 4.6 million tons harvested. Sown areas increased in 2013, especially in Puno, Huánuco, La Libertad, and Cajamarca. The production of potatoes in Pasco and Huancavelica was affected earlier in the year by heavy rains, while the production in Huánuco was affected by climate changes. However, better weather conditions and greater cultivation in both Huánuco and Lima during the second half of the year contributed to improve the production levels of this crop.

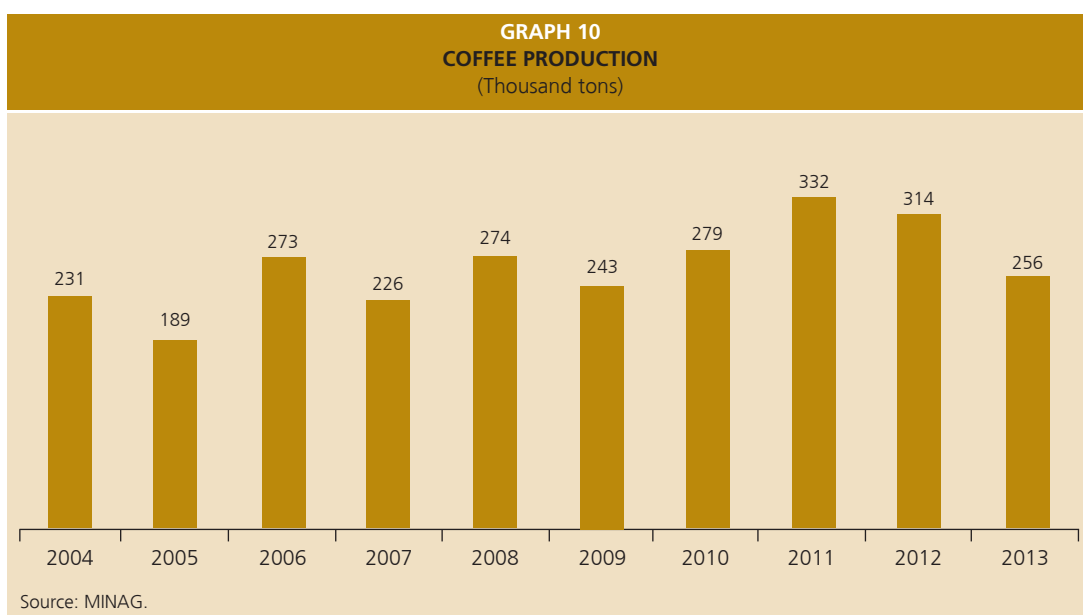


On its side, after having grown at two-digit rates in the previous year, rice production showed a weak growth in 2013 (0.2 percent), unusual cold weather conditions accounting for this outcome.



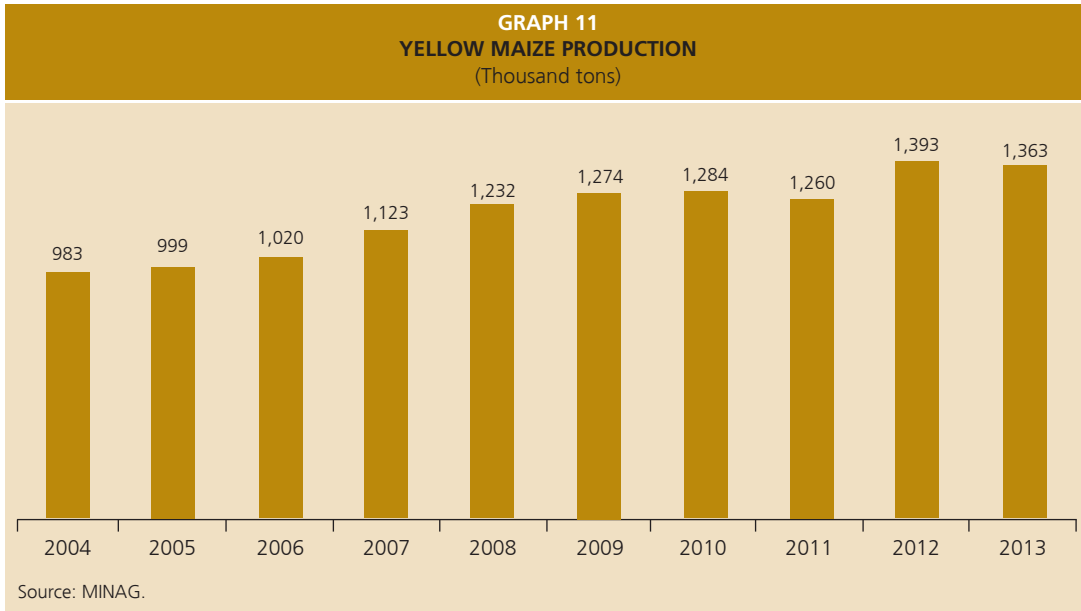
Finally, reversing the trend observed in previous years, agricultural production for the external market and for agro-industry fell 0.7 percent. This fall is mainly explained by the lower production of coffee, hard yellow maize, and asparagus, which was partially offset by a higher production of grapes and mangoes.

After two crop years with record levels of production, **coffee production** dropped 18.5 percent due to the decline registered in terms of cultivated areas as a result of the negative effect of the yellow rust plague.

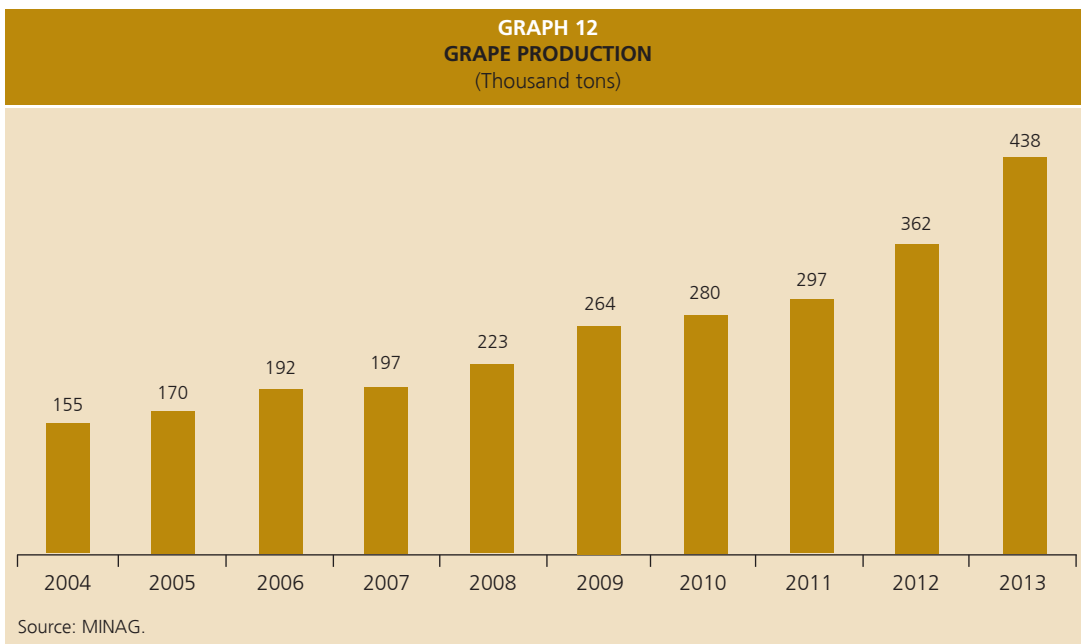




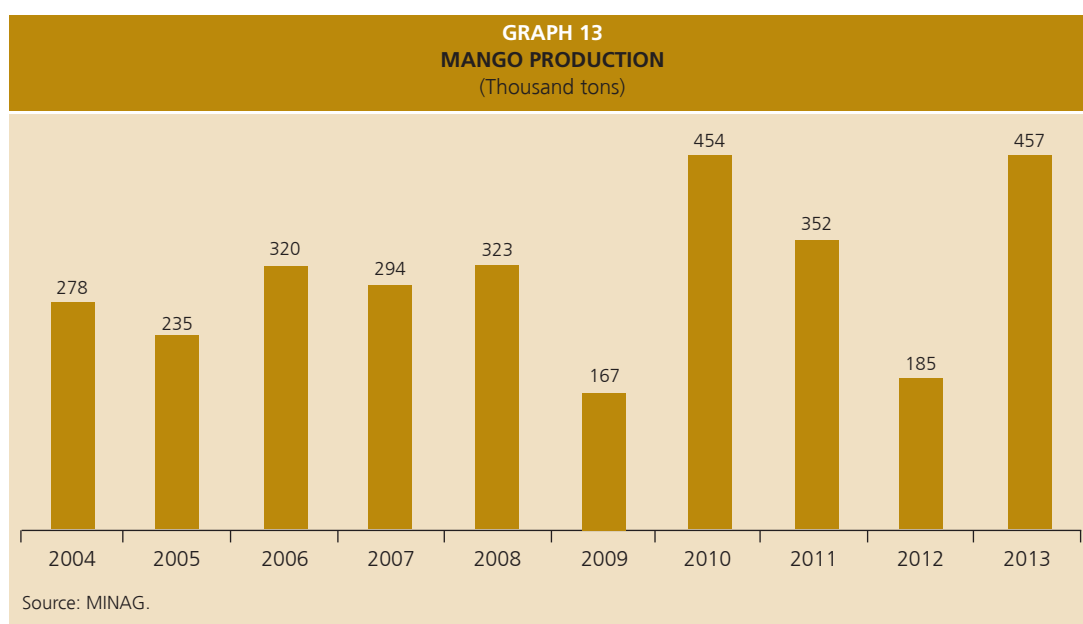
The production of **hard yellow maize** showed a decrease of 2.2 percent due both to a decline in harvested areas – especially in Lambayeque, La Libertad, Lima, and Ucayali– and to a slight drop in the average national yield of this crop.



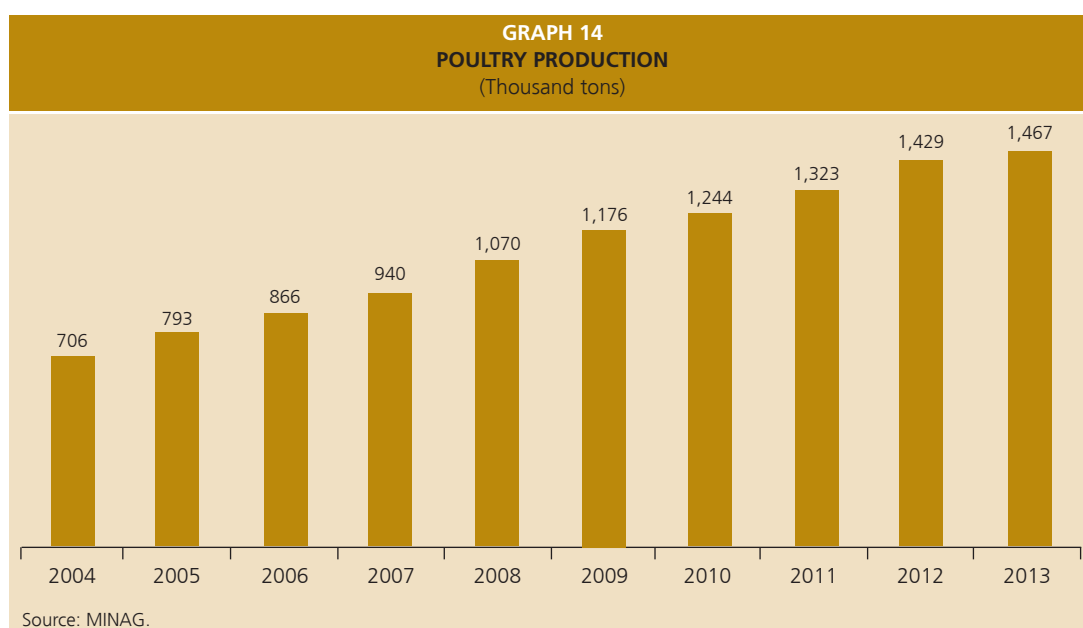
The **production of grapes** increased 21.1 percent due to the expansion of areas cultivated with grapes in Piura, Ica, Arequipa, and, to a lesser extent, Lima. In addition to this, the production of different varieties of grapes was also favored by normal and slightly warm weather conditions.



The increase in the **production of mangoes** (146.9 percent) is explained by the significant increased production of mangoes in Piura and Lambayeque, with these regions accounting for more than 80 percent of domestic production, as well as by favorable weather conditions which reflected in higher yields. It should be pointed out that the level of mango production in 2013 is the second highest level in the last 10 years, slightly lower than the record level obtained in 2010.



Livestock production grew 2.5 percent in 2013. This is explained by the increased production of poultry, which recorded a growth rate of 2.7 percent. The latter rate is lower than the average annual growth rate in recent years and reflects the decline observed in terms of people's purchasing power in a context of lower growth of disposable income.



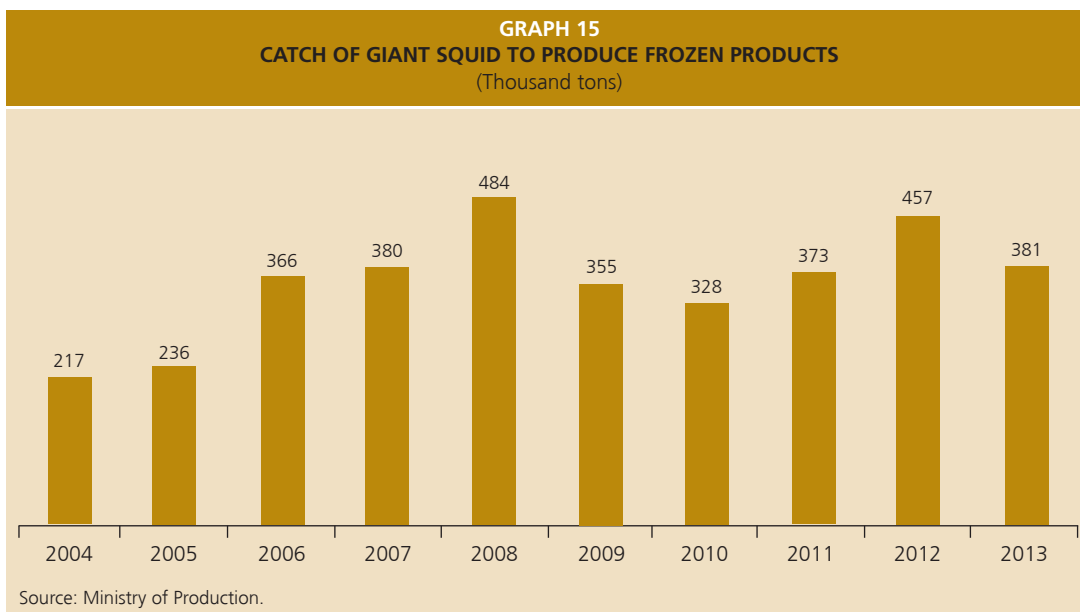


2.2 Fishing Sector

During 2013, activity in the fishing sector grew 18.1 percent. This rate is explained by the greater extraction of anchovy for industrial consumption, associated with the increase of the maximum total fish catch authorized in the North-Central area. A greater extraction of fish species for human consumption, particularly of species consumed as fresh fish or used to produce frozen fish products, was also observed in the year.

The increased presence of species consumed as fresh fish, such as bonito, hake, and cachema stands out in terms of fish catch for human consumption. This was complemented by a greater catch of species used to produce frozen products (28.3 percent), such as mackerel and hake. On the other hand, a fall was observed in the catch of species used to produce canned products (1.8 percent) due to the reduced availability of mackerel.

Larger catches of squid to produce frozen squid products, which reached a maximum level of 53.8 thousand tons in May, were also recorded during the first half of the year. However, a decline was observed since August, the volume of catch reaching levels of 21.1 thousand tons in December. Thus, the catch of squid in the year was lower than in 2012 but still higher than the average catch of the last ten years.



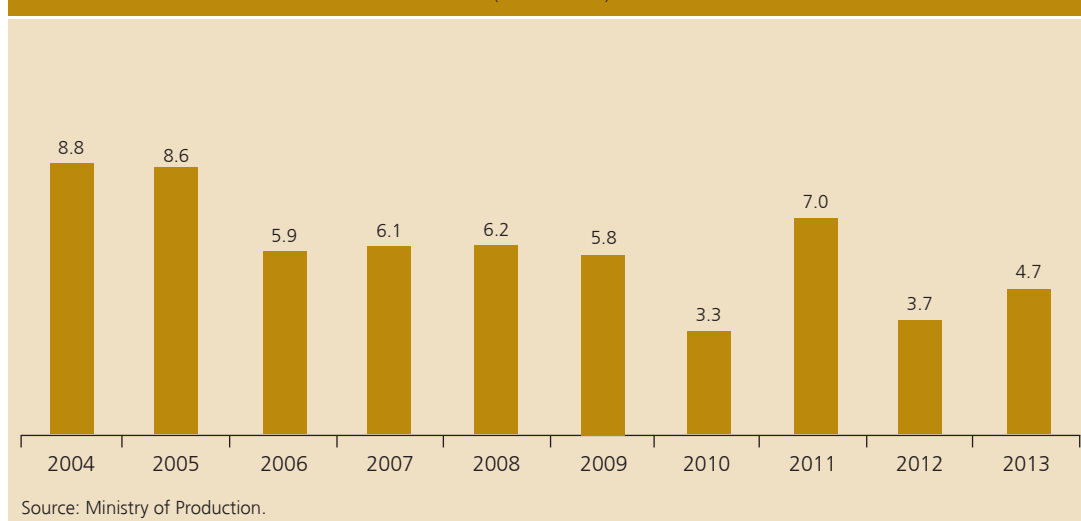
The total extraction of anchovy recorded a growth rate of 26.8 percent, of which the volume of catch for industrial consumption amounted to 4.7 million tons (up 27.2 percent). This increase accounted for a positive contribution of 12.2 percent to the sector's growth. In other words, almost all of the expansion of fishing activity results from the increased capture of anchovy. On the other hand, squid used for the production of frozen products, which reached a catch volume of 380.5 thousand tons was one of the species with a more negative contribution (1.0 percent) during the year.

TABLE 7
FISH CATCH BY MAIN SPECIES
 (Real % change)

Species	2011	2012	2013	Average 2004-2013
Anchovy 1/	110.2	- 47.2	27.2	- 1.3
Jack mackerel 2/	1,353.2	- 27.5	- 58.4	- 9.7
Prawns 3/	61.5	- 2.9	- 0.9	21.3
Giant Squid 3/	13.9	22.5	- 16.8	15.5
Mackerel 2/	129.0	- 42.8	78.6	- 5.4
Hake 4/	- 8.4	- 12.0	56.6	21.2
Scallops 5/	47.9	- 57.3	118.1	19.4

1/ Considers fish catch only for industrial consumption.
 2/ Considers fish catch for frozen, canned, fresh, and dry-salted.
 3/ Considers fish catch for frozen.
 4/ Considers fish catch for frozen, fresh, and dry-salted.
 5/ Considers fish catch for frozen and fresh.
 Source: Ministry of Production.

GRAPH 16
ANCHOVY EXTRACTION FOR INDUSTRIAL CONSUMPTION
 (Million tons)



The first anchovy fishing season in the North-Central area, the most important area in terms of catch and quota levels, began in May 17 and lasted until the end of July. A quota of 2.1 million tons of anchovy catch (0.7 million tons lower than the quota established in 2012) was established for this season.

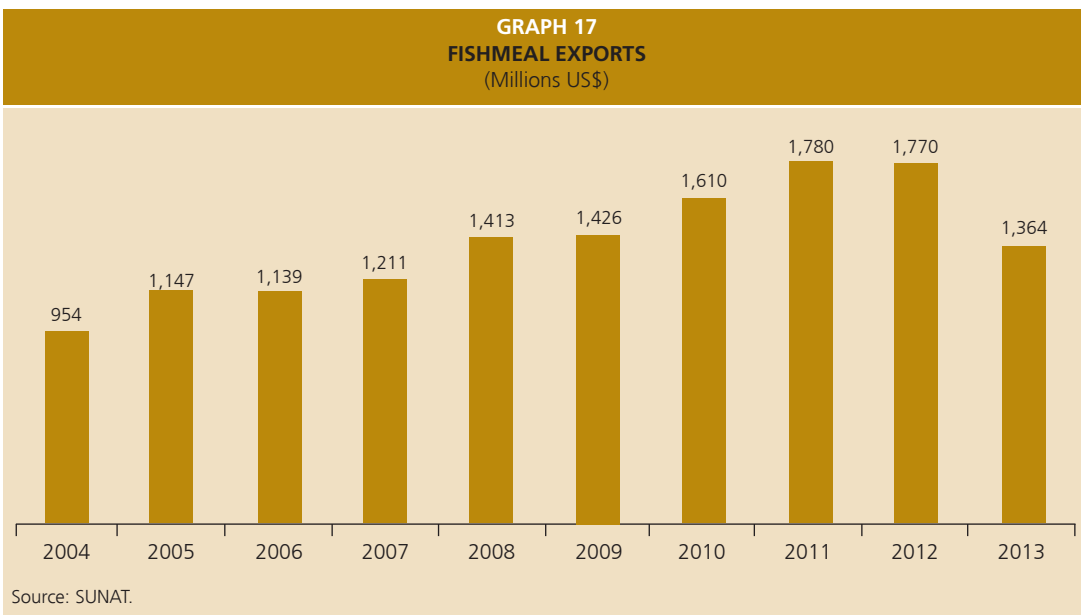
A higher quota than the one set in the previous year was established for the second fishing season of the year in the North-Central area (2.3 million tons) given the recovery of biomass obtained through the programs carried out in this sector during the year.



TABLE 8
FISHING SEASONS
(Thousand tons)

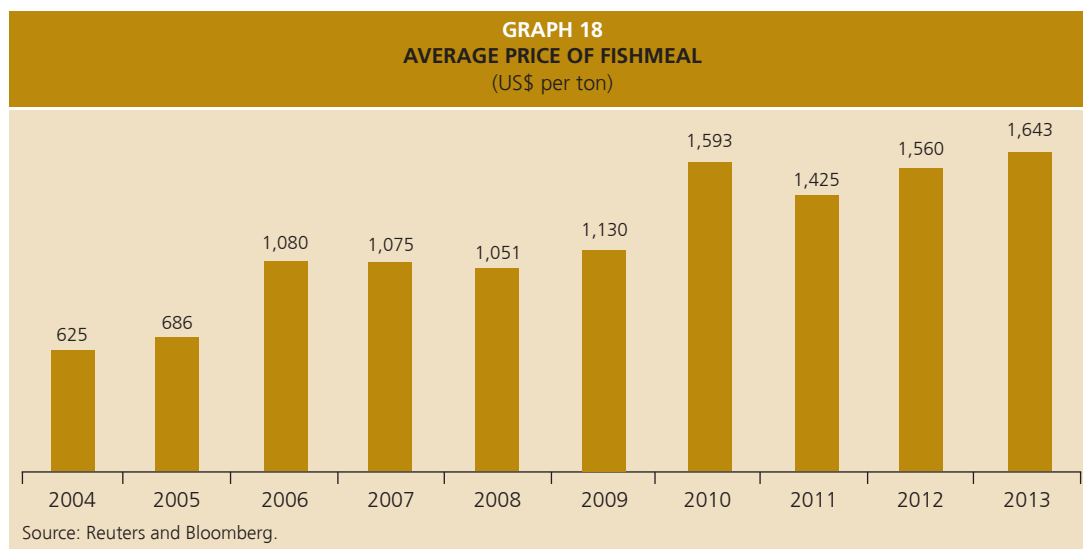
	2012		2013	
	South	North-Central	South	North-Central
First season	400	2,700	400	2,050
Second season	0	810	430	2,304
Total year	3,910		5,184	

Source: Ministry of Production.



Reversing the growing trend seen in recent years due to the lower quota allocated during the second fishing season of 2012, fishmeal exports in 2013 were lower than in the previous year and amounted to US\$ 1.36 billion. These exports, which concentrated mainly between the months of July and August, went mainly to the Asian market (mostly to China).

The price of fishmeal, which was higher on average than in 2012, ranged between a maximum of US\$ 1,963 per ton in January and a minimum of US\$ 1,417 per ton in October, which is mainly explained by the lower supply of anchovy, the main input of fishmeal, in the first months of the year.



2.3 Mining and Hydrocarbons

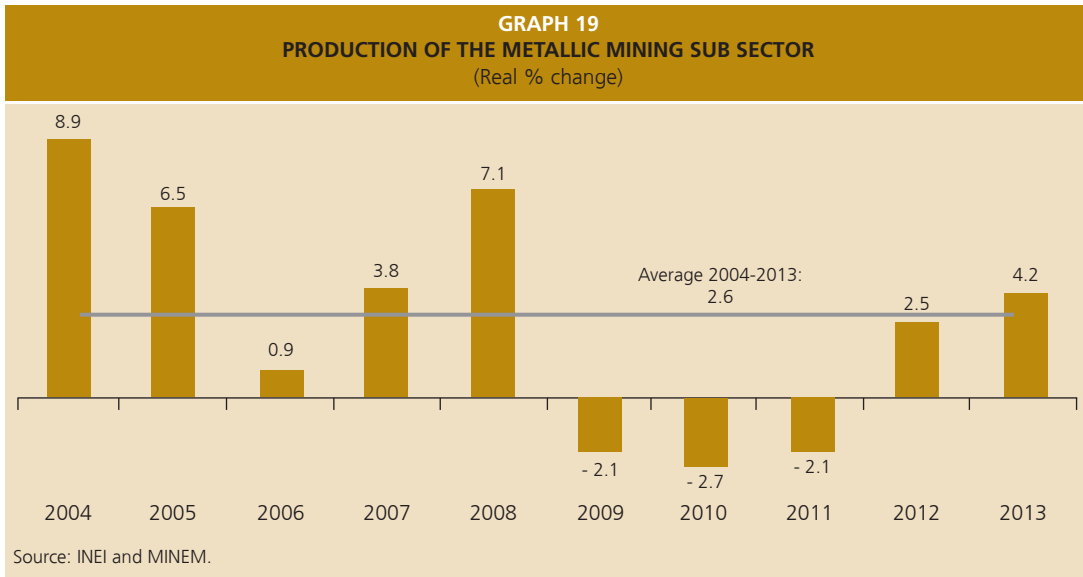
Production in the mining and hydrocarbons sector registered a growth rate of 4.9 per cent in 2013, a higher rate than the average growth rate in the past ten years (4.1 percent). This outcome was favored by the implementation of new projects and by the expansion of some copper and multi-metal units, which contrasted with the reduction in gold production resulting mainly from the lower metal content obtained by the major gold mining companies during the year.

The increased **metallic mining** production (4.2 percent) was also coupled by the growth of the hydrocarbons sub-sector (7.2 percent) associated with a greater external and domestic demand for natural gas and natural gas liquids.

TABLE 9
MINING AND HYDROCARBONS PRODUCTION
(Real % change)

	2011 1/	2012 1/	2013 1/	Average 2004-2013 1/
METALLIC MINING	- 2.1	2.5	4.2	2.6
Gold	1.3	- 2.8	- 3.3	- 1.0
Copper	0.1	9.4	7.4	6.7
Zinc	- 14.6	2.0	5.5	- 0.2
Silver	- 6.1	1.8	5.6	2.3
Lead	- 12.1	8.3	6.9	- 1.4
Tin	- 14.7	- 9.6	- 9.3	- 5.2
Iron	16.0	- 4.7	- 0.1	6.7
Molybdenum	12.8	- 12.3	8.0	6.6
HIDROCARBONS	5.1	1.0	7.2	7.6
Oil	- 4.3	- 3.9	- 5.9	- 3.2
Liquid of natural gas	- 1.5	4.1	20.9	38.5
Natural gas	56.9	4.4	2.8	37.0
TOTAL 2/	0.6	2.8	4.9	4.1

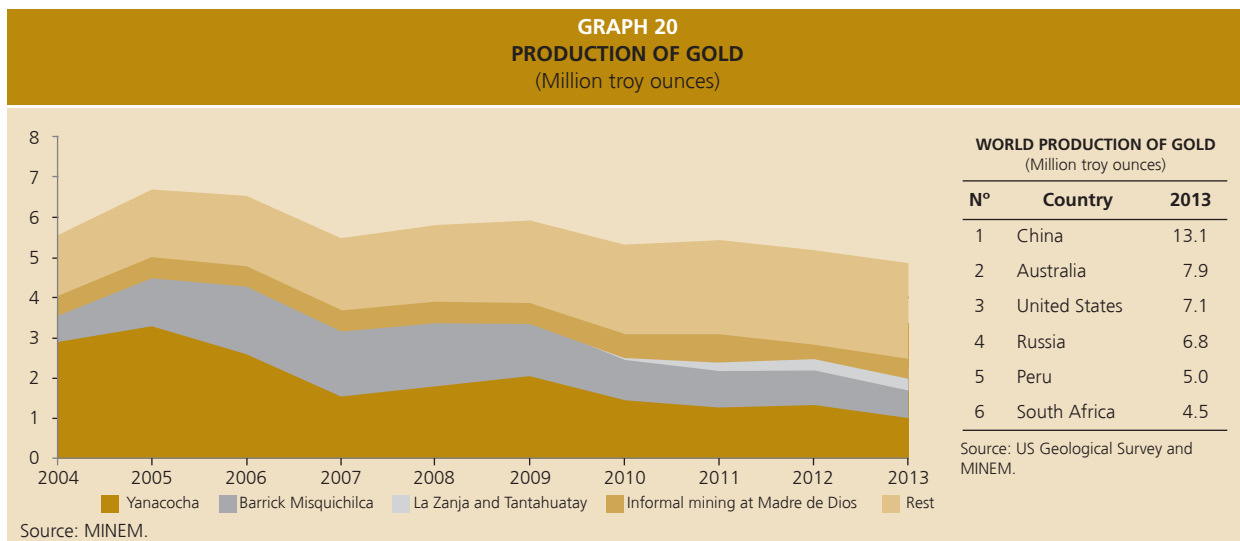
1/ Preliminary data.
2/ Includes non-metallic mining and secondary production.
Source: INEI, MINEM and Perupetro.



The extraction of gold fell 3.3 percent in 2013, dropping from 5.2 to 5.0 million troy ounces. The production of this metal was affected by the poor output obtained by the major gold mining companies: Yanacocha’s gold production dropped by 24.4 percent, Barrick Misquichilca’s production fell 18.9 percent due to the low metal content obtained, while Minas Buenaventura’s production shrank 9.2 percent as a result of a cost rationalization process carried out to improve their processes.

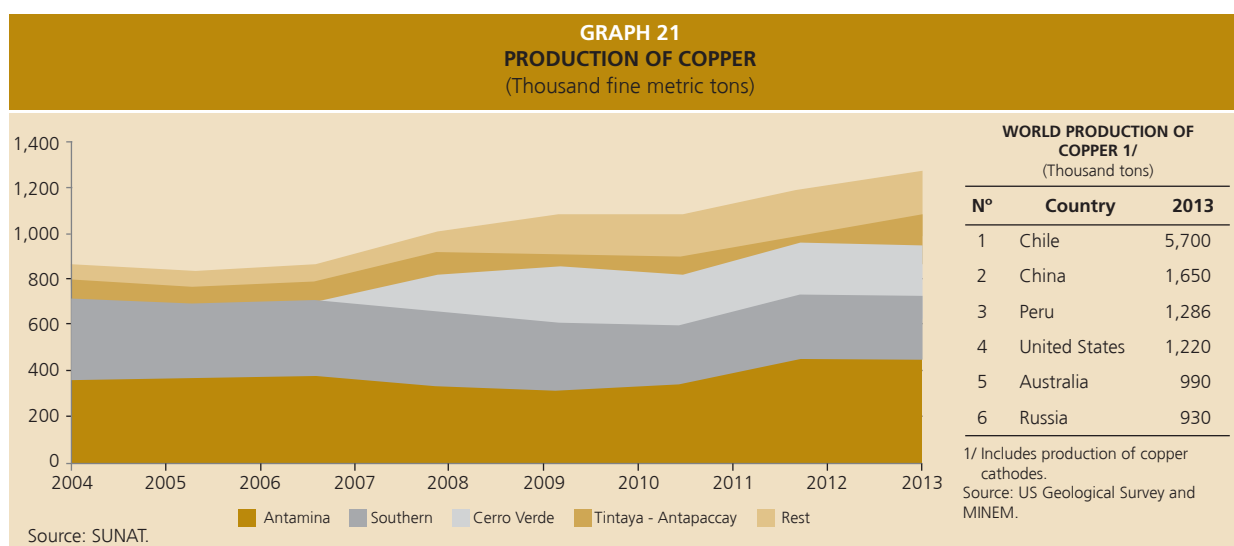
This outcome was in part offset by the operations of Compañía Minera Poderosa, whose production increased 15.2 percent, as well as by the increased mining activity of Minera La Zanja, Minera La Arena, and Consorcio Minero Horizonte in the Department of La Libertad which increased their production by 22.2, 5.6, and 8.3 percent, respectively. Because of this higher production, the region of La Libertad has become the first producer of gold in Peru.

Peru remained as the largest producer of gold in Latin America and as the fifth largest producer in the world, with a contribution of 6 percent to the world production of gold.



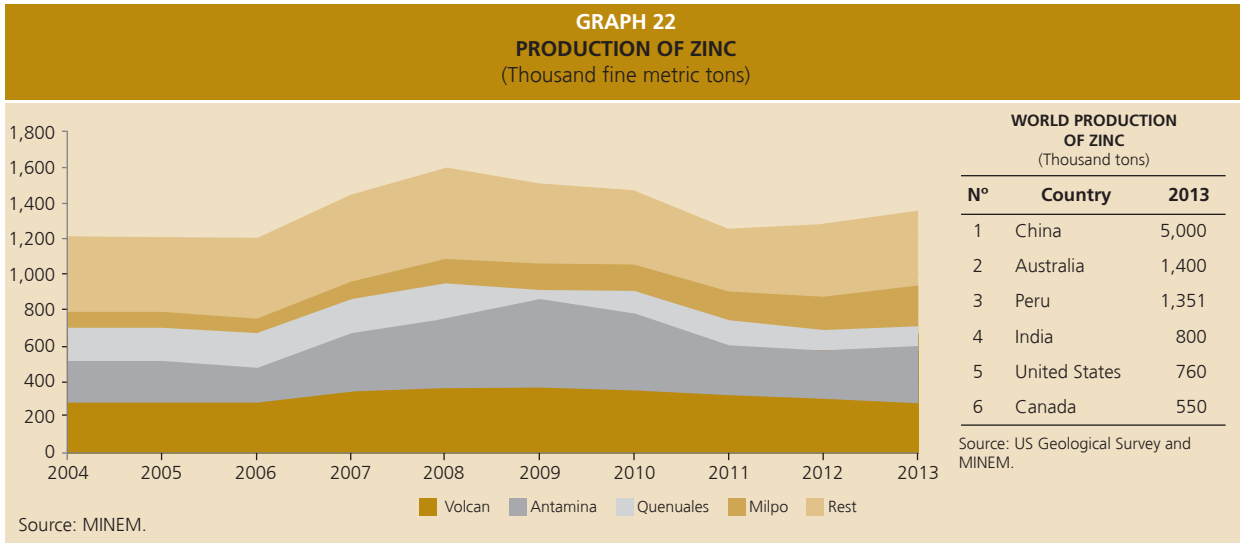
Copper production in 2013 amounted to 1.3 million fine metric tons (FMT), equivalent to a growth rate of 7.4 percent in GDP terms (vs. 9.4 percent in 2012). This result was mainly favored by the copper production of Xstrata Antapaccay, which began operations in November of 2012 and reached a production of 139 thousand tons in the year. Minera Milpo also increased its production by 16.2 percent due to the higher output obtained in its units of Cerro Lindo and El Porvenir, while Sociedad Minera El Brocal showed an increase of 16.2 percent in its output after deciding to extract more copper instead of both copper and zinc and after improving its crusher machine to expand its crushing capacity. These results were in part offset by the lower production registered in Cerro Verde –down by 4.9 percent– due to the lower metal content obtained and the lower production in Antamina –down by 0.4 percent– due to technical difficulties in its plants in the first months of the year.

Peru remained the second largest producer of copper in Latin America, after Chile (5.7 million metric tons), but in terms of world production was moved to the third place by China, which reached a production of 1.7 million metric tons.



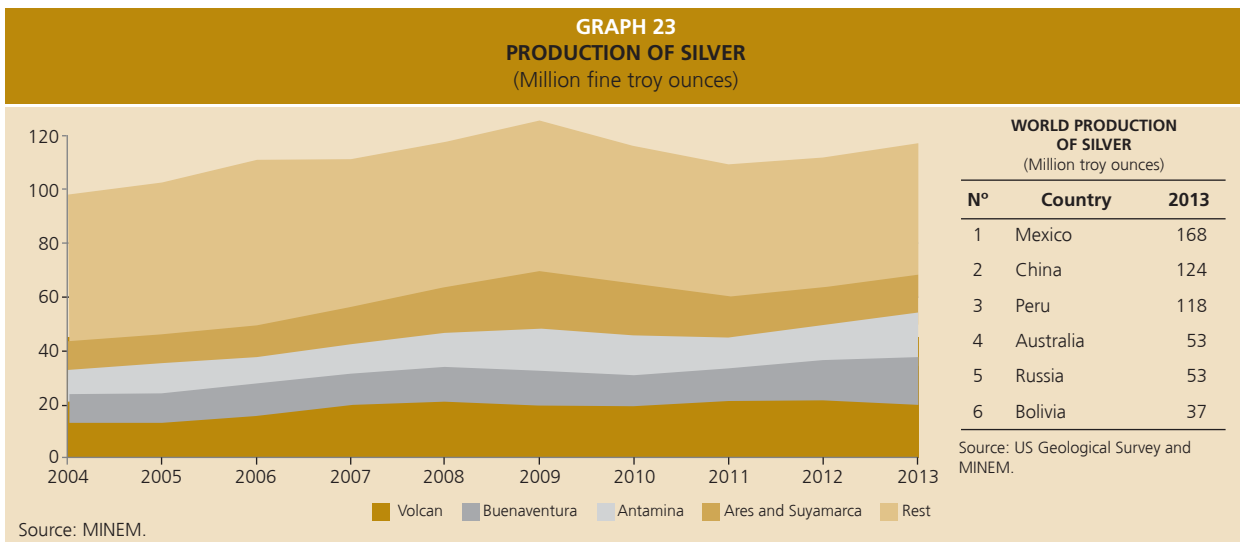
The production of zinc grew 5.5 percent in 2013, from 1.28 million metric tons in 2012 to 1.35 million metric tons in 2013. This higher output reflects the increased production obtained by Cia. Minera Antamina (17.0 percent) as a result of the expansion carried out in March 2012 as well as the higher production of Milpo (21.0 percent) associated with improvements in the mining unit of Cerro Lindo after expanding the capacity of the concentrator plant from 10 thousand to 15 thousand tons per day. The entry into production of Trevali Resources' mine Santander also contributed to this higher output.

Peru remained as the largest producer of zinc in Latin America and third in the world, with a stake of 10 percent in terms of the world output, after China and Australia (5.0 and 1.4 million tons, respectively).

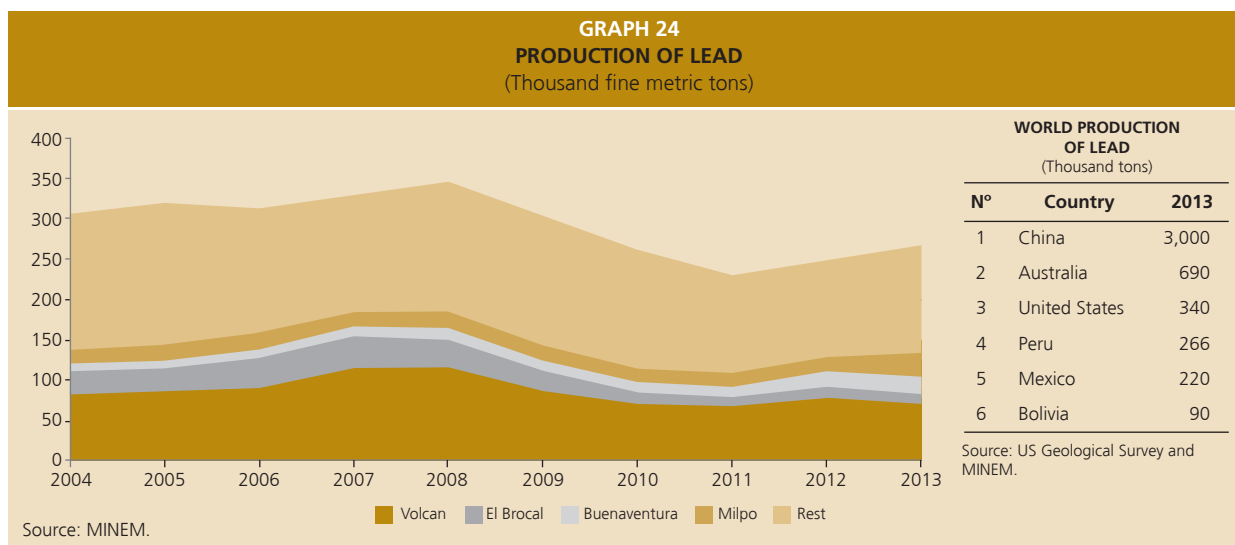


The production of silver grew 5.6 percent to 118 million ounces as a result of the higher production of Compañía Minera Antamina S.A. –up by 26 percent as a result of the expansion of installed capacity at its Huincush unit– and the greater production of Compañía de Minas Buenaventura –up by 15.9 percent– associated mainly to increasing its production at its unit of Uchucchacua, Mallay, and Breapampa.

With this level of production, Peru continues to rank third as world producer of silver after Mexico (168 million ounces) and China (124 million ounces). It is worth mentioning that Peru was overtaken by Mexico as the first silver producer in 2011 after the Mexican unit of Peñasquito started operations.

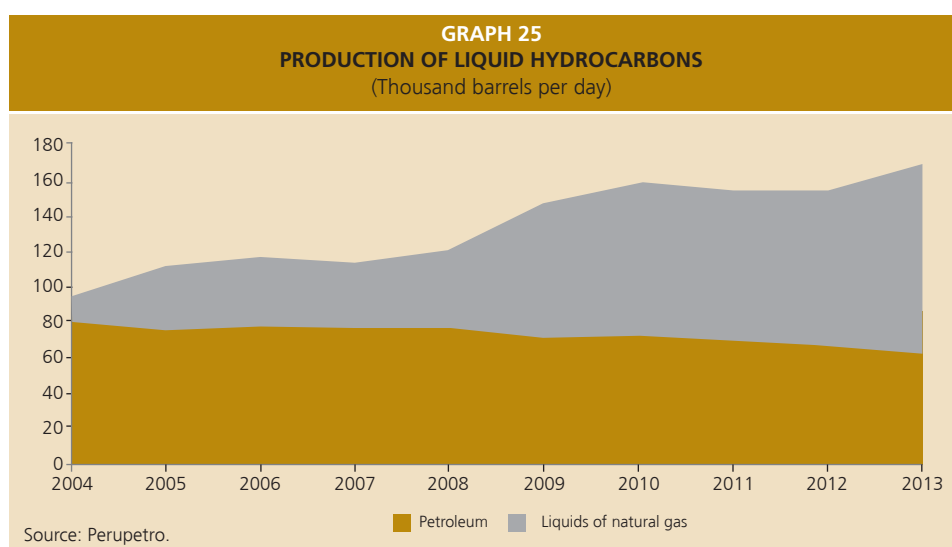


With a total production of 266 thousand tons, the extraction of lead grew 6.9 percent in 2013 (although the increase in production was lower than in 2012). The higher output in 2013 is explained mainly by a significant increase in the production of Milpo (up by 66.7 percent). It should be pointed out that with the production levels achieved in the country, Peru ranks fourth among the world’s largest producers with 5 percent of the world output.



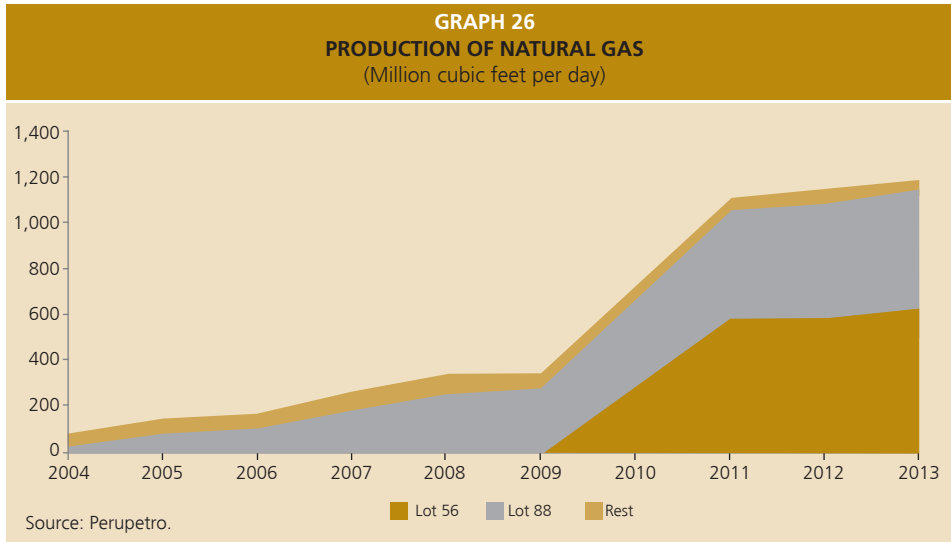
On the other hand, the production of tin shrank by 9.3 percent due to the lower quality of ores treated by Minsur in its unit San Rafael. Furthermore, the extraction of iron fell slightly –down 0.1 percent– due to Shougang’s lower activity as a result of strikes, while the production of molybdenum increased 8.0 percent due the greater output of Southern and Cerro Verde.

The production of hydrocarbons showed an increase of 7.2 percent, which reflected mostly a greater production of liquid hydrocarbons (up 9.2 percent) and, to a lesser extent, an increase in the extraction of natural gas (up 2.8 percent). The growth registered in the former is explained mainly by the increased production of natural gas liquids obtained at Las Malvinas separation plant from the gas extracted by Pluspetrol in lots 88 and 56 –the extraction of natural gas increased by 37.2 percent in Lot 88 and by 4.4 percent in Lot 56. On the other hand, the production of crude oil decreased by 5.9 percent mainly as a result of lower yields at Petrobras’ Lot X and Savia Peru’s Lot Z-2B.





The increase in the extraction of natural gas (2.8 percent) is explained by higher production in Pluspetrol's Lots 56 and 88 (up 7.5 and 2.4 percent, respectively), in response to a greater demand from both the domestic market and the external market.



2.4 Manufacturing Sector

Showing a faster pace of growth than in the previous year, the manufacturing industry recorded a growth rate of 5.7 percent in 2013. This rate reflects the expansion observed in manufacturing based on the processing of raw materials, in part offset by a slower growth in non-primary manufacturing. The lower dynamism of the latter is in line with the slowdown of domestic demand observed during 2013.

After declining in 2012, **manufacturing based on raw materials** expanded 9.8 percent in 2013 due primarily to a greater output in the processing of fishmeal and fish oil (38.5 percent) as a result of the increased catch of anchovy in the year, as well as to the greater production of canned and frozen fish products (6.9 percent) as a result of the greater catch of yellow mackerel and Pacific chub mackerel. In addition, the refining of non-ferrous metals (up 12.8 percent) showed a positive trend due to a higher production of copper cathodes at Cerro Verde favored by a greater availability of copper oxides for leaching.

Moreover, oil refining increased 2.1 percent, while meat products increased 2.2 percent due mainly to a higher demand for poultry.

TABLE 10
MANUFACTURING BASED ON RAW MATERIALS BY MAIN INDUSTRIAL GROUPS
 (Real % change)

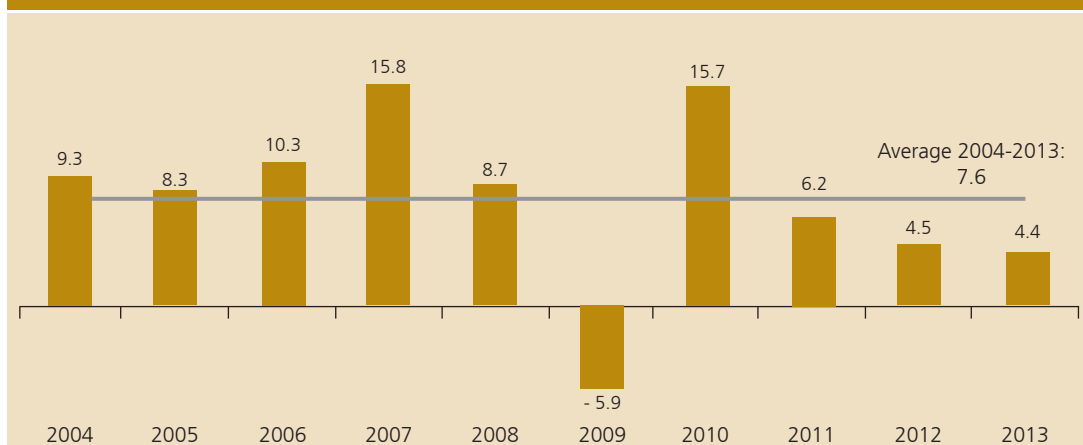
	2011 1/	2012 1/	2013 1/	Average 2004-2013 1/
MANUFACTURING BASED ON RAW MATERIALS	17.4	-9.0	9.8	1.4
Sugar	3.5	2.8	6.2	0.4
Meat products	11.9	3.6	2.2	4.3
Fishmeal and fish oil	106.4	-47.2	38.5	0.1
Canned and frozen fish products	70.8	-7.3	6.9	6.2
Refining of non-ferrous metals	8.2	-3.3	12.8	- 1.4
Refining of crude	-1.5	-4.7	2.1	5.9

1/ Preliminary data.

Source: Ministry of Production and INEI.

The non-primary manufacturing grew 4.4 percent, showing a slowdown for the third consecutive year. This result is associated with the global economic slowdown, which has had a negative impact negatively on export-oriented branches such as the textile industry. After registering low growth rates in Q1, the sector recovered in the next two quarters, in line with a greater production of construction materials and cement.

GRAPH 27
NON-PRIMARY MANUFACTURING
 (Real % change)



Source: INEI and Ministry of Production.



TABLE 11
GROWTH OF NON-PRIMARY MANUFACTURING
BY TYPE OF GOODS

	2011 1/	2012 1/	2013 1/	Average 2004-2013 1/
Mass consumer products	5.3	2.8	3.3	6.7
Dairy products	3.7	6.8	3.8	8.8
Oils and fats	- 2.2	7.2	2.7	5.2
Miscellaneous food products	10.1	13.3	5.2	7.1
Beer and malt	4.6	3.7	- 0.4	8.2
Soft drinks	7.8	4.1	4.7	6.5
Clothing	12.1	- 9.4	- 5.1	4.5
Wood and furniture	5.5	7.8	0.0	7.0
Other paper and cardboard items	1.6	4.5	6.0	13.7
Toiletries and cleaning products	5.9	0.4	9.2	9.3
Pharmaceutical products	7.1	1.6	- 10.0	4.4
Miscellaneous items	7.0	2.7	22.1	9.3
Inputs	7.6	5.3	5.9	7.8
Paper and cardboard	13.5	0.2	- 1.0	7.7
Paper and cardboard containers	8.5	2.4	8.9	8.5
Publishing and printing	10.8	5.2	9.5	12.9
Basic chemicals	4.8	0.2	7.5	5.7
Explosives, chemical and natural scents	15.6	27.5	28.6	12.0
Rubber	11.3	- 3.3	- 8.3	1.6
Plastic	4.0	- 0.8	15.6	6.5
Glass	24.3	13.6	- 14.5	14.6
Material for construction	3.0	11.5	7.9	11.1
Paints, varnishes and acquires	9.9	- 0.3	12.6	11.1
Cement	2.2	15.9	2.3	9.2
Construction materials	0.3	12.6	12.6	13.7
Abrasive products	11.1	15.1	12.6	8.5
Capital goods	10.4	11.5	7.8	10.1
Iron and steel industry	- 2.1	6.2	7.9	4.7
Metal products	13.8	7.0	11.7	12.8
Machinery and equipment	65.6	16.5	- 15.9	- 1.7
Electric machinery	0.1	22.2	13.0	10.1
Transport equipment	4.7	18.8	5.2	20.5
Goods for external markets	7.4	- 6.2	- 2.6	4.6
Canned food, chocolate and alcoholic beverages	11.1	- 0.5	- 5.7	11.2
Synthetic fibers	- 0.8	- 16.4	- 8.3	- 0.8
Yarns, fabrics and finished garments	5.6	- 9.5	- 2.9	2.2
Knitted garments	5.2	- 8.8	7.6	1.8
TOTAL NON-PRIMARY MANUFACTURING	6.2	4.5	4.4	7.6

1/ Preliminary data.
Source: Ministry of Production.

With a real growth of 3.3 percent, the production of mass consumption goods showed a mixed behavior. The production of miscellaneous products recorded the highest growth rate (22.1 percent in real terms) due to the high production of zippers and jewelry, while the production of miscellaneous food products grew 5.2 percent as a result of an increased production of instant sauces, drinks, and desserts. On the other hand, the production of pharmaceutical products showed a negative output of 10.0 percent due to lower exports to Venezuela and fewer tender contracts with the public sector.

The production of explosives, chemical and natural scents, and plastics account mostly for the growth rate in the production of inputs (5.9 percent in real terms). This was mainly associated with an increased demand for explosives from the mining sector as well as with a growing domestic demand for plastics.

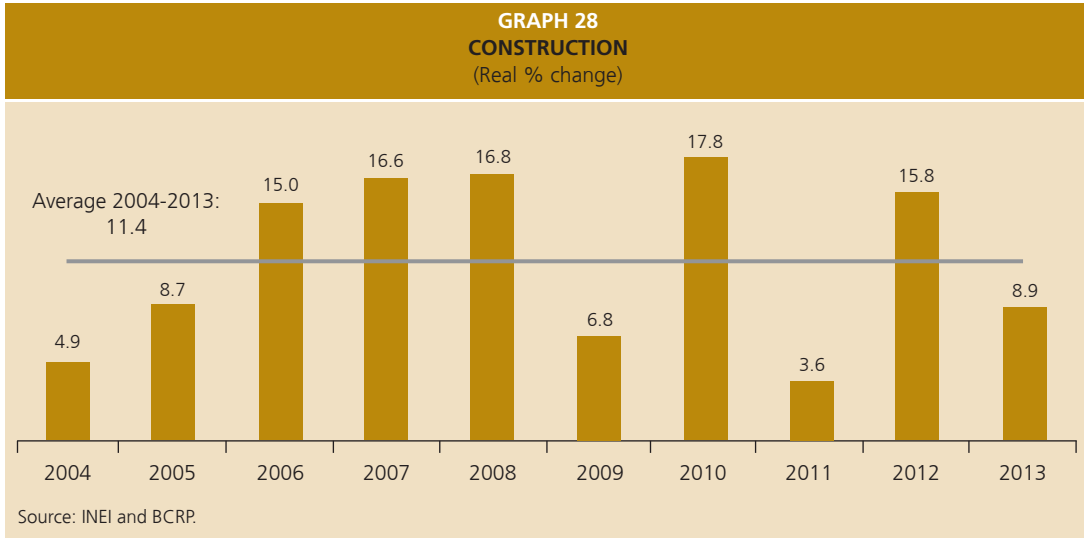
Construction-oriented branches showed a real growth of 7.9 percent, with the component of construction materials showing the highest growth over the past 10 years (13.7 percent in real terms), in line with the dynamism registered in the implementation of public works and private construction projects.

The growth in the industry of capital goods was supported by the increased production of electric machinery (real growth of 13.0 percent) and metal products (11.7 percent) due to the high demand for steel structures in the commercial sector.

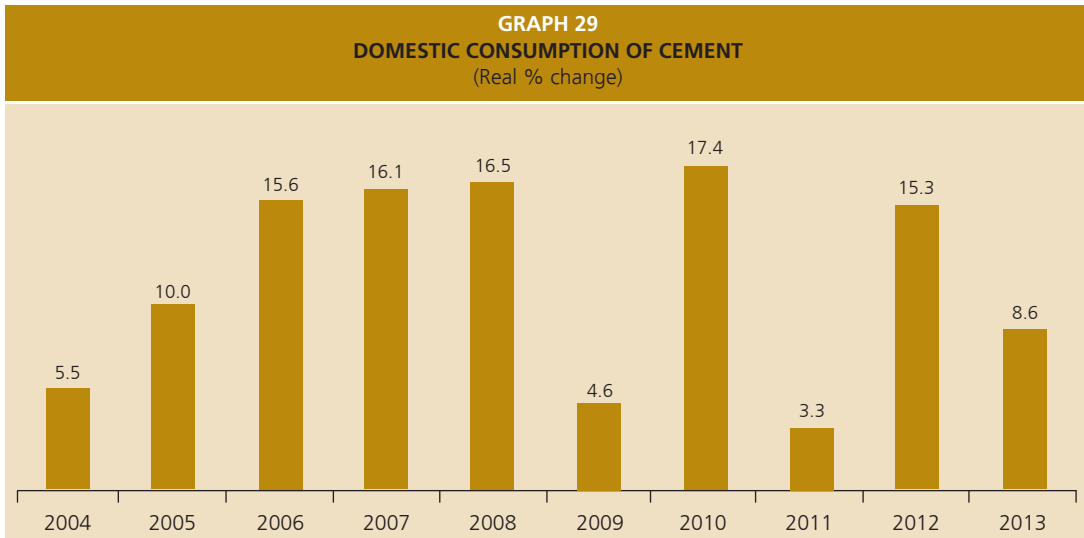
Finally, the manufacturing production oriented to the external market showed a negative rate of 2.6 percent, explained by the lower demand of textile products in the United States and Europe associated with weak economic growth in these economies.

2.5 Construction Sector

With a growth rate of 8.9 percent, the construction sector ranked second in terms of greater expansion in the year and fourth in terms of its contribution to GDP growth (0.6 percentage points), after the sector of trade, services and manufacturing. The slowdown in the growth of construction relative to 2012 –when it grew 15.8 percent– is consistent with a lower growth rate in the domestic consumption of cement and with a lower dynamism in self-construction.



The domestic consumption of cement registered a growth rate of 8.6 percent, rising from 10.2 to 11.0 million tons. In terms of geographic areas, a higher growth was observed in local dispatches of cement in the interior of the country (11.7 percent), associated mainly with the construction of shopping malls and the implementation of public works in the North and South of the country.



As for the residential real estate market, the latest study of this market in Metropolitan Lima and Callao published by CAPECO, the Peruvian Chamber of Construction, reports an increase of 2.3 percent in the number of apartments sold in the period July 2012 - June 2013 compared to the previous twelve months.

As regards credit for this segment, new mortgage loans showed a decline of 7.7 percent, while the new placements of Mivivienda program registered an expansion of 13.6 percent. This was also reflected in an increase in the number of borrowers with current mortgage loans (from 173 thousand in 2012 to 189 thousand in 2013).

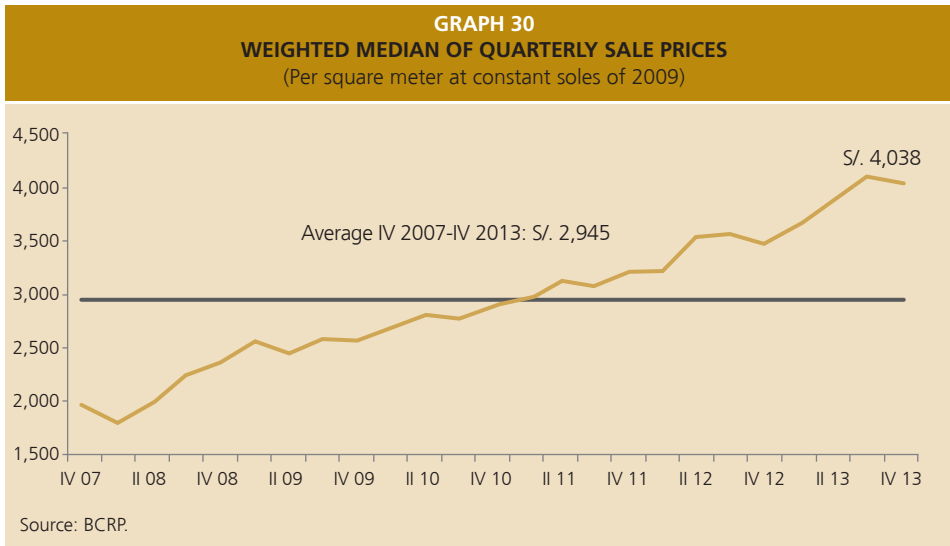
TABLE 12
REAL ESTATE SECTOR: EVOLUTION OF MAIN VARIABLES

INDICATOR	2011	2012	2013
Apartments: Unit sold - CAPECO 1/ % Change	18,736 42.1	20,648 10.2	21,133 2.3
Apartments: Unit sold- TINSA 2/ % Change	21,550 37.8	24,143 12.0	15,776 - 34.7
Unmet demand - CAPECO 1/ % Change	391,434 - 2.1	396,566 1.3	411,869 3.9
New mortgages 3/ % Change	34,487 17.4	38,141 10.6	35,218 - 7.7
New loans Mivivienda 4/ % Change	8,888 37.8	9,945 11.9	11,301 13.6
Number of debtors of current mortgage borrowers 3/ % Change	155,052 13.1	172,796 11.4	189,152 9.5
Mortgages disbursed in S/. (mills.) 3/ % Change	3,612 21.3	4,874 34.9	6,732 38.1
Mortgages disbursed in US\$ (mills.) 3/ % Change	1,281 - 50.3	1,484 15.8	634 - 57.3
Average interest rate of mortgages in S/. 5/	9.4	8.8	9.4
Average interest rate of mortgages in US\$ 5/	8.2	8.0	8.5

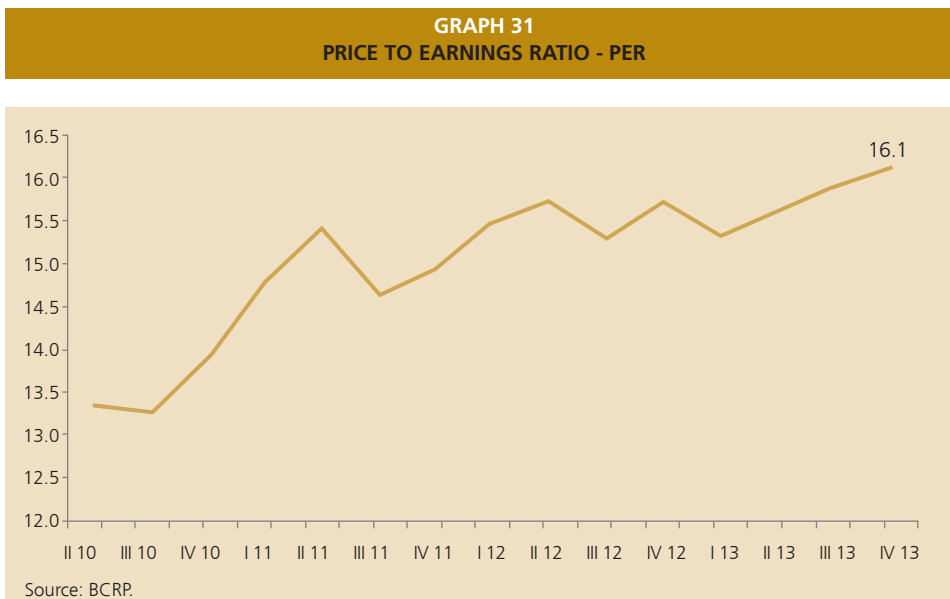
1/ "El Mercado de Edificaciones Urbanas en Lima Metropolitana y el Callao", CAPECO. A one-year period is considered (from July to June in the next year).
2/ "Informe de Coyuntura Inmobiliaria", TINSA PERU SAC.
3/ Commercial banks. Source: SBS.
4/ "Nuevo Crédito Mi Vivienda". Source: Fondo Mi Vivienda.
5/ Average lending interest rates by commercial banks. Source: SBS.

In 2013 the weighted median¹ of the sale prices per square meter of property in constant soles continued showing the rising trend observed since late 2007. Thus, the prices per square meter increased 15.7 percent in Q4-2013 compared to the same period in 2012.

¹ The weighted median is the geometric average of the median of the sale prices of apartments in 10 districts of Lima (La Molina, Miraflores, San Borja, San Isidro, Surco, Jesús María, Lince, Magdalena, Pueblo Libre and San Miguel). The weighted average uses as weighting factor the total supply of apartments expressed in square metres of the immediately preceding year, which is published by CAPECO.

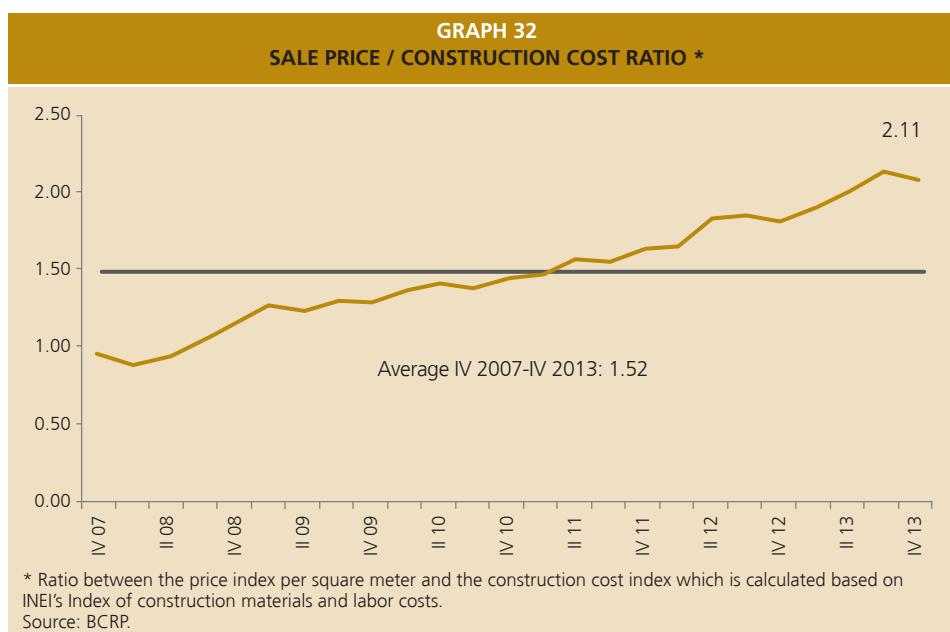


The price-to-earnings ratio (PER) –or ratio of the sale price-to-earning from annual rent–, which shows the number of years that one would have to rent a property to recover the purchase value² of the property, showed an average of 16 years of rent in Q4- 2013.



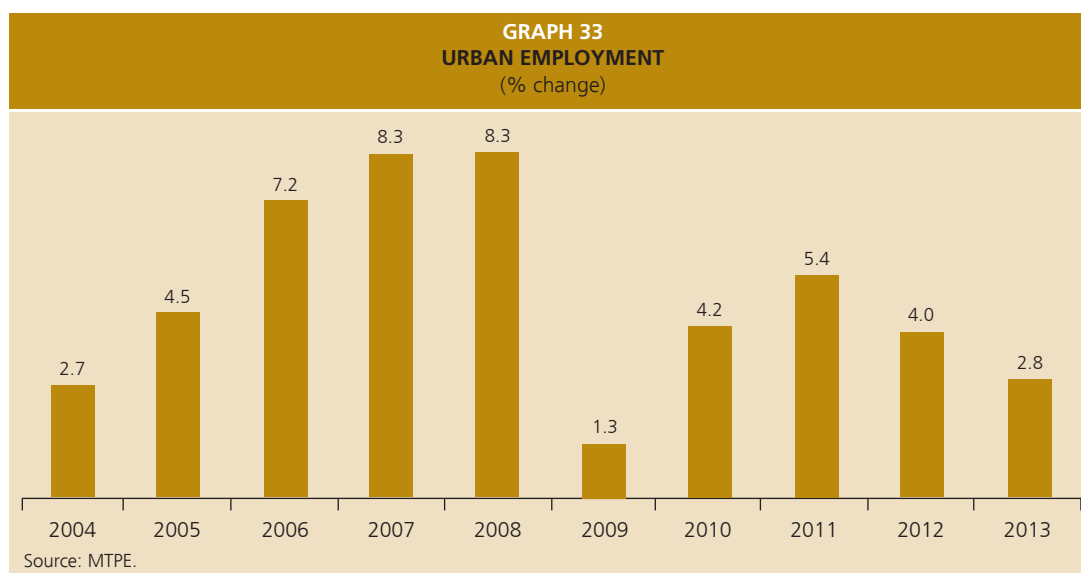
The sale price-to-construction cost ratio showed a level of 2.11 in Q4-2013. It should be pointed out that this measurement does not include the cost of the land.

² Global Property Guide classifies real estate prices as undervalued (5.0-12.5 years), normal (12.5-25.0 years), and overvalued (25.0-50.0 years) according to the PER index.



3. Employment

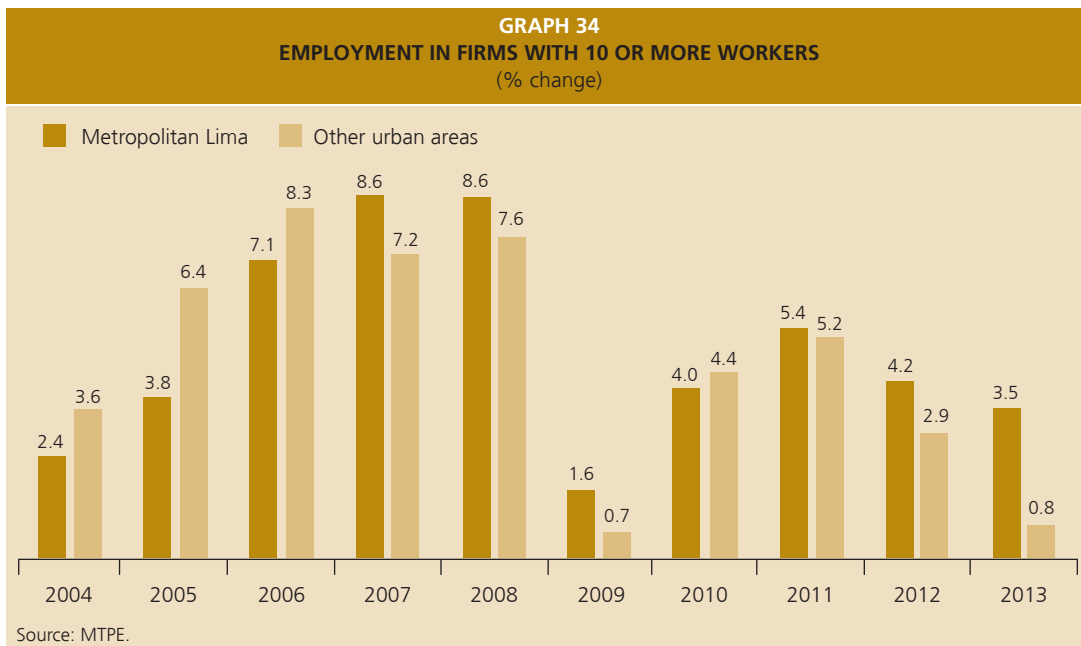
According to the Ministry of Labor and the Promotion of Employment, employment in formal enterprises with 10 and more employees in urban areas grew 2.8 percent in 2013.



By geographical areas, employment showed a slower pace of growth than in the previous year both in Metropolitan Lima, where its growth rate declined from 4.2 to 3.5 percent, and in the rest of urban areas, where the slowdown was greater (down from 2.9 to 0.8 percent).



By production sectors, trade and services led the growth of employment, whereas, in contrast, manufacturing showed a negative growth rate. The dynamism of employment in the sector of trade –up from 3.3 to 5.1 percent in 2013– was associated with a greater demand for workers in shops and warehouses due to higher sales of appliances, furniture, and household items.

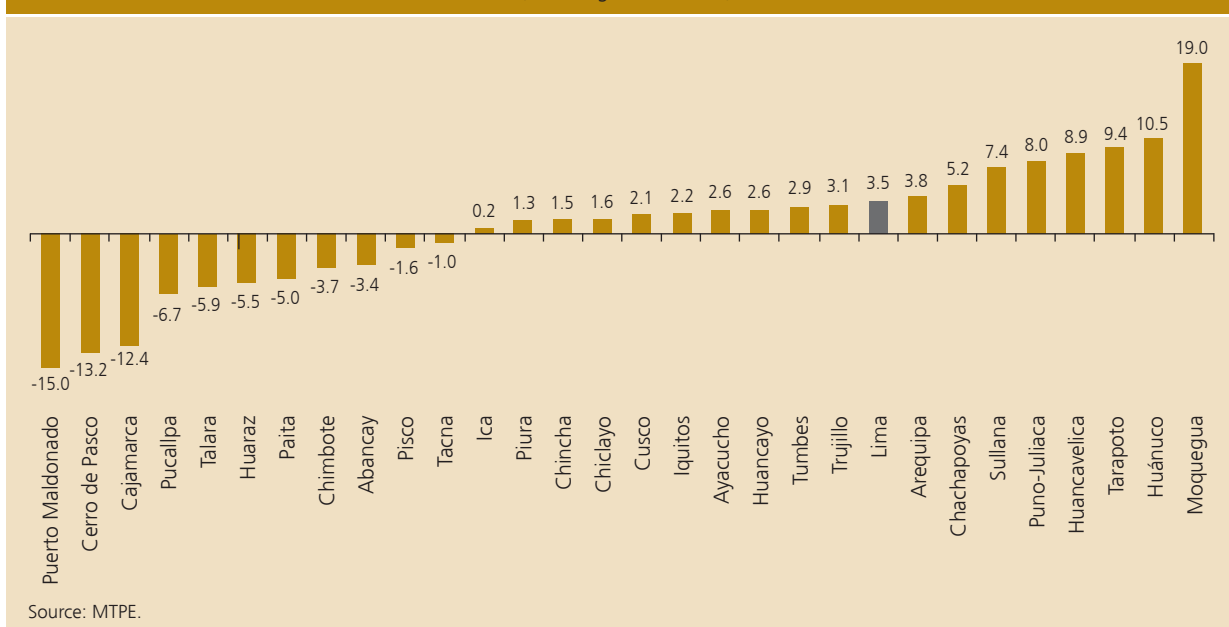


The creation of jobs in the sector of services was supported by the demand for workers at education centers and financial organizations. However, the growth of employment in this sector slowed down from 6.1 percent in 2012 to 4.0 percent in 2013. This slower growth in the sector was observed both in Metropolitan Lima (down from 6.1 to 4.2 percent) and in the rest of urban areas, where the slowdown was stronger (from 6.0 to 3.1 percent).

The decline of employment in the manufacturing sector (from 0.1 percent in 2012 to -0.1 percent in 2013) reflected lower manufacturing activity in the rest of urban areas (down from -2.8 percent in 2012 to -4.2 percent in 2013). On the other hand, showing a similar rate to the one observed in 2012 (1.2 percent), in Lima employment in this sector grew 1.3 percent.

By departments, employment in most of the 30 cities included in the sample of the Ministry of Labor showed a positive trend. A contraction of employment was observed in eleven cities.

GRAPH 35
EMPLOYMENT BY CITY
 (% change 2013/2012)



The highest growth of employment was recorded in Moquegua (19.0 percent), where this growth was associated with the dynamism of services. In contrast, the highest decline of employment was observed in Puerto Maldonado (-15.0 percent), Cerro de Pasco (-13.2 percent), and Cajamarca (-12.4 percent), where employment dropped in all of the production sectors.

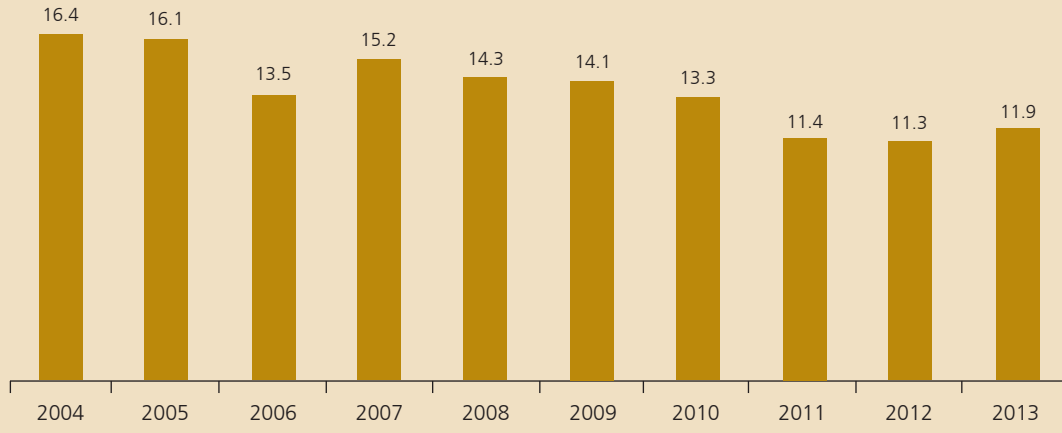
In 2013, INEI's survey on employment continued showing positive indicators in Metropolitan Lima. Moreover, the employed population grew 2.4 percent (vs. 1.6 percent in 2012). By production sectors, employment grew the most in the sector of services (4.1 percent), trade (2.9 percent), and construction (2.8 percent), which offset the negative rate of employment in manufacturing (down 1.9 percent).

By size of firms, employment in companies with 2 to 10 workers grew 4.7 percent, followed by employment in companies with 51 or more workers (3.8 percent).

The rate of underemployment in terms of hours rose from 11.3 percent in 2012 to 11.9 percent in 2013. The rate of unemployment, which measures the part of the economically active population (EAP) who is actively searching for employment and is unable to find work, declined for the fourth consecutive year, from 6.8 percent in 2012 to 6.0 percent in 2013.

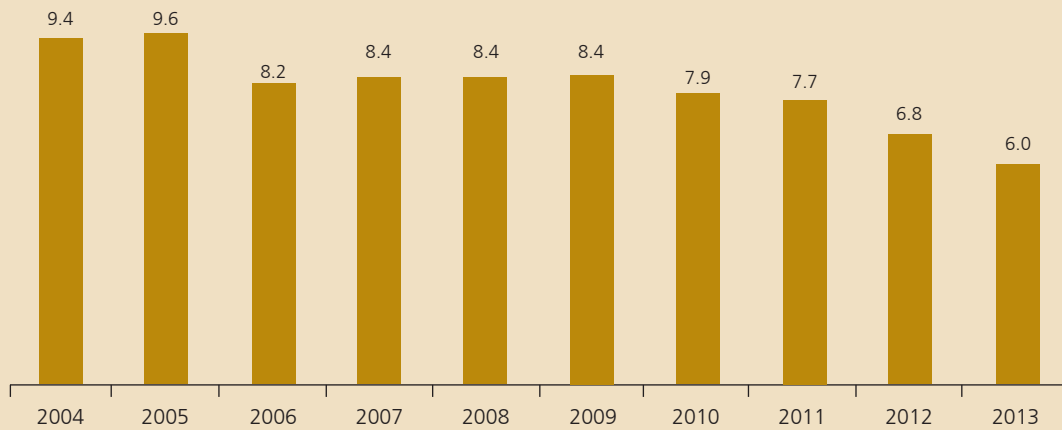


GRAPH 36
UNDER UNEMPLOYMENT RATE BY HOURS IN METROPOLITAN LIMA (%)



Source: INEI.

GRAPH 37
UNEMPLOYMENT RATE IN METROPOLITAN LIMA (%)



Source: INEI.

TABLE 13
WORKFORCE BY LEVELS OF EMPLOYMENT
IN METROPOLITAN LIMA 1/
(Thousand people)

	2011	2012	2013
I. ECONOMICALLY ACTIVE POPULATION (EAP): 1 + 4	4,781	4,812	4,885
1. EMPLOYED	4,415	4,485	4,594
<u>By economic activity</u>			
Manufacturing	737	736	722
Construction	312	321	330
Commerce	944	950	977
Services	2,365	2,408	2,506
Others	56	71	59
<u>By educational level</u>			
Primary school 2/	445	413	431
Complete high school 3/	2,252	2,245	2,269
Higher education	773	805	842
University higher education	944	1,023	1,053
<u>By occupation</u>			
Salaried workers 4/	2,711	2,839	2,847
Non-salaried workers	1,704	1,645	1,747
<u>By size of business</u>			
Independent 5/	1,175	1,159	1,168
From 2 to 10 workers	1,536	1,520	1,591
From 11 to 50 workers	471	483	460
From 51 and more workers	1,233	1,324	1,374
<u>By number of hours worked per week</u>			
Employed workers working 20 or more hours	3,982	4,028	4,159
Salaried workers working 20 or more hours	2,534	2,630	2,648
2. UNDEREMPLOYED	1,873	1,826	1,754
Visible underemployment (by hours) 6/	547	541	537
Invisible underemployment (by income) 7/	1,326	1,285	1,217
3. PROPERLY EMPLOYED	2,542	2,659	2,840
4. UNEMPLOYED	366	327	291
II. INACTIVE POPULATION	2,056	2,149	2,203
III. WORKING-AGE POPULATION (WAP)	6,837	6,961	7,088
RATES (%)			
Activity rate (EAP / WAP)	69.9	69.1	68.9
Employment/population (Employed EAP/WAP)	64.6	64.4	64.8
Unemployment rate (Unemployed EAP/WAP)	7.7	6.8	6.0
Underemployment by hours	11.4	11.3	11.9

1/ Annual average.

2/ Includes individuals with no school education or with elementary school education.

3/ Incomplete and complete secondary school.

4/ Includes employees, workers and housekeepers.

5/ Working alone or in partnership, having no salaried workers.

6/ Includes workers unwillingly working less than 35 hours per week

7/ Workers working 35 or more hours a week who earn less than the minimum salary estimated as benchmark by INEI.

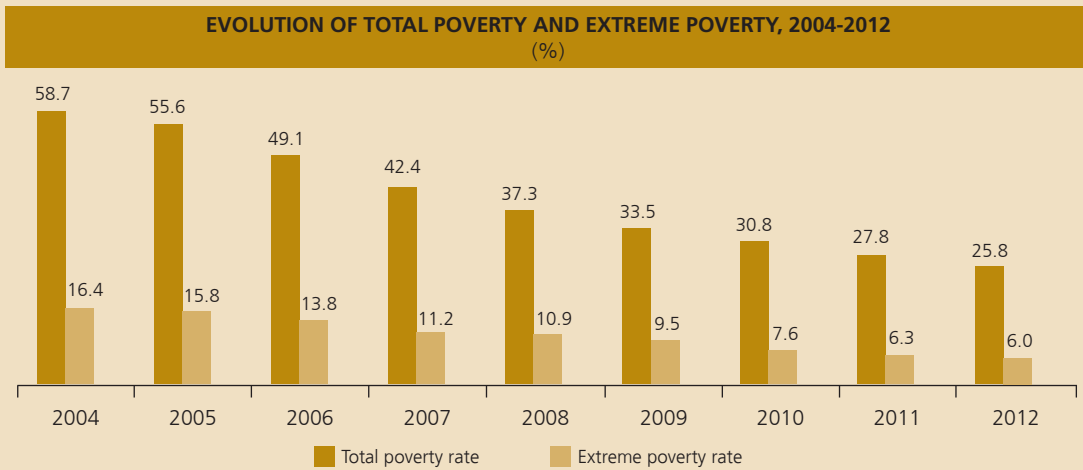
Source: INEI. Encuesta Permanente de Empleo.



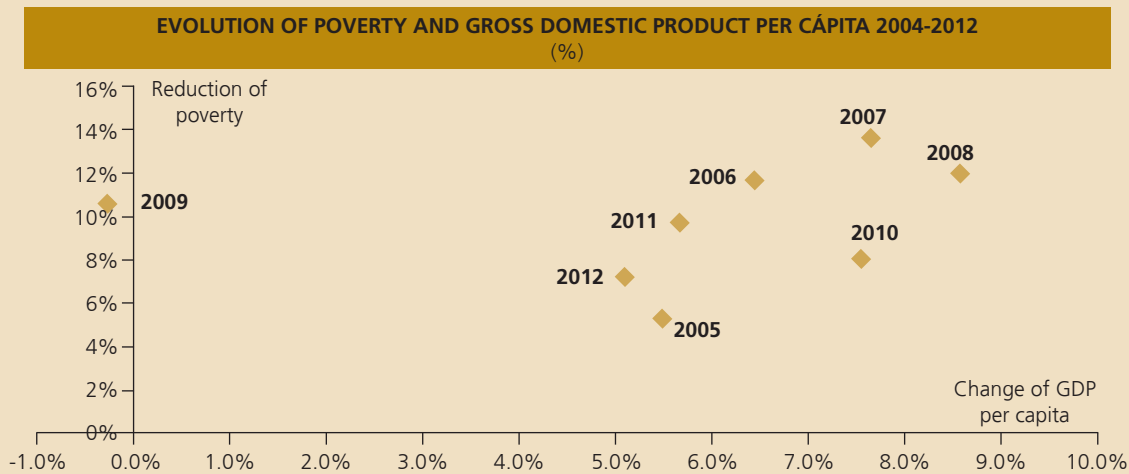
**Box 1
INCIDENCE OF TOTAL POVERTY 2012**

In Peru 25.8 percent of the population –that is, 7.8 million people– lived in conditions of monetary poverty³ in 2012.

The incidence of poverty in 2012 declined by 2.0 percentage points compared to 2011 (27.8 percent), which means that about 509 thousand people escaped poverty. In addition to this, the number of people living in conditions of extreme poverty (1.8 million people) decreased by 0.3 percentage points. Moreover, extreme poverty and total poverty have declined 32.9 and 10.4 percentage points, respectively, compared to 2004.



The sustained growth of GDP is estimated to have had a substantial impact on the reduction of poverty, as illustrated in the figure below.



³ This indicator expresses people's level of well-being in terms of their capacity to meet socially accepted basic needs according to the level of monthly per capita expenditure. In monetary terms, these needs are expressed in the so-called thresholds of extreme poverty and non-extreme poverty. The former is defined by the value of a basic food basket (S/. 151 in 2012) while the latter includes also the value of non-food goods and services (housing, clothing, footwear, etc.) (S/. 284 in 2012).

One of the main factors that plays an important role in poverty reduction is economic growth, as has been demonstrated in the estimates obtained applying the methods used by Datt and Ravallion (1992) and Maasoumi and Mahmoudi (2004)⁴ to deconstruct changes in levels of poverty. According to these methodologies, economic growth would account for 81.2 to 84.0 percent of poverty reduction between the years 2004 and 2012. Furthermore, according to both methods, the reduction of poverty between 2011 and 2012 is entirely explained by growth.

BREAK DOWN OF CHANGE IN TOTAL POVERTY RATE 2004-2012

(Percentage points and %)

Methodologies	Total	Growth	Distribution	Others
Datt and Ravallion	- 32.9	- 26.7	- 4.1	- 2.1
%	100.0	81.2	12.5	6.4
Maasoumi and Mahmoudi	- 32.9	- 27.6	- 5.3	
%	100.0	84.0	16.0	

Incidence of total poverty by geographic areas

Poverty in rural areas shows a rate of 53 percent, about 3.2 times more than poverty in urban areas (16.6 percent). Moreover, by geographic domains, poverty in the rural areas of the Sierra show the highest level (58.8 percent) while poverty in Metropolitan Lima show the lowest level (14.5 percent).

However, relative to 2011, poverty has declined more in rural areas (-3.1 percentage points) than in urban areas (-1.4 percentage points), with poverty reduction being particularly noteworthy in the rural coast areas (-5.5 percentage points), urban jungle areas (-3.6 percentage points), and rural sierra areas (-3.5 percentage points).

INCIDENCE OF TOTAL POVERTY BY GEOGRAPHICAL AREAS 2004-2012

(%)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	Difference 2012/2011 (percentage points)	Difference 2012/2004 (percentage points)
National	58.7	55.6	49.1	42.4	37.3	33.5	30.8	27.8	25.8	- 2.0	- 32.9
Urban areas	48.2	44.5	37.0	30.1	25.4	21.3	20.0	18.0	16.6	- 1.4	- 31.6
Rural areas	83.4	82.5	79.3	74.0	68.8	66.7	61.0	56.1	53.0	- 3.1	- 30.4
Natural region											
Costa area	48.6	44.4	36.4	29.3	25.3	20.7	19.7	17.8	16.5	- 1.3	- 32.1
Sierra area	70.0	67.7	63.0	58.1	53.0	48.9	45.2	41.5	38.5	- 3.0	- 31.5
Selva area	70.4	70.1	65.5	55.8	46.4	47.1	39.8	35.2	32.5	- 2.7	- 37.9
Domains											
Urban coast	50.8	43.2	37.6	31.7	27.4	23.7	23.0	18.2	17.5	- 0.7	- 33.3
Rural coast	69.3	66.9	62.3	53.8	46.6	46.5	38.3	37.1	31.6	- 5.5	- 37.7
Urban Sierra area	46.9	44.0	37.1	31.8	26.7	23.2	21.0	18.7	17.0	- 1.7	- 29.9
Rural Sierra area	86.7	85.4	83.1	79.2	74.9	71.0	66.7	62.3	58.8	- 3.5	- 27.9
Urban Selva area	59.4	58.4	54.6	44.0	32.7	32.7	27.2	26.0	22.4	- 3.6	- 37.0
Rural Selva area	81.5	82.4	77.3	69.2	62.5	64.4	55.5	47.0	46.1	- 0.9	- 35.4
Metropolitan Lima	44.6	42.4	32.7	25.1	21.7	16.1	15.8	15.6	14.5	- 1.1	- 30.1

Source: INEI, Informe Técnico: Evolución de la Pobreza Monetaria 2007-2012. May 2013.

4 Datt and Ravallion (1992). Growth and Redistribution Components of Changes in Poverty Measures. *Journal of Development Economics* 38: 275-295. Mahmoudi, Vahid (2001). Growth-Equity Decomposition of a Change in Poverty: an Application to Iran. UNU/WIDER Development Conference on Growth and Poverty. Helsinki (May 25-26, 2001).

**Incidence of total poverty by department**

Economic growth and targeted social policies have had a positive impact on the reduction of regional poverty. Although some gaps between regions still exist, significant changes can be seen in the levels of poverty between 2004 and 2012. For example, only three departments (Apurímac, Cajamarca and Ayacucho) of the 18 departments with poverty rates above 50 percent in 2004 maintained these levels in 2012.

The construction of additional indicators, such as the Index of Unmet Basic Needs (UBN⁵), allows us to analyze aspects of well-being other than monetary income. The number of people in the country with at least one UBN has dropped 1.7 percentage points in the last two years, this decline being particularly noteworthy in rural areas (-1.9 points) relative to Lima Metropolitana (-1.6 points) and urban areas (-1.4 percentage points).

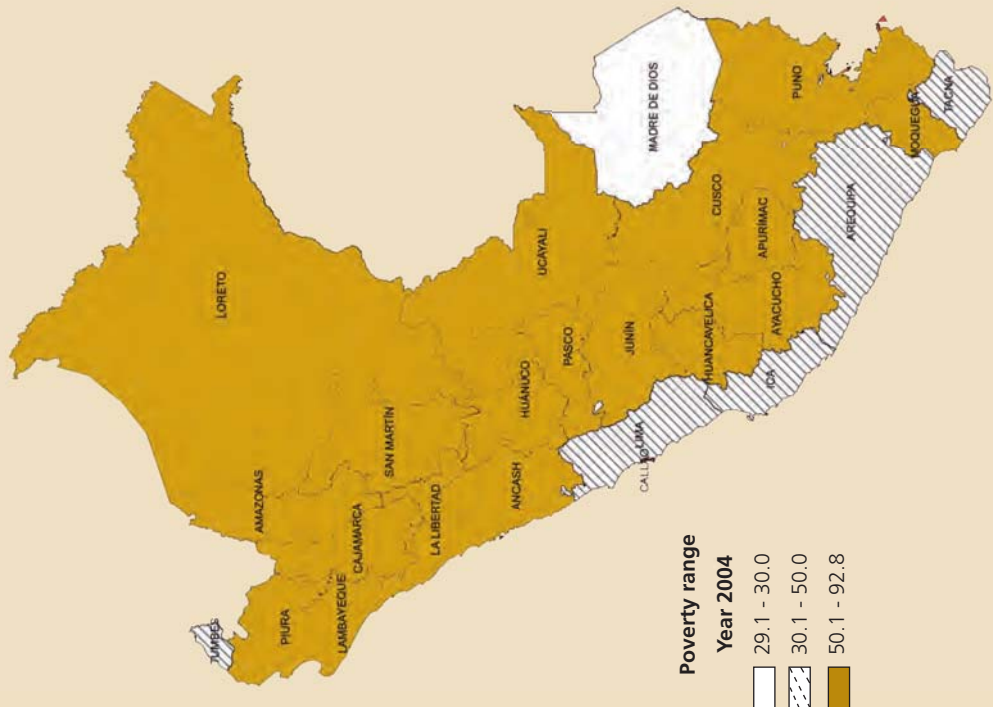
POPULATION WITH UNSATISFIED BASIC NEEDS (UBN)
(%)

	2007	2008	2009	2010	2011	2012	Absolute variation	
							2011/2012	2007/2012
At least one UBN								
National	30.5	29.0	26.9	24.0	23.4	21.7	- 1.7	- 8.8
Urban area	19.2	19.6	18.6	15.9	15.9	14.5	- 1.4	- 4.7
Rural area	59.3	53.8	49.6	46.8	45.1	43.2	- 1.9	- 16.1
Metropolitan Lima	11.8	12.9	12.1	9.8	11.2	9.6	- 1.6	- 2.2

⁵ This index includes 5 UBN: inadequate physical characteristics in housing, overcrowding, lack of any kind of sewerage system, having children who do not attend school, and high economic dependence.

MAP
DEPARTMENTS BY POVERTY RANGES, 2004 AND 2012

POVERTY MAP 2004



POVERTY MAP 2012

