



# ANNUAL REPORT 2013



CENTRAL RESERVE BANK OF PERU





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As of December 31, 2013

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***Governor***

Luis Alberto Arias Minaya

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# CENTRAL RESERVE BANK OF PERU

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Dehera Bruce Mitrani  
General Secretary





## *Introduction*

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In 2013 the Peruvian economy grew 5.8 percent, a lower rate than in 2012 (6.0 percent). This slower pace of growth resulted mostly from the lower external impulse associated with a less favorable international scenario, a high degree of uncertainty, and a slowdown of growth in the major emerging economies.

The rate of annual inflation increased slightly, from 2.65 percent in 2012 to 2.86 percent in 2013. Despite this, the average rate of annual inflation in the period 2001-2013 was 2.5 percent, the lowest inflation rate in Latin America. At the level of products, inflation in 2013 is explained by rises in the prices of services such as meals outside the home, education, urban fares, and electricity. The depreciation of the sol against the dollar also influenced an increase in the purchase prices of vehicles, medicines, and house rents.

During the year, the world economy registered a slowdown in growth –from 3.2 percent in 2012 to 2.9 percent in 2013– due to the decline of economic activity in both the developed economies and the emerging economies. This was associated with the adjustment of fiscal policy in the case of the former, while in the case of the latter China's slower growth in the first quarter of the year generated fears of a sharp slowdown even though such fears decreased in the following months with favorable indicators of activity. The emerging economies with external imbalances were particularly affected by expectations that the Federal Reserve of the United States (Fed) would reduce its monetary stimulus.

In this scenario of lower dynamism of economic activity associated with the slower economic growth of our trading partners and lower export prices, the BCRP reduced its monetary policy rate from 4.25 to 4.00 percent in November 2013 to ensure inflation's convergence to the target range. Monetary policy actions were preventive and aimed at ensuring that inflation expectations remained within the inflation target range.



Other monetary policy measures such as changing the rate of required reserves were also applied to temper the credit cycle and promote a rapid de-dollarization of credit. Moreover, the rate of interest for corporate loans in nuevos soles showed a slight decreasing trend in 2013, in line with the conduct of the monetary policy rate.

The foreign exchange market showed high volatility over the year due to changes in the international context associated both with the beginning of the FED's withdrawal of its asset purchase program and with the evolution of the Chinese economy and the slow recovery of the world economy. The nuevo sol depreciated 9.6 percent in nominal terms. The exchange rate showed a mixed behavior during the year, a period of lower volatility being observed between January and April when the domestic currency depreciated 3.7 percent. In May, the Nuevo Sol depreciated 3 percent as a result of the Fed announcement that it would start reducing the amount of its purchases of assets, which increased risk aversion and led investors to shift their investments towards increasing their portfolio positions in securities of developed economies.

Affected by an international environment marked by uncertainty, the terms of trade recorded an average decline of 4.7 percent concentrated in the first half of the year, when the international prices of our main export products dropped. Together with a higher growth of domestic demand than the growth of the output, the latter explains the increase in the deficit of the current account of the balance of payments from 3.3 percent of GDP in 2012 to 4.5 percent in 2013. On the other hand, the financial account showed a surplus of over US\$ 11 billion (5.6 percent of GDP) mainly as a result of the long-term operations of the private sector (7.4 percent of GDP), including the placement of bonds in external markets (by local banks and local companies operating in the oil and manufacturing sectors), foreign direct investment (mining companies and companies that provide non-financial services), and long term loans (energy, mining, and hydrocarbons companies).

The non-financial public sector in 2013 continued showing a countercyclical position and recorded a surplus of 0.9 percent of GDP, a lower balance than the one recorded in 2012 (2.3 percent of GDP), in a context in which economic activity slowed down relative to the previous year and the lower prices of mineral exports was reflected in tax collection. The 2013 balance complies with the fiscal rule set for this year according to which the balance of the non-financial sector cannot show a deficit.

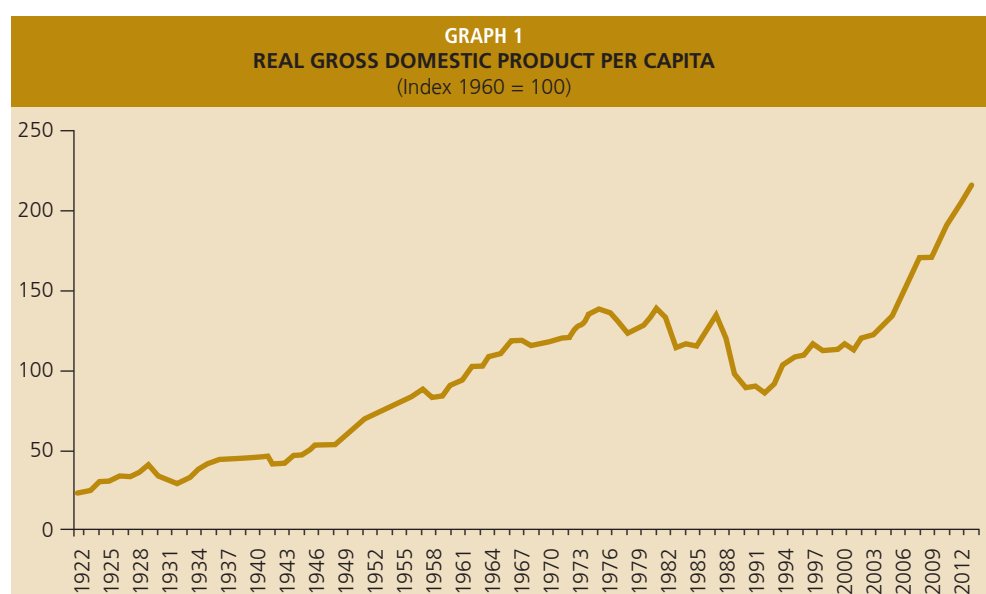
## I.

## 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

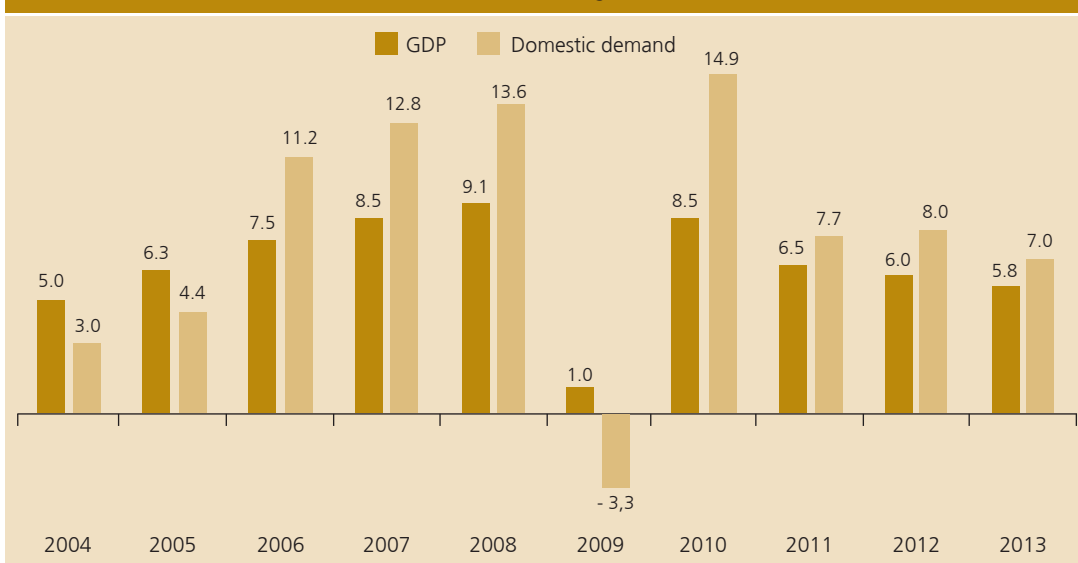
In 2013 domestic demand grew 7.0 percent, less than in 2012 (8.0 percent). By components, a tempering of growth was observed in private consumption, which fell from 6.1 percent in 2012 to 5.4 percent in 2013, as well as in private investment, which dropped to 6.4 percent after having grown 15.6 percent 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
<b>Domestic Demand</b>	<b>7.7</b>	<b>8.0</b>	<b>7.0</b>	<b>7.8</b>
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
<b>Exports</b>	<b>6.9</b>	<b>3.7</b>	<b>-0.9</b>	<b>4.7</b>
Minus:				
<b>Imports</b>	<b>11.6</b>	<b>11.3</b>	<b>3.6</b>	<b>10.2</b>
<b>GDP</b>	<b>6.5</b>	<b>6.0</b>	<b>5.8</b>	<b>6.4</b>
Memo:				
Total public expenditure	- 0.7	11.5	8.6	8.6

Source: INEI and BCRP.

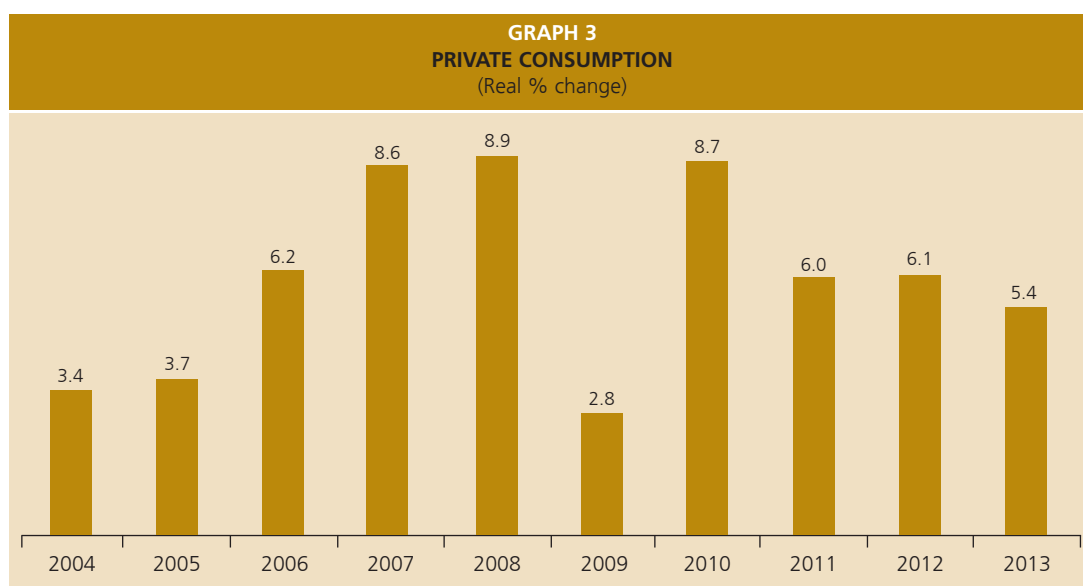
**GRAPH 2**  
**GDP AND DOMESTIC DEMAND**  
(Real % change)



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
<b>Gross domestic product</b>	<b>6.5</b>	<b>6.0</b>	<b>5.8</b>	<b>6.4</b>
Gross national product 2/	5.9	7.7	7.3	6.2
Gross national income 3/	7.5	7.1	6.0	7.3
<b>National disposable income 4/</b>	<b>7.4</b>	<b>6.9</b>	<b>5.9</b>	<b>7.2</b>

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.

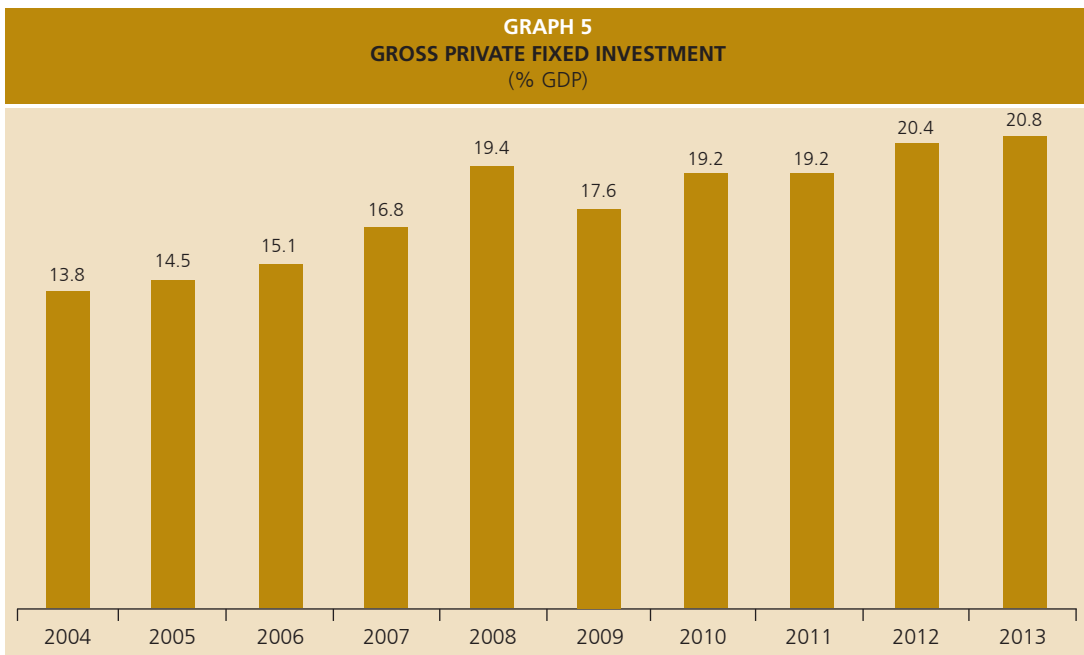
## 1.2 Private Investment

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 <sup>1/</sup>
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
<b>TOTAL</b>	<b>7,243</b>	<b>8,503</b>	<b>9,724</b>

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-Collpani 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

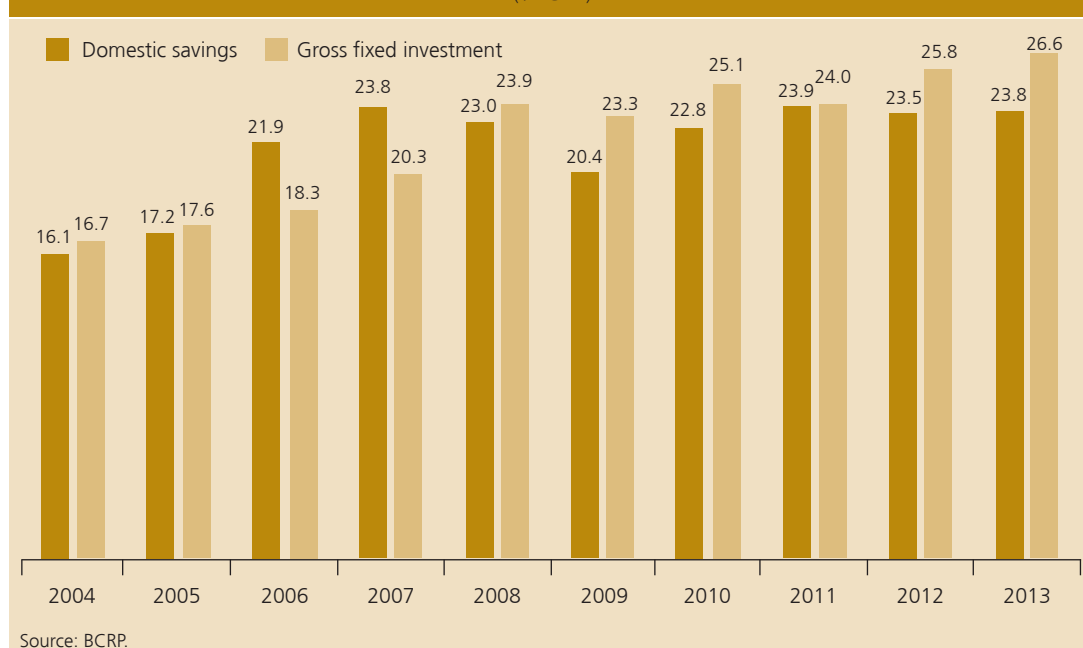
In a context of slowing economic activity, gross fixed investment increased from 25.8 to 26.6 percent of the GDP, which is explained by the fact that public investment increased from 5.4 percent to 5.8 percent of GDP. Net domestic savings increased slightly, from 23.5 to 23.8 percent of GDP. Since the 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
<b>I. Investment (=II+III)</b>	<b>25.7</b>	<b>26.7</b>	<b>28.3</b>
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
<b>II. Domestic savings</b>	<b>23.9</b>	<b>23.5</b>	<b>23.8</b>
Public sector	7.4	8.1	7.0
Private sector	16.4	15.4	16.7
<b>III. External savings</b>	<b>1.9</b>	<b>3.3</b>	<b>4.5</b>

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

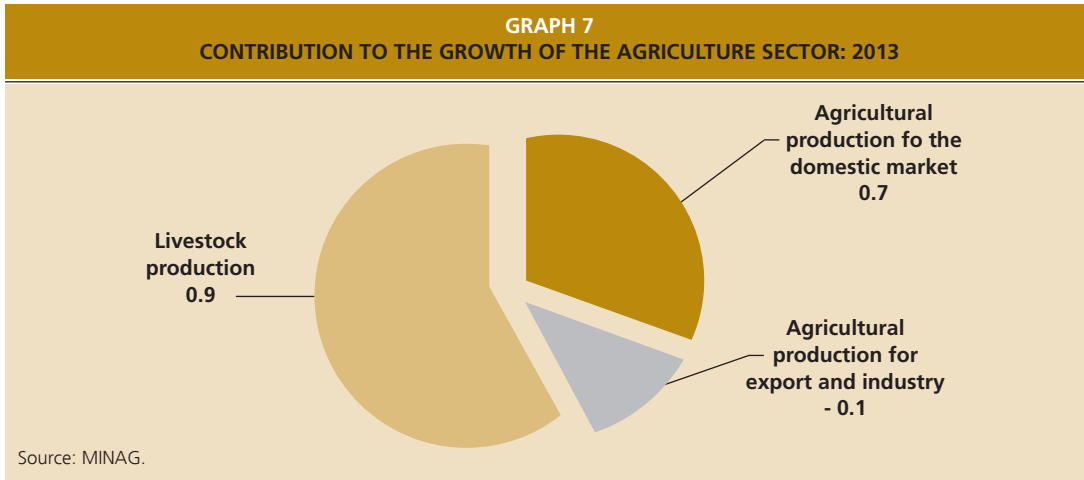
As a result of the lower production oriented to both the external markets and the domestic market, the agriculture sector grew 1.4 percent in 2013. The agricultural production for the external market declined relative to the previous year, reflecting largely the fall recorded in the production of coffee, 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)

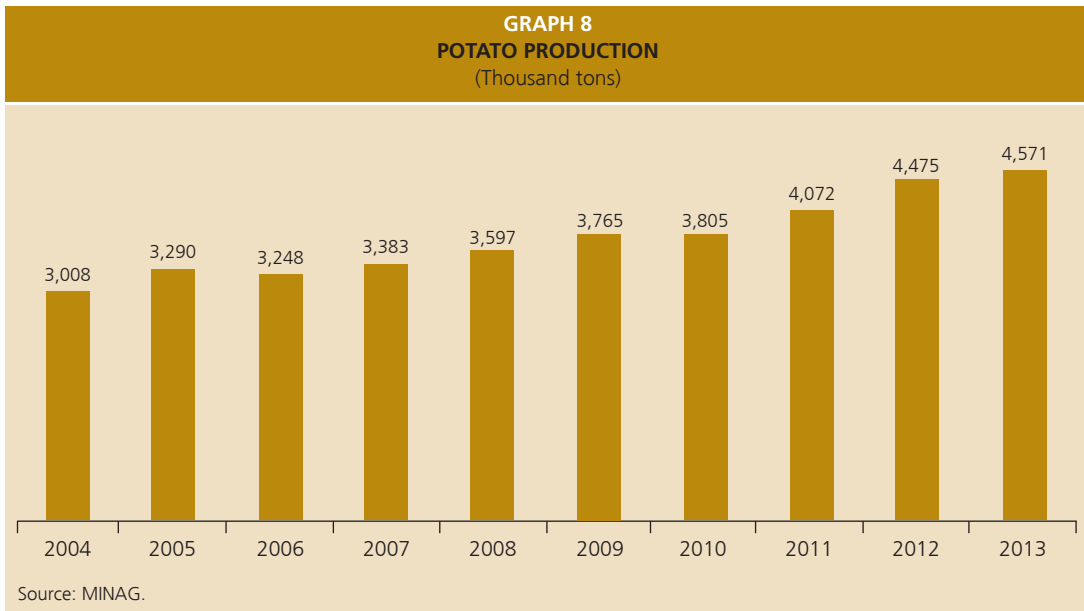
	2011 1/	2012 1/	2013 1/	Average 2004-2013 1/
<b>Agricultural production</b>	<b>4.0</b>	<b>8.7</b>	<b>1.0</b>	<b>3.5</b>
<u>For the domestic market</u>	<u>0.7</u>	<u>11.6</u>	<u>1.7</u>	<u>3.1</u>
Potato	7.0	9.9	2.1	3.8
Rice	- 7.3	16.0	0.2	3.6
Banana	- 2.0	5.8	1.6	2.7
Cassava	- 10.0	0.3	5.9	2.7
Amilaceous 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
<b>Livestock production</b>	<b>5.8</b>	<b>5.6</b>	<b>2.5</b>	<b>5.3</b>
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
<b>AGRICULTURE AND LIVESTOCK 2/</b>	<b>4.1</b>	<b>5.9</b>	<b>1.4</b>	<b>4.0</b>

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

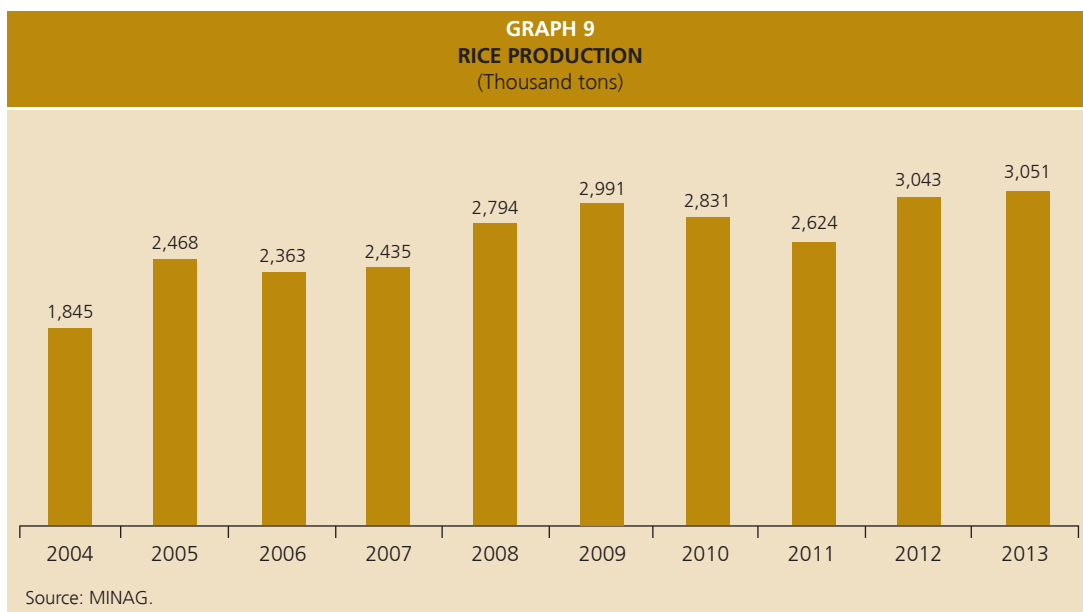
Showing a considerably lower outcome than the 11.6 percent increase registered in 2012, agricultural production for the domestic market grew 1.7 percent in 2013, this strong slowdown is being explained by the production of potatoes and husk rice, traditional crops in the Peruvian agriculture sector.



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.

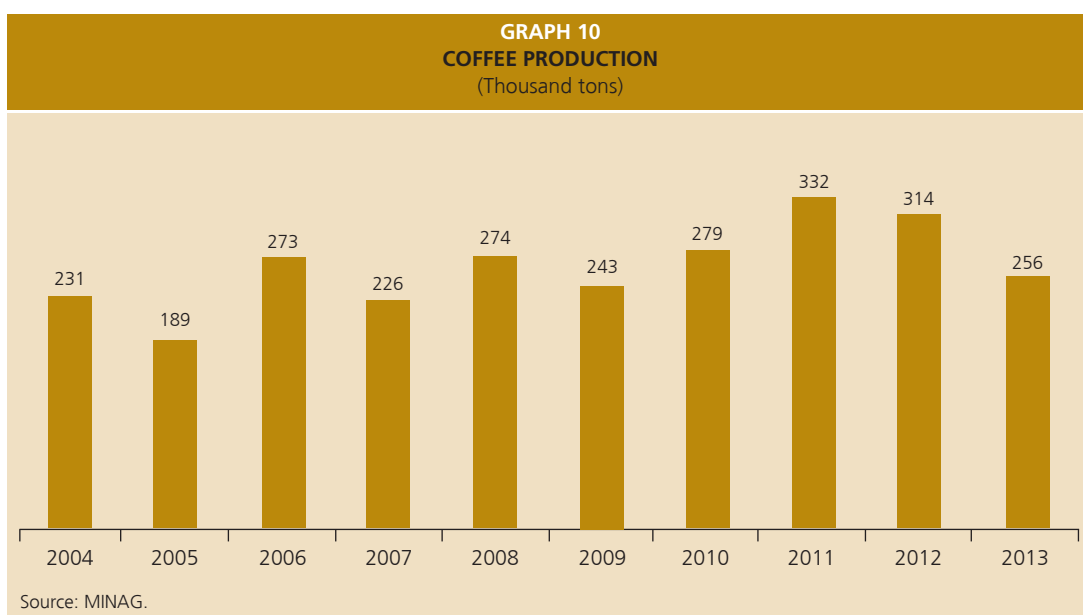


On its side, after having grown at two-digit rates in the previous year, rice production showed a weak growth in 2013 (0.2 percent), unusual cold weather conditions accounting for this outcome.



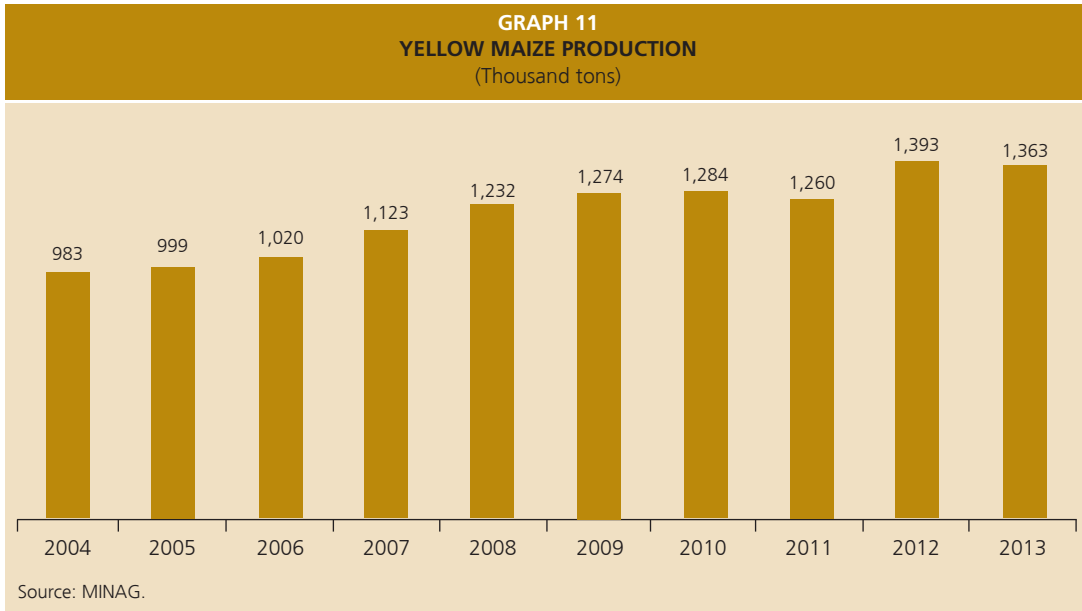
Finally, reversing the trend observed in previous years, agricultural production for the external market and for agro-industry fell 0.7 percent. This fall is mainly explained by the lower production of coffee, hard yellow maize, and asparagus, which was partially offset by a higher production of grapes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

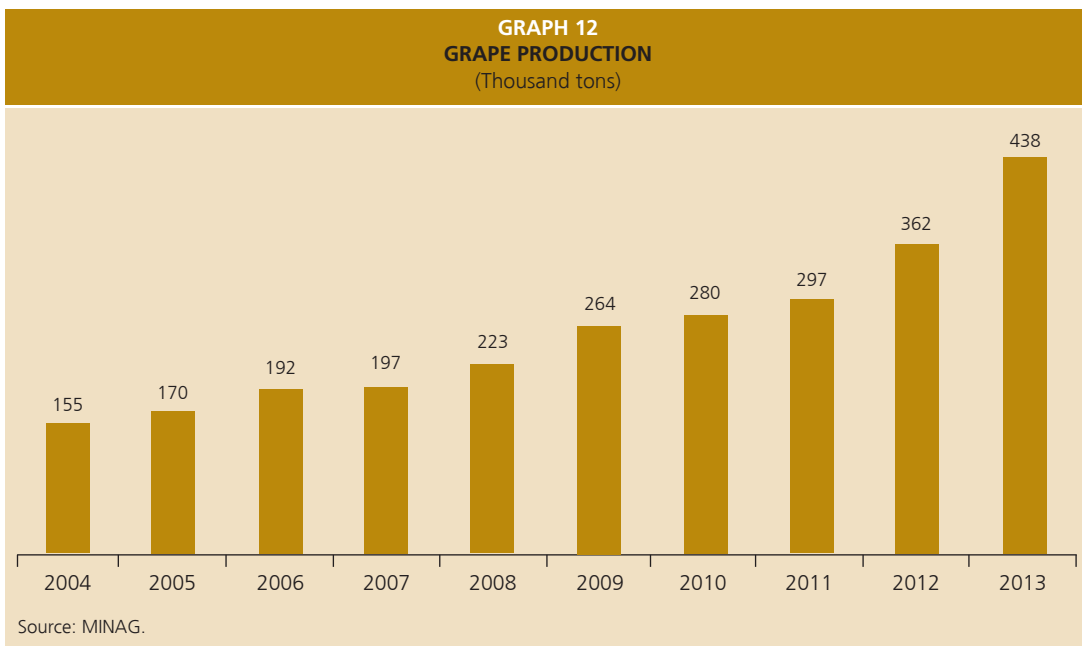




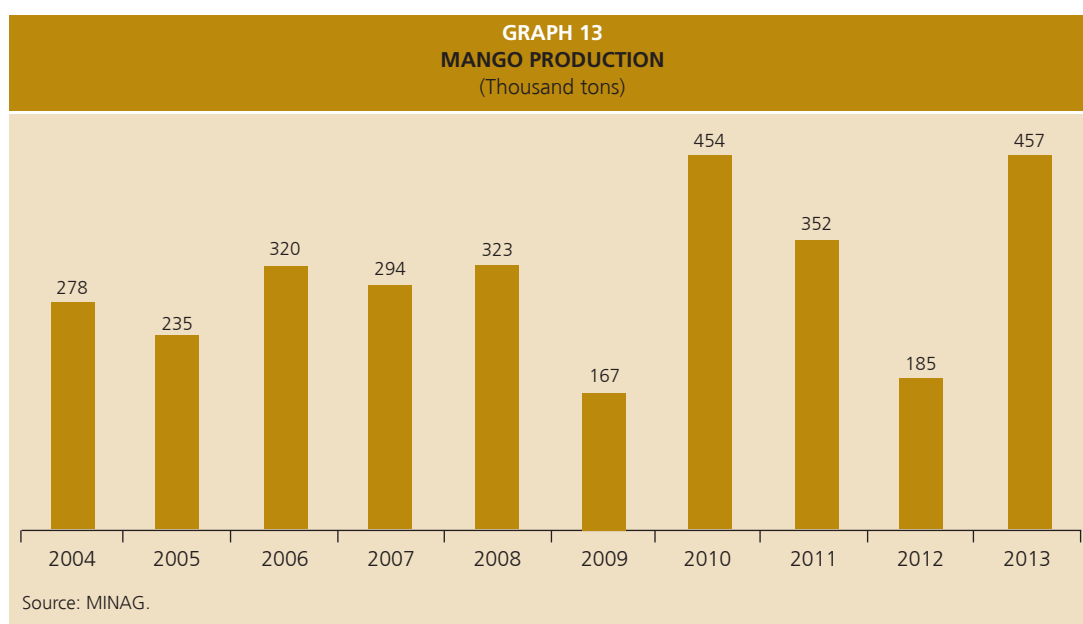
The production of **hard yellow maize** showed a decrease of 2.2 percent due both to a decline in harvested areas – especially in Lambayeque, La Libertad, Lima, and Ucayali– and to a slight drop in the average national yield of this crop.



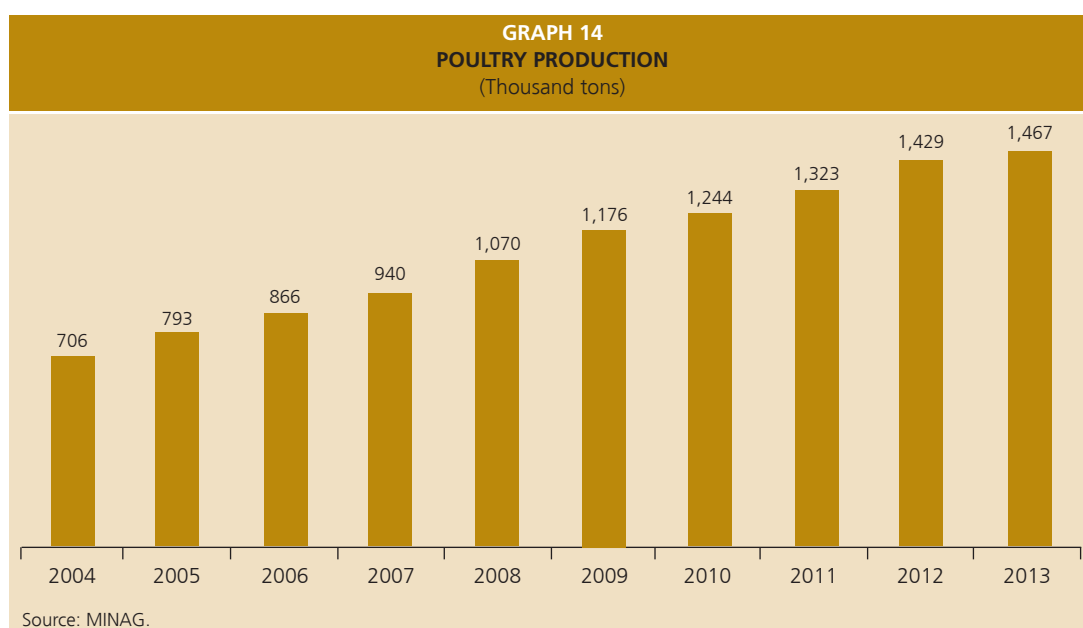
The **production of grapes** increased 21.1 percent due to the expansion of areas cultivated with grapes in Piura, Ica, Arequipa, and, to a lesser extent, Lima. In addition to this, the production of different varieties of grapes was also favored by normal and slightly warm weather conditions.



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.



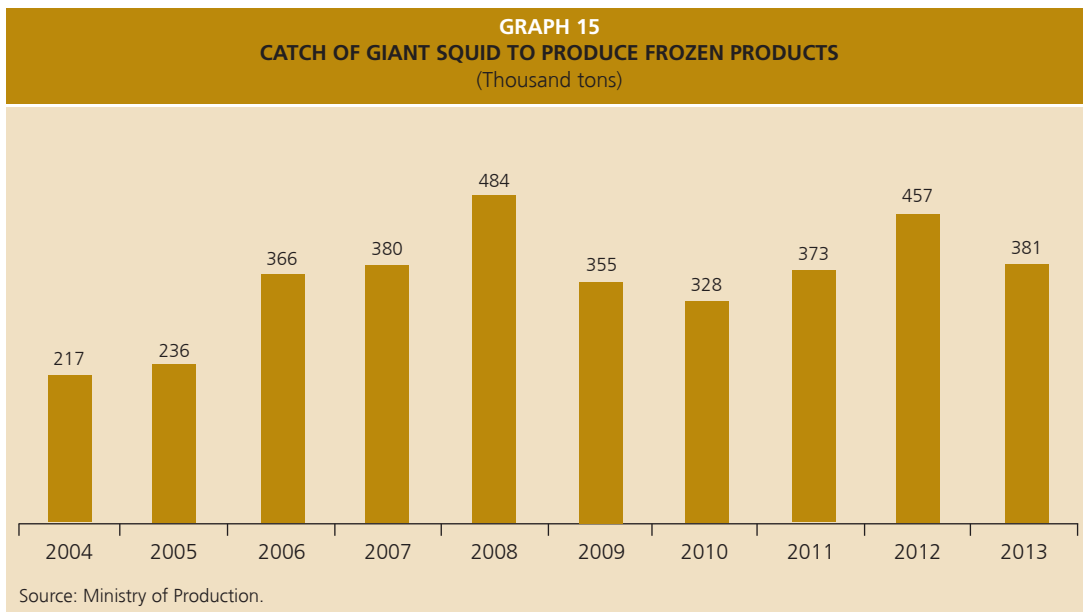


## 2.2 Fishing Sector

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
<b>Total year</b>	<b>3,910</b>		<b>5,184</b>	

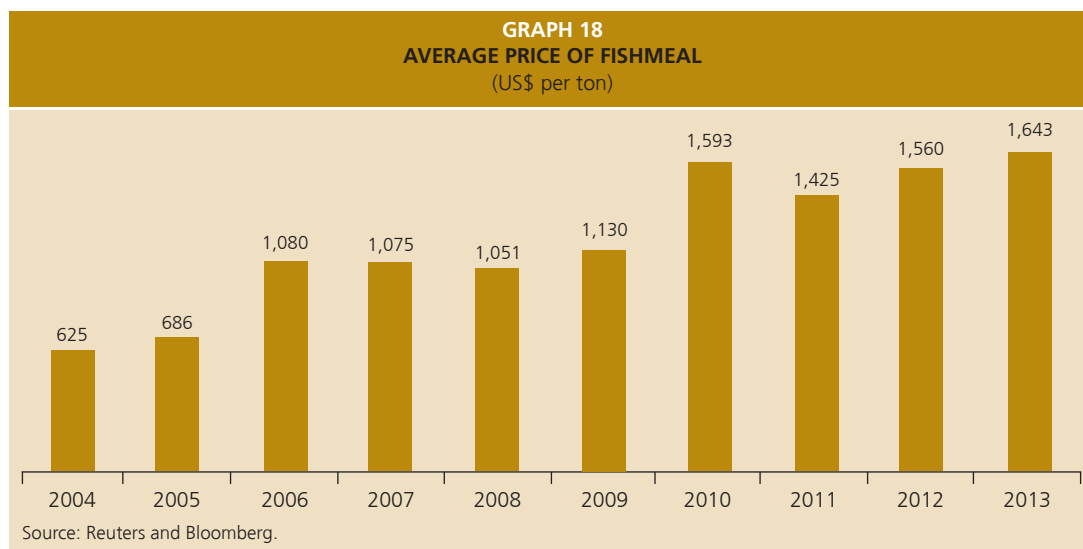
Source: Ministry of Production.

**GRAPH 17**  
**FISHMEAL EXPORTS**  
(Millions US\$)



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

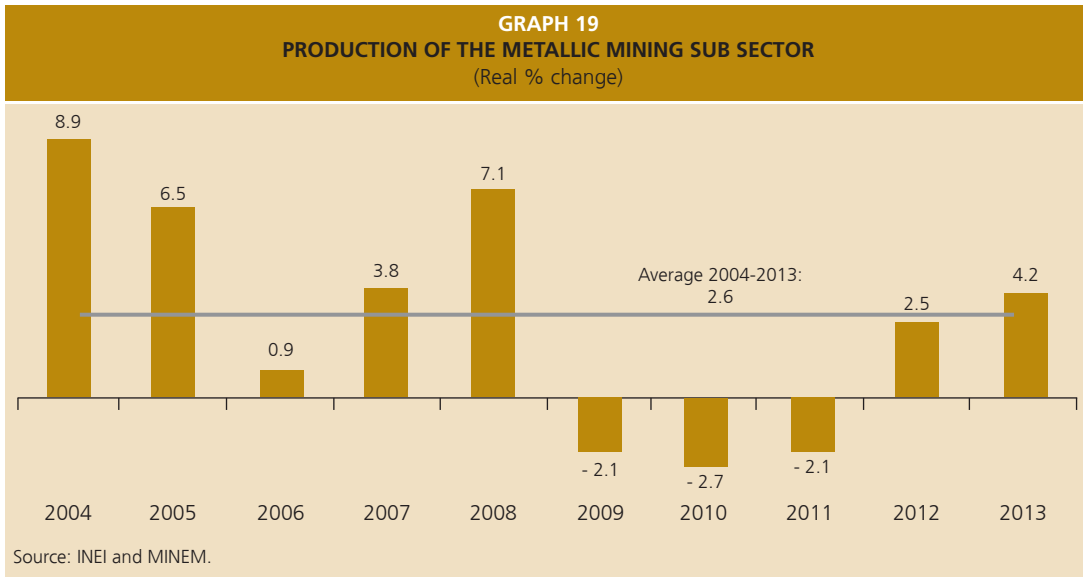
Production in the mining and hydrocarbons sector registered a growth rate of 4.9 per cent in 2013, a higher rate than the average growth rate in the past ten years (4.1 percent). This outcome was favored by the implementation of new projects and by the expansion of some copper and multi-metal units, 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/
<b>METALLIC MINING</b>	<b>- 2.1</b>	<b>2.5</b>	<b>4.2</b>	<b>2.6</b>
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
<b>HIDROCARBONS</b>	<b>5.1</b>	<b>1.0</b>	<b>7.2</b>	<b>7.6</b>
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
<b>TOTAL 2/</b>	<b>0.6</b>	<b>2.8</b>	<b>4.9</b>	<b>4.1</b>

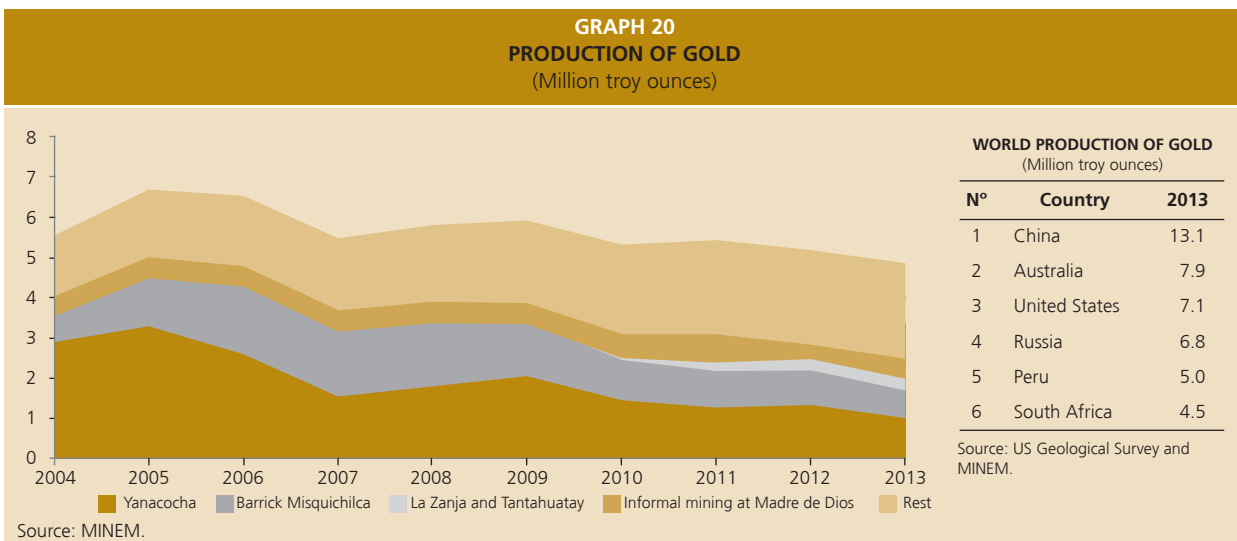
1/ Preliminary data.  
2/ Includes non-metallic mining and secondary production.  
Source: INEI, MINEM and Perupetro.



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.

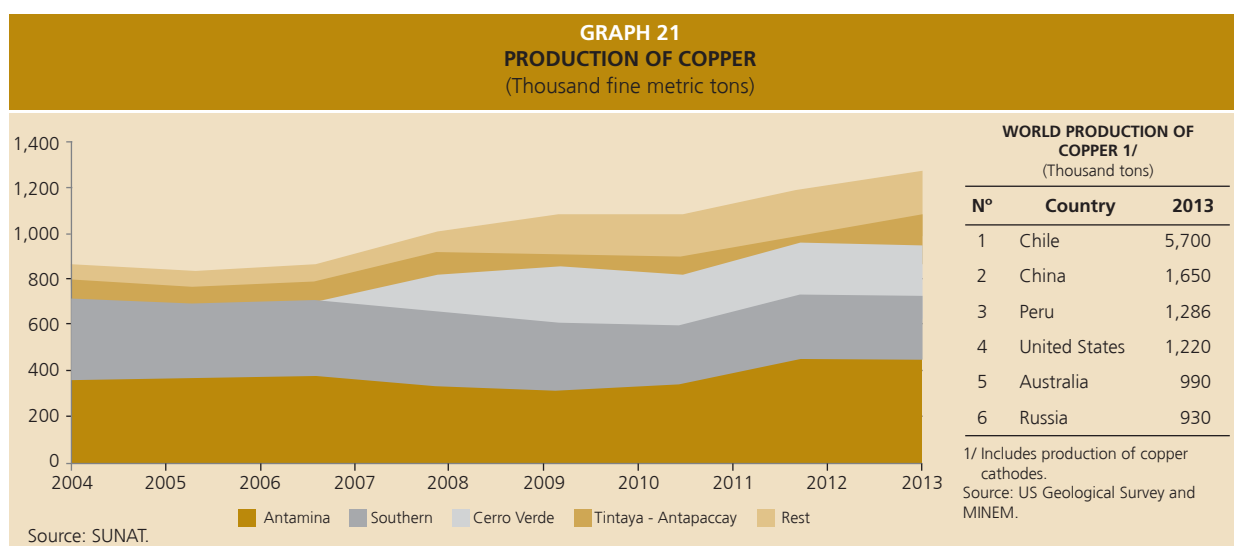
This outcome was in part offset by the operations of Compañía Minera Poderosa, whose production increased 15.2 percent, as well as by the increased mining activity of Minera La Zanja, Minera La Arena, and Consorcio Minero Horizonte in the Department of La Libertad which increased their production by 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.



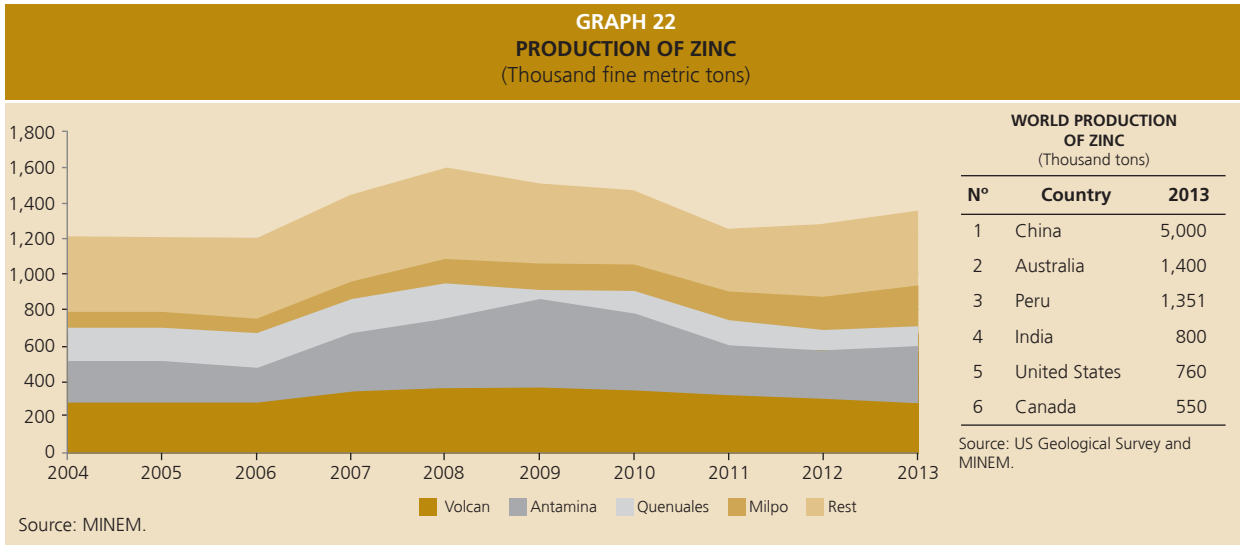
Copper production in 2013 amounted to 1.3 million fine metric tons (FMT), equivalent to a growth rate of 7.4 percent in GDP terms (vs. 9.4 percent in 2012). This result was mainly favored by the copper production of Xstrata Antapaccay, which began operations in November of 2012 and reached a production 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.



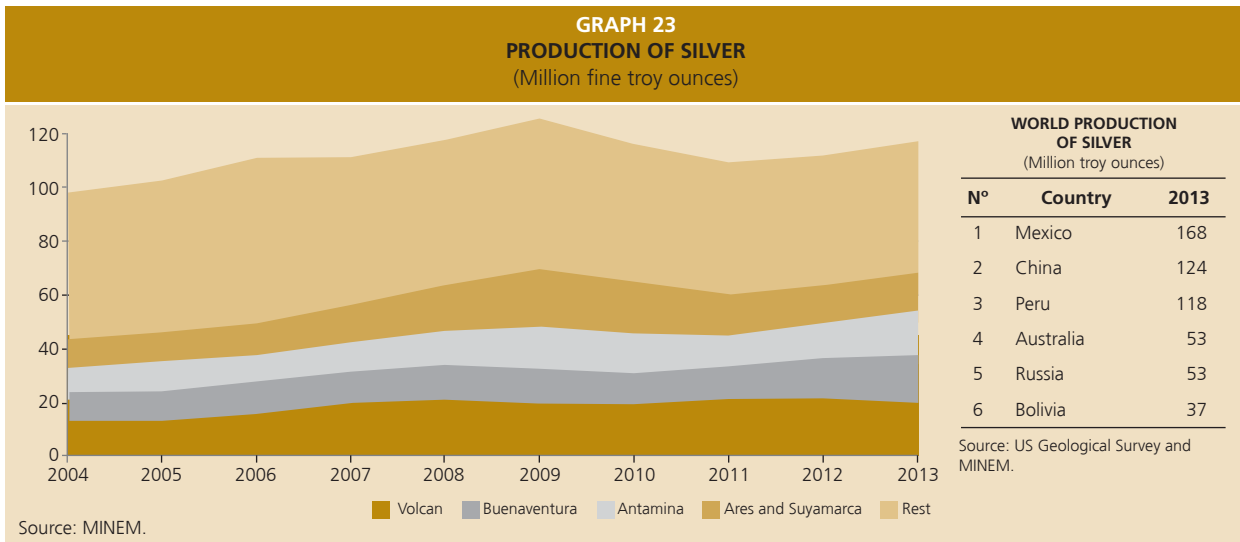
The production of zinc grew 5.5 percent in 2013, from 1.28 million metric tons in 2012 to 1.35 million metric tons in 2013. This higher output reflects the increased production obtained by Cia. Minera Antamina (17.0 percent) as a result of the expansion carried out in March 2012 as well as the higher 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).

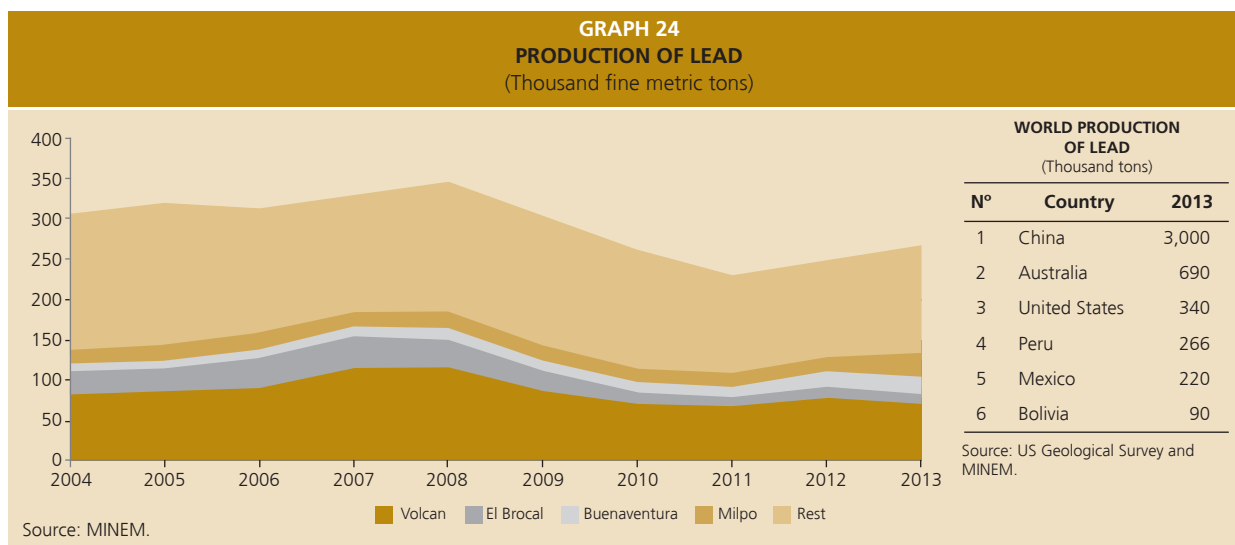


The production of silver grew 5.6 percent to 118 million ounces as a result of the higher production of Compañía Minera Antamina S.A. –up by 26 percent as a result of the expansion of installed capacity at its Huincush unit– and the greater production of Compañía de Minas Buenaventura –up by 15.9 percent–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

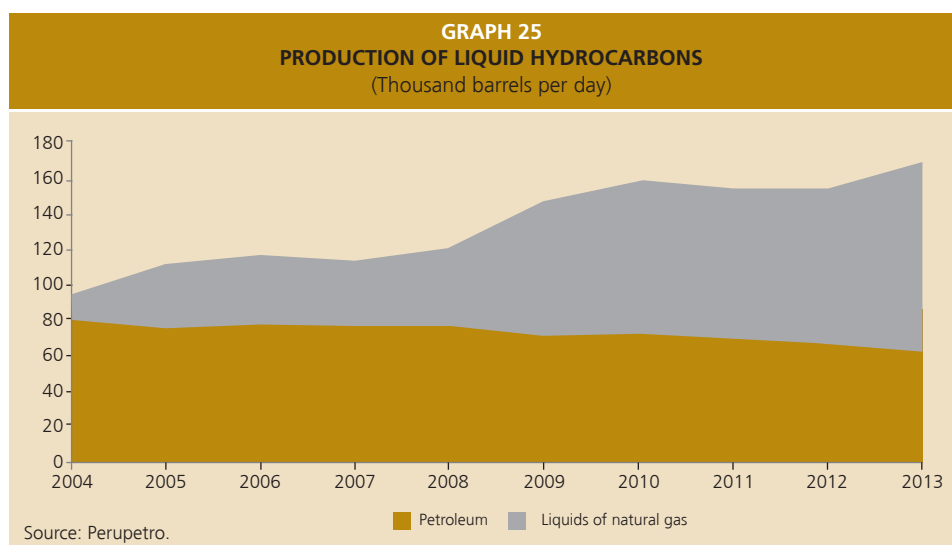


With a total production of 266 thousand tons, the extraction of lead grew 6.9 percent in 2013 (although the increase in production was lower than in 2012). The higher output in 2013 is explained mainly by a significant increase in the production of Milpo (up by 66.7 percent). It should be pointed out 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.



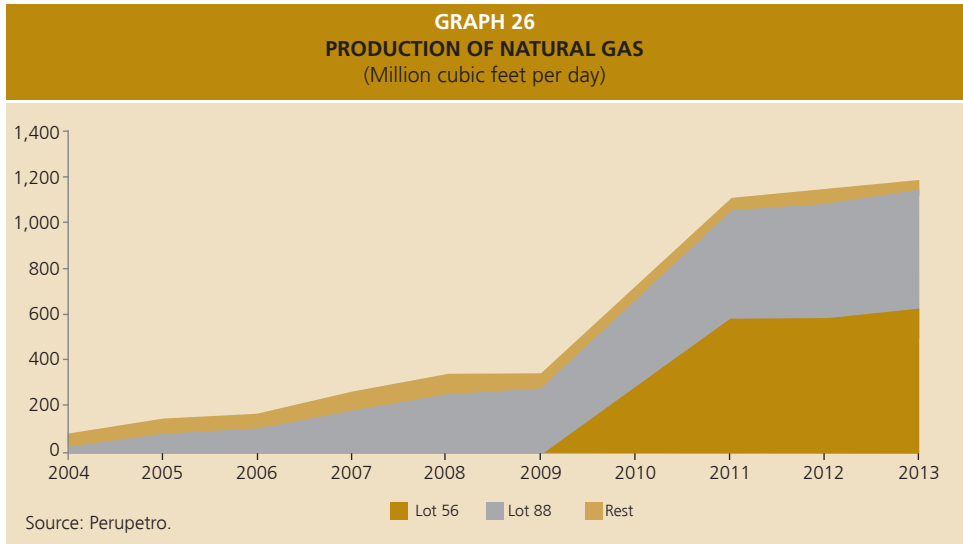
On the other hand, the production of tin shrank by 9.3 percent due to the lower quality of ores treated by Minsur in its unit San Rafael. Furthermore, the extraction of iron fell slightly –down 0.1 percent– due to Shougang’s lower activity as a result of strikes, while the production of molybdenum increased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

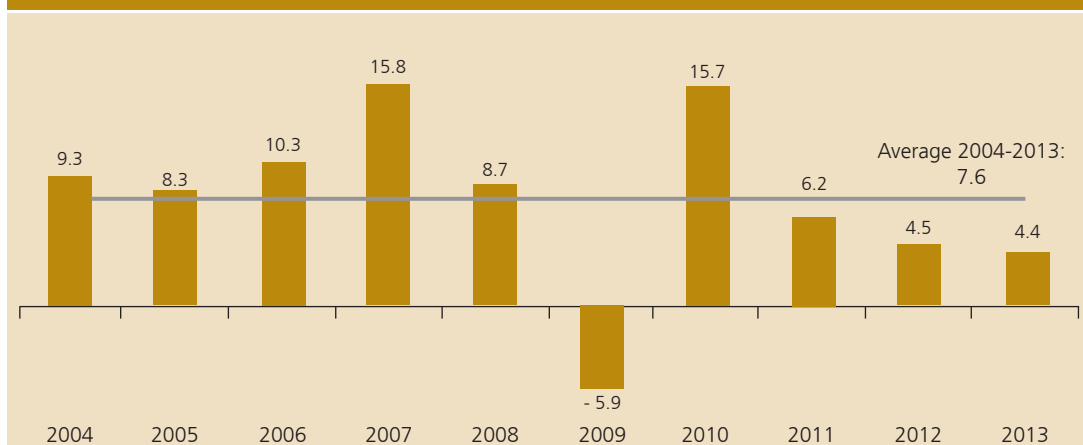
	2011 1/	2012 1/	2013 1/	Average 2004-2013 1/
<b>MANUFACTURING BASED ON RAW MATERIALS</b>	<b>17.4</b>	<b>-9.0</b>	<b>9.8</b>	<b>1.4</b>
Sugar	3.5	2.8	6.2	0.4
Meat products	11.9	3.6	2.2	4.3
Fishmeal and fish oil	106.4	-47.2	38.5	0.1
Canned and frozen fish products	70.8	-7.3	6.9	6.2
Refining of non-ferrous 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/
<b>Mass consumer products</b>	<b>5.3</b>	<b>2.8</b>	<b>3.3</b>	<b>6.7</b>
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
<b>Inputs</b>	<b>7.6</b>	<b>5.3</b>	<b>5.9</b>	<b>7.8</b>
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
<b>Material for construction</b>	<b>3.0</b>	<b>11.5</b>	<b>7.9</b>	<b>11.1</b>
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
<b>Capital goods</b>	<b>10.4</b>	<b>11.5</b>	<b>7.8</b>	<b>10.1</b>
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
<b>Goods for external markets</b>	<b>7.4</b>	<b>- 6.2</b>	<b>- 2.6</b>	<b>4.6</b>
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
<b>TOTAL NON-PRIMARY MANUFACTURING</b>	<b>6.2</b>	<b>4.5</b>	<b>4.4</b>	<b>7.6</b>

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.

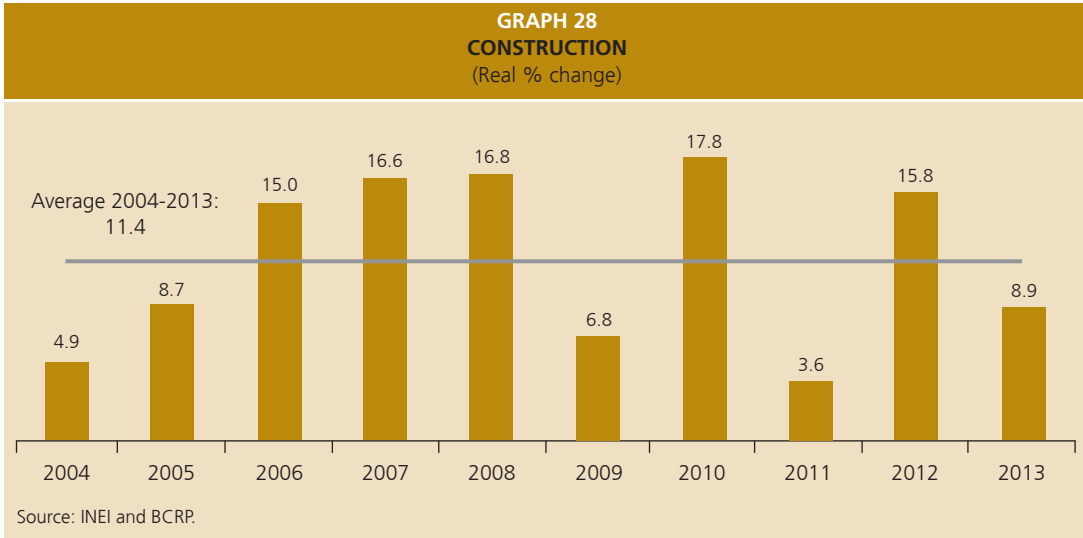
Construction-oriented branches showed a real growth of 7.9 percent, with the component of construction materials showing the highest growth over the past 10 years (13.7 percent in real terms), in line with the dynamism registered in the implementation of public works and private construction projects.

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.

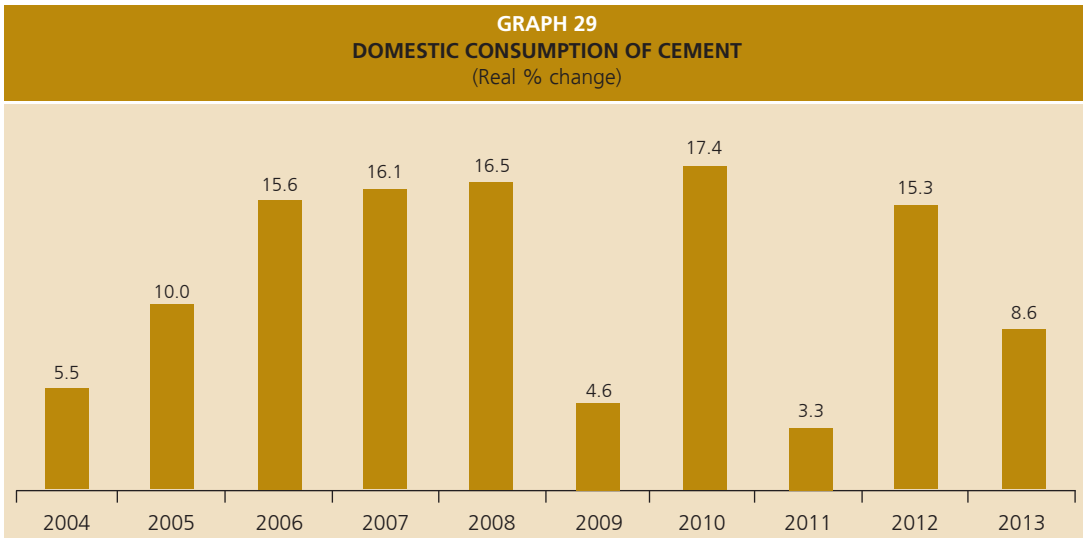
Finally, the manufacturing production oriented to the external market showed a negative rate of 2.6 percent, explained by the lower demand of textile products in the United States and Europe associated with weak economic growth in these economies.

## **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).

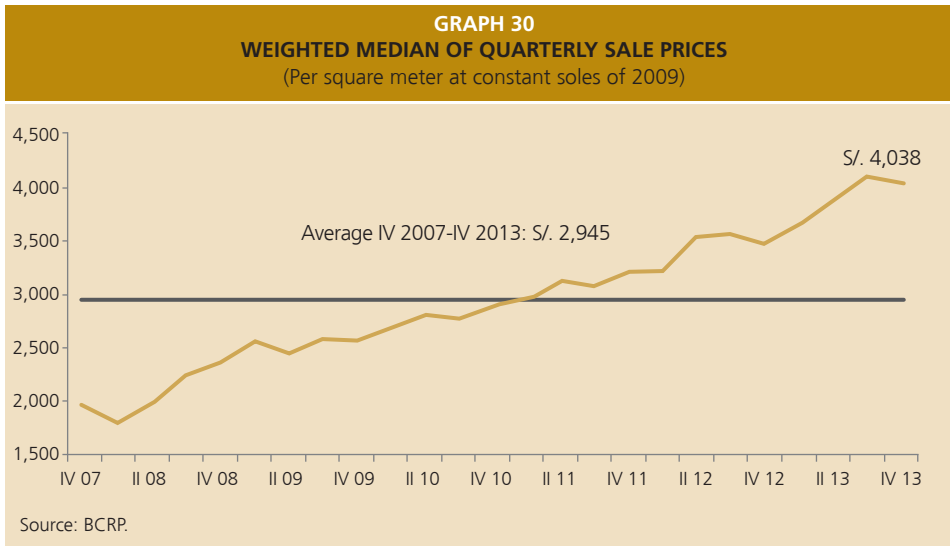
**TABLE 12**  
**REAL ESTATE SECTOR: EVOLUTION OF MAIN VARIABLES**

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

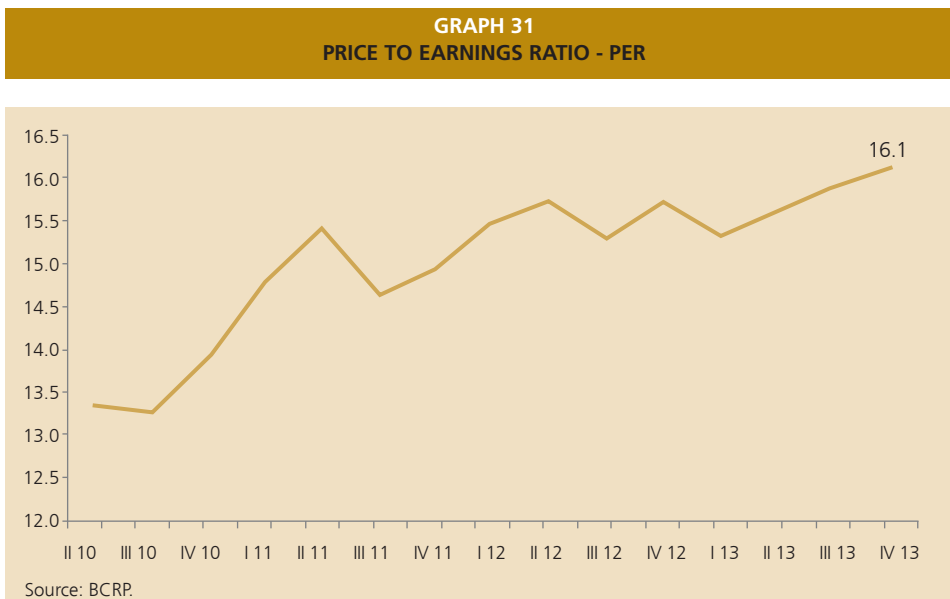
1/ "El Mercado de Edificaciones Urbanas en Lima Metropolitana y el Callao", CAPECO. A one-year period is considered (from July to June in the next year).  
2/ "Informe de Coyuntura Inmobiliaria", TINSA PERU SAC.  
3/ Commercial banks. Source: SBS.  
4/ "Nuevo Crédito Mi Vivienda". Source: Fondo Mi Vivienda.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

In 2013 the weighted median<sup>1</sup> 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.

<sup>1</sup> 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.

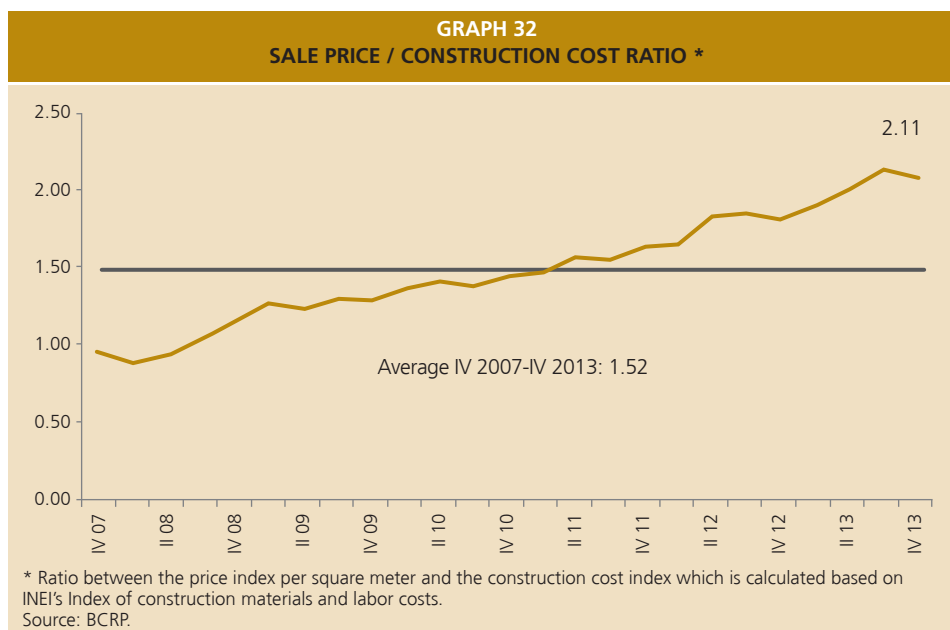


The price-to-earnings ratio (PER) –or ratio of the sale price-to-earning from annual rent–, which shows the number of years that one would have to rent a property to recover the purchase value<sup>2</sup> of the property, showed an average of 16 years of rent in Q4- 2013.



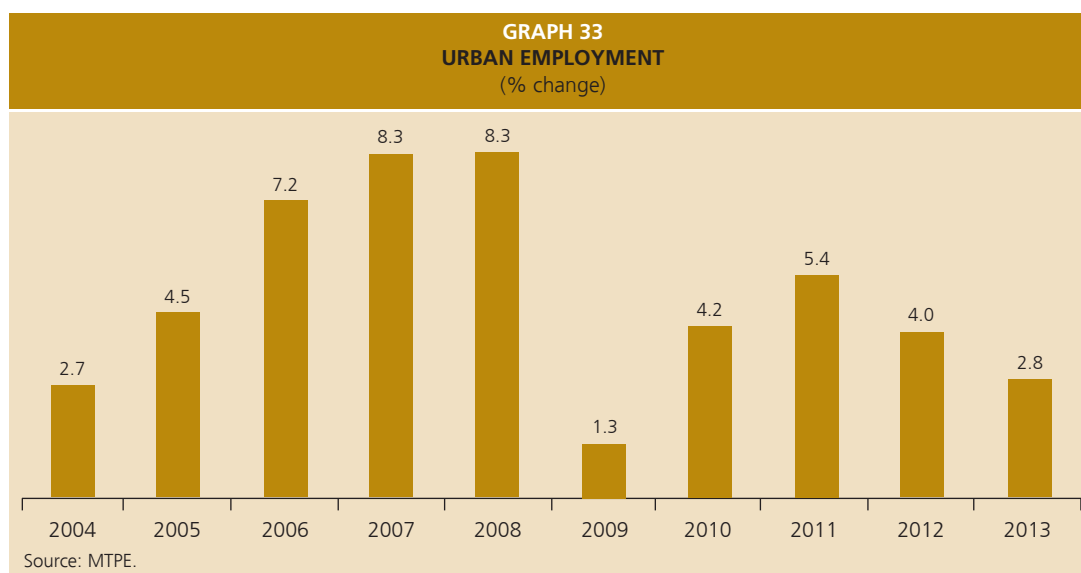
The sale price-to-construction cost ratio showed a level of 2.11 in Q4-2013. It should be pointed out that this measurement does not include the cost of the land.

<sup>2</sup> 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

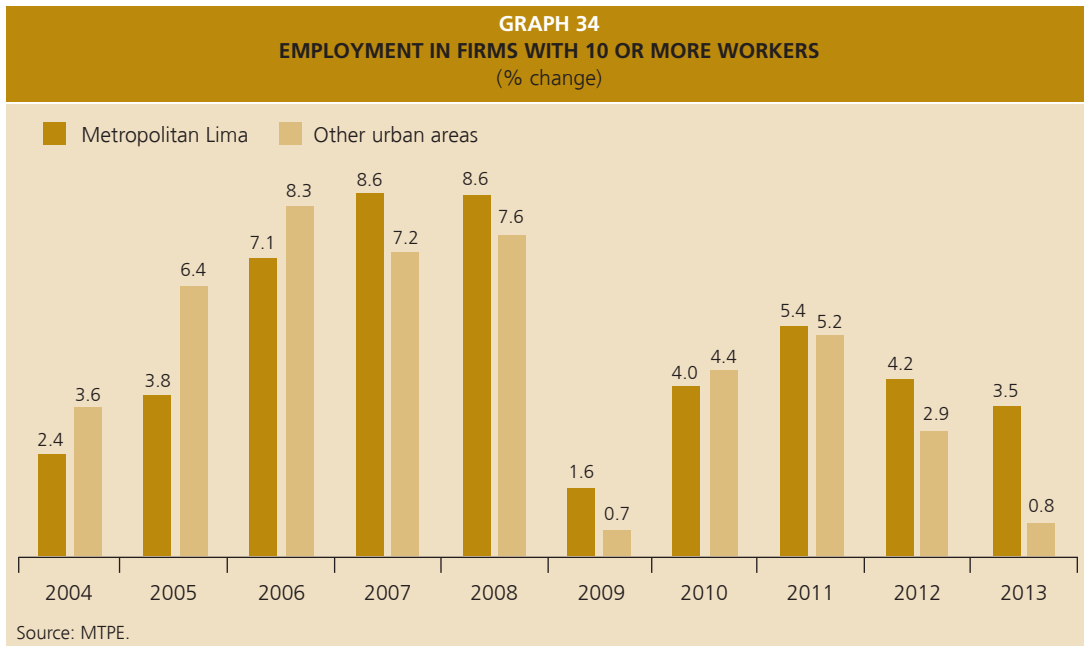
According to the Ministry of Labor and the Promotion of Employment, employment in formal enterprises with 10 and more employees in urban areas grew 2.8 percent in 2013.



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.



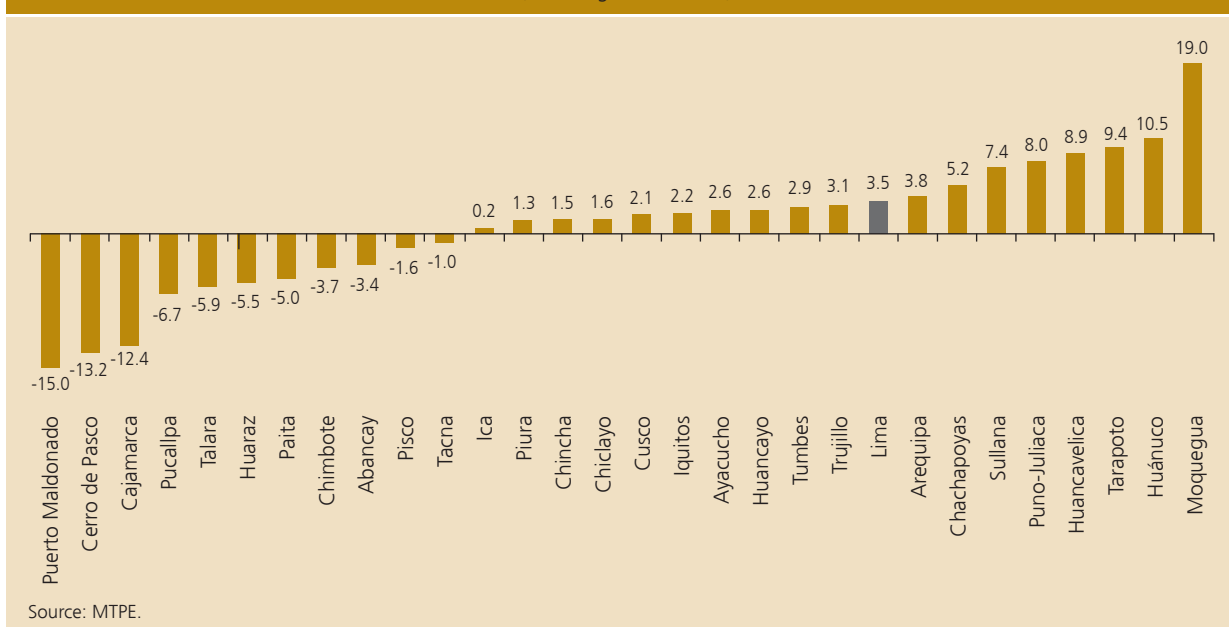
The creation of jobs in the sector of services was supported by the demand for workers at education centers and financial organizations. However, the growth of employment in this sector slowed down from 6.1 percent in 2012 to 4.0 percent in 2013. This slower growth in the sector was observed both in 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)

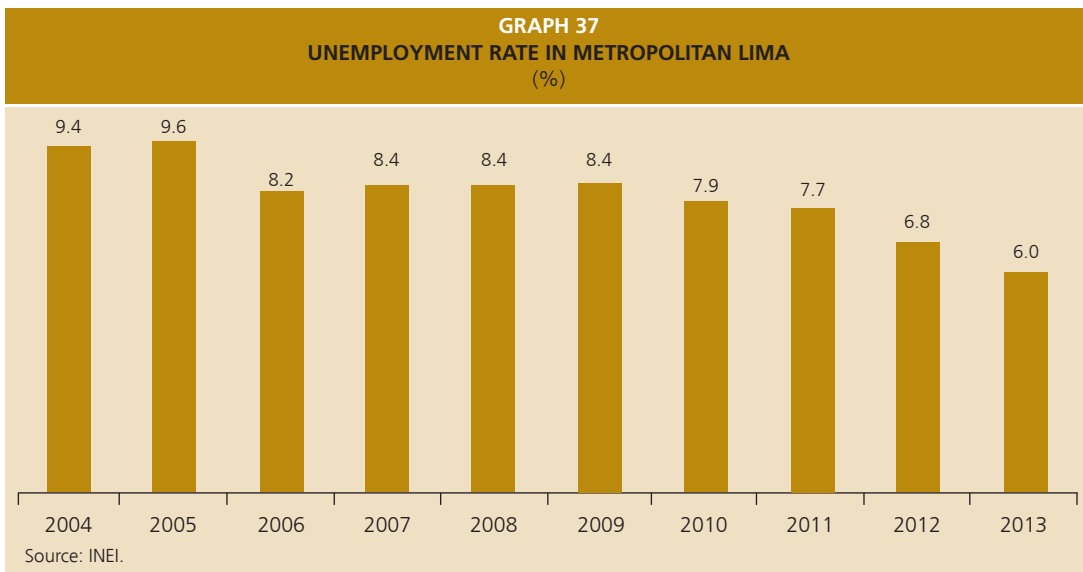
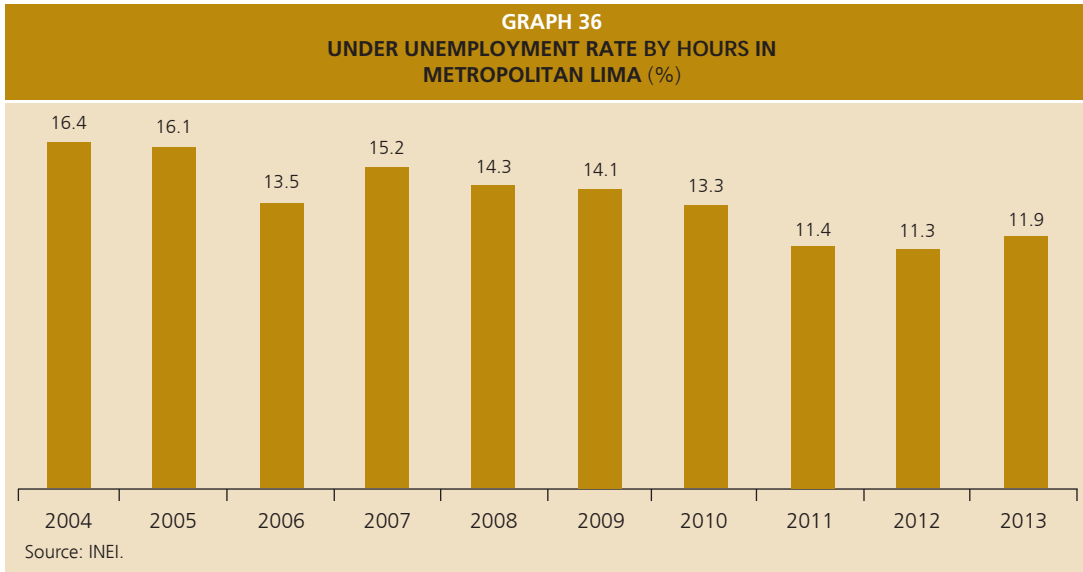


The highest growth of employment was recorded in Moquegua (19.0 percent), where this growth was associated with the dynamism of services. In contrast, the highest decline of employment was observed in Puerto Maldonado (-15.0 percent), Cerro de Pasco (-13.2 percent), and Cajamarca (-12.4 percent), where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



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

	2011	2012	2013
<b>I. ECONOMICALLY ACTIVE POPULATION (EAP): 1 + 4</b>	<b>4,781</b>	<b>4,812</b>	<b>4,885</b>
<b>1. EMPLOYED</b>	<b>4,415</b>	<b>4,485</b>	<b>4,594</b>
<b><u>By economic activity</u></b>			
Manufacturing	737	736	722
Construction	312	321	330
Commerce	944	950	977
Services	2,365	2,408	2,506
Others	56	71	59
<b><u>By educational level</u></b>			
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
<b><u>By occupation</u></b>			
Salaried workers 4/	2,711	2,839	2,847
Non-salaried workers	1,704	1,645	1,747
<b><u>By size of business</u></b>			
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
<b><u>By number of hours worked per week</u></b>			
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
<b>2. UNDEREMPLOYED</b>	<b>1,873</b>	<b>1,826</b>	<b>1,754</b>
Visible underemployment (by hours) 6/	547	541	537
Invisible underemployment (by income) 7/	1,326	1,285	1,217
<b>3. PROPERLY EMPLOYED</b>	<b>2,542</b>	<b>2,659</b>	<b>2,840</b>
<b>4. UNEMPLOYED</b>	<b>366</b>	<b>327</b>	<b>291</b>
<b>II. INACTIVE POPULATION</b>	<b>2,056</b>	<b>2,149</b>	<b>2,203</b>
<b>III. WORKING-AGE POPULATION (WAP)</b>	<b>6,837</b>	<b>6,961</b>	<b>7,088</b>
<b>RATES (%)</b>			
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.

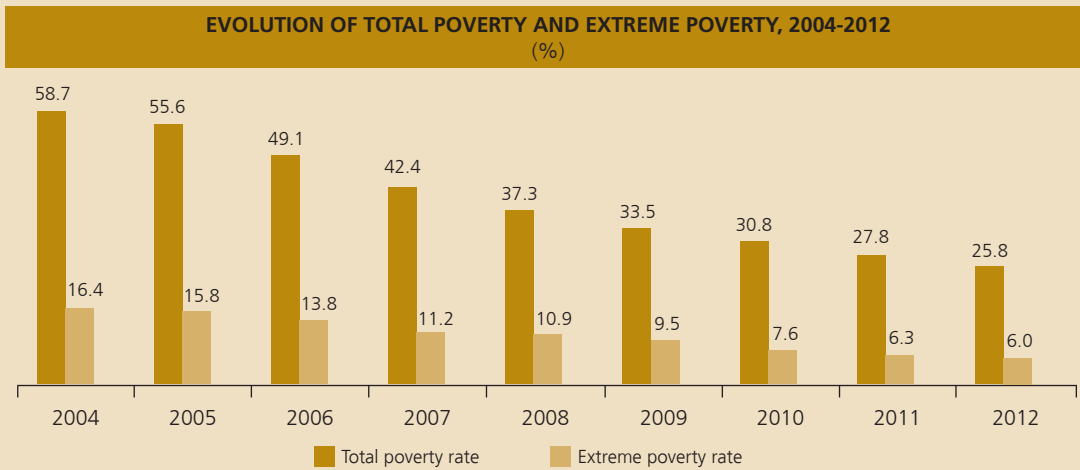
Source: INEI. Encuesta Permanente de Empleo.



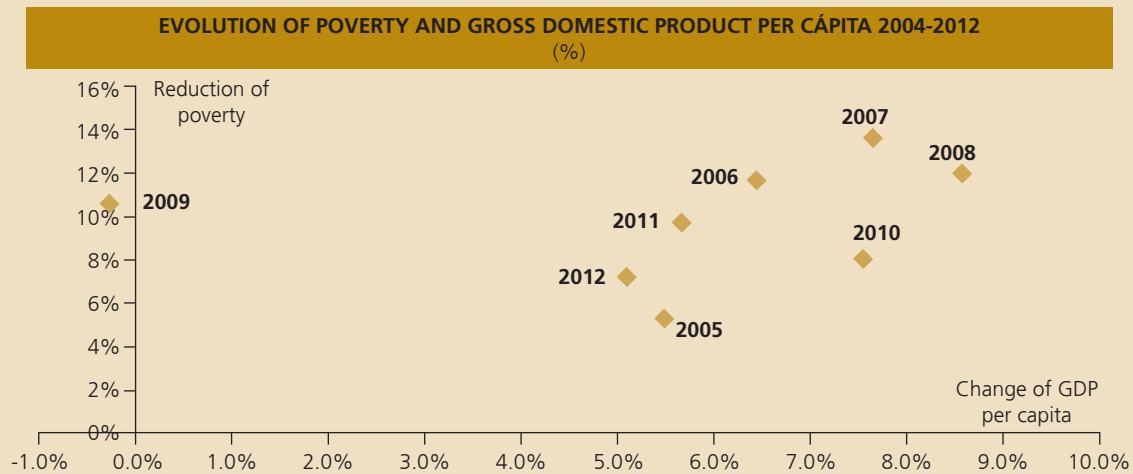
### Box 1 INCIDENCE OF TOTAL POVERTY 2012

In Peru 25.8 percent of the population –that is, 7.8 million people– lived in conditions of monetary poverty<sup>3</sup> 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)<sup>4</sup> 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)
<b>National</b>	<b>58.7</b>	<b>55.6</b>	<b>49.1</b>	<b>42.4</b>	<b>37.3</b>	<b>33.5</b>	<b>30.8</b>	<b>27.8</b>	<b>25.8</b>	<b>- 2.0</b>	<b>- 32.9</b>
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
<b>Natural region</b>											
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
<b>Domains</b>											
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.

<sup>4</sup> 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 (UBN<sup>5</sup>), 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).

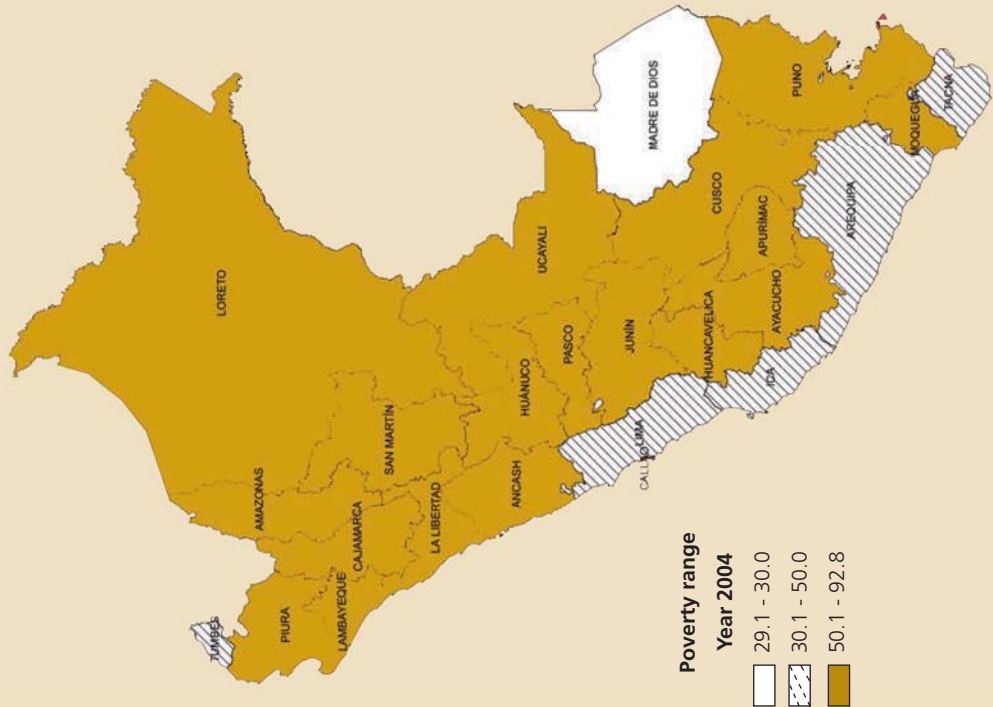
**POPULATION WITH UNSATISFIED BASIC NEEDS (UBN)**  
(%)

	2007	2008	2009	2010	2011	2012	Absolute variation	
							2011/2012	2007/2012
<b>At least one UBN</b>								
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

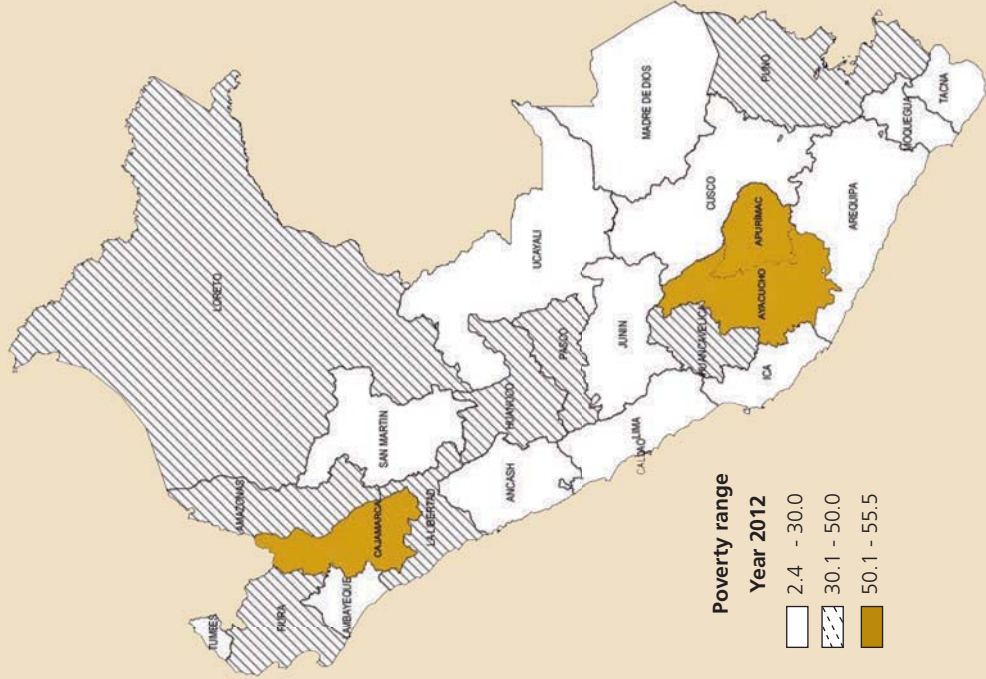
<sup>5</sup> This index includes 5 UBN: inadequate physical characteristics in housing, overcrowding, lack of any kind of sewerage system, having children who do not attend school, and high economic dependence.

MAP  
DEPARTMENTS BY POVERTY RANGES, 2004 AND 2012

POVERTY MAP 2004



POVERTY MAP 2012



## II.

## External Sector

### 1. International Environment

In 2013, the world economy showed a growth rate of 2.9 percent, a lower rate than in 2012 (3.2 percent) and the lowest since 2009. This decrease is explained by the economic trend observed in both the developed economies and the emerging market economies.

Growth in the developed economies was affected mainly by the adjustment of fiscal policy. However, activity indicators associated with consumption, private investment and exports showed –in most cases– a recovery relative to the previous years. In the United States, the evolution of employment, consumption, and the housing market increased expectations of a gradual reduction of monetary stimulus by the Federal Reserve (Fed), which took place by the end of the year.

In the emerging market economies, China's lower growth in Q1 generated fears of a sharp slowdown in the world's second-largest economy and the world's major consumer of commodities. These fears decreased significantly in the following months, in line with favorable indicators of activity. The emerging economies with external imbalances were particularly affected by expectations of a smaller stimulus from the Fed.

In this context, most of commodity prices registered a downward correction due in part to investors' liquidation of non-commercial positions. Terms of trade declined on average 4.7 percent: the drop in export prices (5.5 percent) was in part offset by a decrease of 0.8 percent in imports. Moreover, international financial markets were influenced by expectations of a slower pace in the Fed's asset-purchase program which led to a capital outflow from emerging economies and had an impact on currencies and the stock markets.

### 2. Economic Activity

The world economy showed a slowdown for the third consecutive year, the slower growth (2.9 percent) being explained both by the developed and the emerging economies this year.





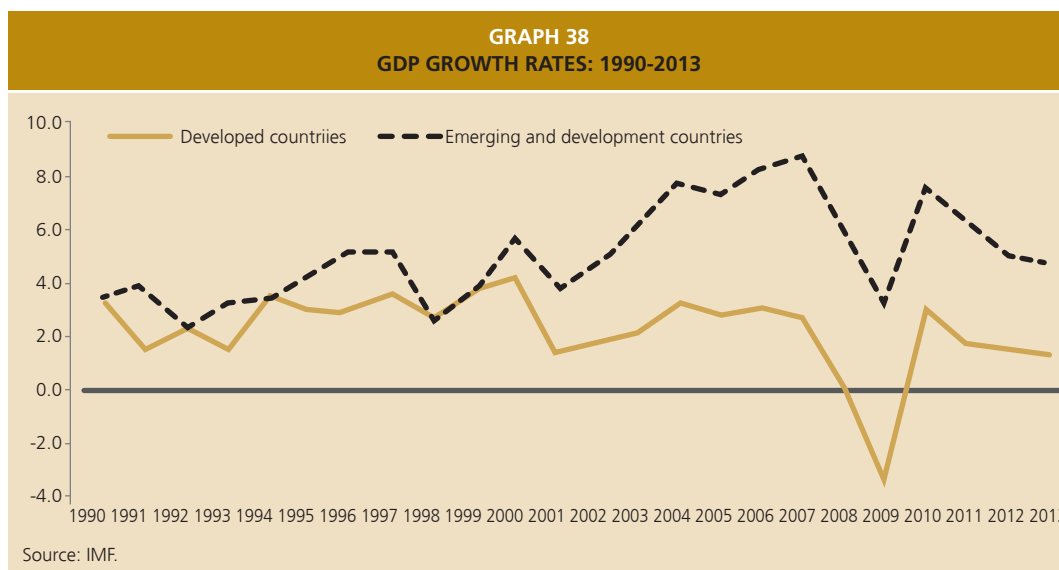
The developed countries recorded an average growth rate of 1.3 percent (1.4 percent in 2012). This lower growth is mainly explained by the impact of fiscal consolidation, since isolating this effect, activity indicators (associated with domestic demand and foreign trade) were for the most part favorable. It is worth pointing out that some risk factors –such as the deterioration of the economic situation in European peripheral countries or the lack of agreement on fiscal issues in the United States– decreased over the year. Nonetheless, other risk factors, such as the risk of deflation in the Eurozone, have increased during the year.

**TABLE 14**  
**GLOBAL GROWTH**  
(Annual % change)

	Structure PPP				Average
	2012	2011	2012	2013	2004-2013
<b>Development countries</b>	<b>50.4</b>	<b>1.7</b>	<b>1.4</b>	<b>1.3</b>	<b>1.6</b>
<b>Of which:</b>					
1. United States	19.5	1.8	2.8	1.9	1.8
2. Eurozone	13.5	1.6	- 0.7	- 0.4	0.8
Germany	3.8	3.3	0.7	0.4	1.3
France	2.7	2.0	0.0	0.2	1.0
Italy	2.2	0.4	- 2.4	- 1.9	- 0.2
Spain	1.7	0.1	- 1.6	- 1.2	0.9
3. Japan	5.5	- 0.5	1.4	1.5	0.8
4. United Kingdom	2.8	1.1	0.3	1.7	1.1
<b>Developing countries</b>	<b>49.6</b>	<b>6.2</b>	<b>5.1</b>	<b>4.7</b>	<b>6.5</b>
<b>Of which:</b>					
1. Developing Asia	25.1	7.8	6.8	6.6	8.6
China	14.7	9.3	7.7	7.7	10.2
India	5.7	6.2	5.0	4.7	7.7
2. Latin America and the Caribbean	8.7	4.6	3.0	2.6	4.1
Brazil	2.8	2.7	1.0	2.3	3.7
<b>World Economy</b>	<b>100.0</b>	<b>3.9</b>	<b>3.2</b>	<b>2.9</b>	<b>3.8</b>
<b>Memo:</b>					
Trading partners 1/	26.3	3.7	2.8	2.6	3.5
BRICs 2/	64.1	7.3	5.9	5.7	8.1

1/ Peru's 20 main trading partners.  
2/ Brazil, Russia, India and China.  
Source: Bloomberg and IMF.

On the other hand, the emerging market economies also grew at lower rates than in the previous two years, the main factor affecting their growth being the adjustments in financial markets in anticipation of a reduction in the monetary stimulus programs of the Fed, particularly in those economies showing greater vulnerabilities in their external accounts.



The U.S. economy expanded 1.9 percent in 2013. The output growth rate, which was lower than the average rate in the last three years (2.4 percent), was offset by fiscal adjustments. However, the expansion of consumption (2.0 percent) and residential investment (12.2 percent) shows a continued gradual recovery of domestic demand.

Consumption was favored by the sustained recovery of the labor market, with 194 thousand jobs on average being created each month (186 thousand in 2012). The increase of wealth associated with the increase in the prices of homes (13.4 percent) and financial assets (the Dow Jones index rose 26.5 percent in the year) also contributed to this.

Driven also by the recovery of the real estate market, residential investment grew for the second consecutive year at rates of over 12 percent. However, in recent months this pace of growth has been limited by the increase in mortgage rates, by stricter conditions to get credits, and by the increase in home prices.

Non-residential investment grew only 2.7 percent due to the unfavorable impact that uncertainty associated with the automatic expenditure cuts had on activity in Q1 (the cuts were finally effective since March), but it resumed its pace of growth in the following quarters due to better corporate results.

Inflation showed a rate of 1.5 percent in the year, a lower rate than the one recorded in 2012 (1.7 percent) and lower than the average rate in the last ten years (2.4 percent). Core inflation, which excludes energy and food, showed a rate of 1.7 percent.

In this context of moderate economic recovery supported by improvements in the labor market, the Fed announced in December that it would reduce its bond purchase program by US\$ 10 billion each month as from 2014. The Fed's asset purchase program began in September 2012, with purchases at a pace of US\$ 85 billion per month.



**TABLE 15**  
**USA: GROWTH**  
(Quarterly annualized rates)

	Q1.12	Q2.12	Q3.12	Q4.12	Q1.13	Q2.13	Q3.13	Q4.13	2013
<b>GDP</b>	<b>3.7</b>	<b>1.2</b>	<b>2.8</b>	<b>0.1</b>	<b>1.1</b>	<b>2.5</b>	<b>4.1</b>	<b>2.6</b>	<b>1.9</b>
Personal consumption	2.9	1.9	1.7	1.7	2.3	1.8	2.0	3.3	2.0
Durable	9.8	2.9	8.3	10.5	5.8	6.2	7.9	2.8	6.9
Non-Durable	2.2	1.8	1.6	0.6	2.7	1.6	2.9	2.9	2.0
Services	2.1	1.7	0.7	0.6	1.5	1.2	0.7	3.5	1.2
Gross investment	10.5	- 1.6	6.5	- 2.4	4.7	9.2	17.2	2.5	5.4
Fixed investment	8.6	4.7	2.7	11.6	- 1.5	6.5	5.9	2.8	4.5
Non-Residential	5.8	4.5	0.3	9.8	- 4.6	4.7	4.8	5.7	2.7
Residential	23.0	5.7	14.1	19.8	12.5	14.2	10.3	- 7.9	12.2
Exports	4.2	3.8	0.4	1.1	- 1.3	8.0	3.9	9.5	2.7
Imports	0.7	2.5	0.5	- 3.1	0.6	6.9	2.4	1.5	1.4
Government expenditure	- 1.4	0.3	3.5	- 6.5	- 4.2	- 0.4	0.4	- 5.2	- 2.2

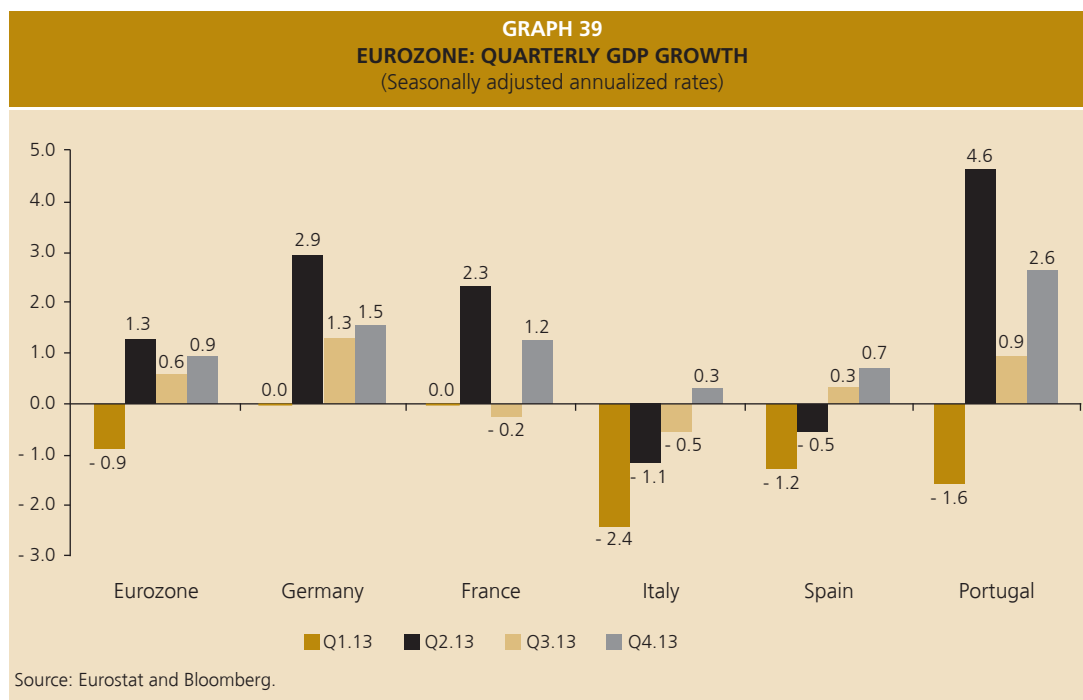
Source: Bureau of Economic Analysis.

In response to the “Abenomics” program promoted by Prime Minister Abe –which included a program of structural reforms and fiscal and monetary impulses–, **Japan’s** GDP grew 1.5 percent in 2013, showing an acceleration in the recovery in the first half of the year driven by consumption and stabilizing in the pace of growth in Q2. In April, the Bank of Japan (BoJ) announced its commitment to achieve an inflation target of 2 percent in 2016 and expanded its bond purchase program to an annual pace of 60 to 70 trillion yen. In 2013 inflation has increased to 1.6 percent (from -0.1 percent in 2012), the highest level since 2008. The exchange rate, on the other hand, has depreciated 21 percent in the year, while exports have grown less than expected in the same period.

The output in the **Eurozone** contracted 0.4 percent in 2013, but the contraction showed a slower pace than in 2012 (0.7 percent). In terms of expenditure, this has implied the recovery of domestic private demand (consumption and fixed investment) and external demand (exports), while public spending, imports and change in inventories have sapped percentage points to growth. Germany, the largest economy in the region, remained in expansion (0.4 percent) and the countries with debt problems in general recorded a better outcome, in contrast with 2012. Even though Portugal, Spain, and Italy contracted in the year, they managed to register positive growth rates since Q2 after showing 9 consecutive quarters of contraction (Spain and Italy) and 10 consecutive quarters of contraction (Portugal).

The factors that explain this recovery were mainly the recovery of business confidence, better financial conditions (observed since Q2-2012), the progress achieved in the fiscal consolidation programs (Greece reported for the first time a primary fiscal surplus and Ireland completed its EU/IMF rescue program successfully at the end of the year), and the progress made in correcting the external macroeconomic imbalances (Italy, Spain, Portugal and Greece showed small current-account surpluses for the first time since 2001).

Nonetheless, the recovery has been weak, the level of unemployment remains high (11.9 percent), inflation has been reduced to levels below 1 percent (which has raised fears of deflation), and bank lending remains stagnant in most of the countries with debt problems.



In this context, the ECB cut its benchmark interest rate by 25 bps in its meetings of May and November, lowering it first from 0.75 to 0.50 percent and later to 0.25 percent. The ECB also maintained its deposit rate at 0 percent and reduced the rate of ECB emergency loans from 1.5 to 1.0 percent first and then to 0.75 percent, and extended the total allocation of regular short-term liquidity (MROs) until mid-2015 to offset any liquidity problems. In addition to this, the ECB has reiterated on several occasions that it will maintain its policy of low rates for an extended period of time and that it does not rule out the possibility of adopting other measures if they are necessary.

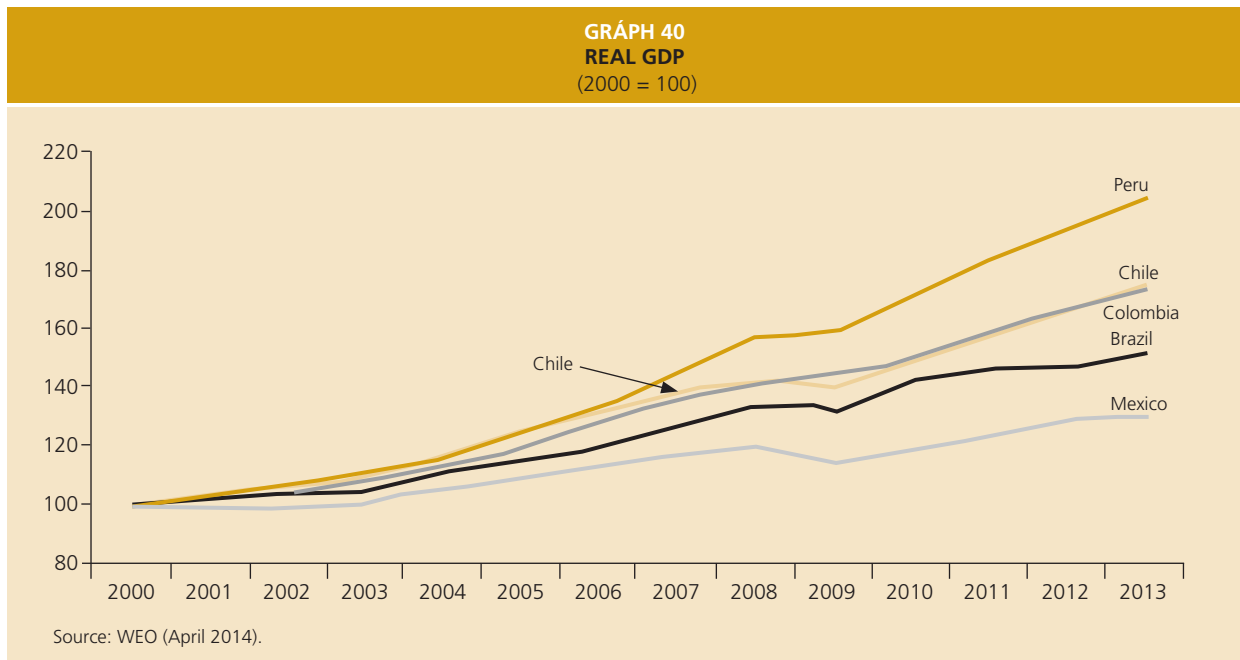
**China** maintained in 2013 the same growth rate it registered the previous year (7.7 percent). In Q1, the economy grew at a lower rate than expected due to a deceleration in the level of activity, especially in the pace of growth of industrial production and domestic sales, which increased fears of a sharp slowdown. However, these variables showed some recovery later. On the other hand, inflation remained below the 3.5 percent inflation target.

The new administration made explicit their decision of orienting actions to reaching a lower but more balanced sustainable growth, to completing the transition to a market economy and to facing systemic risks, particularly the high level of indebtedness of the private sector and local governments, the overheating of the housing market, and the growth of the shadow banking system (subject to less oversight). Thus, the government has proposed a wide range of reforms, including greater financial liberalization, improving the debt management in all government levels, opening protected industries (including finance and energy) to a greater participation of the private sector, and greater flexibility in the management of resources. The liquidity squeeze measures implemented at the end of the year reflect the government's intention to slow down the growth of the debt.



**India** is estimated to have grown 4.7 percent in 2013 (5.0 percent in the previous fiscal year). During the year, investors and consumers' confidence was affected by a combination of fiscal and external vulnerabilities and policy uncertainties. In this context, like in other emerging economies, expectations that the Fed would start reducing QE caused a sharp depreciation of the exchange rate in the second half of the year. The rupee tended to stabilize relative to the peak reached in late August thereafter thanks to the measures implemented to improve the current account –i.e. restrictions to gold imports– and the program of reforms of the financial system announced by the new governor of the central bank. In spite of this, the pace of economic activity remained weak during the year and the persistence of inflationary pressures offset the possibilities of implementing stimulus policies.

Showing a slower pace of expansion than in 2012 (3.0 percent), **Latin American** countries grew 2.6 percent in 2013 due both to a slowdown in domestic demand and a smaller external stimulus. Within the countries with inflation targeting, the highest growth rates were observed in Peru, Chile, and Colombia. On the other hand, growth in Mexico registered a significant slowdown due mainly to the deterioration of the country's industrial production associated with the contraction of construction. Favored by the recovery of investment which offset the slowdown in private and public consumption and the negative impact of net exports, Brazil grew at a higher rate than in 2012, but below its average rate of expansion in the past 3 years.



During the year, inflation in these countries recorded upward pressures due mainly to the depreciation of their currencies against the dollar.

### 3. Financial Markets

In 2013, international financial markets were influenced mainly by the onset of the Fed tapering, the negotiations to solve the tax issue in the United States, and signals of a slowing growth in the emerging economies, especially in China. These factors increased risk aversion and led investors to liquidate assets with greater relative risk.

Much of the volatility observed in the international financial markets was associated with events connected to fiscal and monetary policy in the United States. As regards monetary policy, in his presentation before the Congress in May, Bernanke said that the Fed would begin tapering towards the end of the year as long as favorable economic conditions were confirmed. As from this announcement, the markets were affected by uncertainty about when tapering would start and about the size of the reduction in bond purchases. Finally, in December 2013, the Fed announced the first cut of the bond purchase program and said that it would reduce purchases by US\$ 10 billion per month to US\$ 75 billion. The Fed also announced that since January 2014 monthly purchases of mortgage-backed securities would be reduced by US\$ 5 billion to US\$ 35 billion, while purchases of Treasury bonds would be reduced by US\$ 5 billion to US\$ 40 billion.

In the fiscal arena, a program of automatic spending cuts –or sequestration– started in March. A partial shutdown of the Federal Government that lasted 16 days took place in October –the beginning of fiscal year 2014– given the absence of agreement on how to provide funding for the federal agencies. Finally, in December the U.S. Congress proposed a budget deal for fiscal years 2014-2015 which reduced the automatic spending cuts and the proposal was approved in January 2014.

In contrast, events in the Eurozone and particularly in the peripheral countries were positive in general. Ireland completed successfully its rescue program with the troika (European Union/IMF/ECB) and Portugal concluded the ninth review of the program. Spain also carried out its bank restructuring process through its financial rescue program with the EU, whereas, on the other hand, the negotiations between the troika and Greece –associated with the review of goals in the last quarter and with the size of the financial gap– were deferred until Q1-2014. Finally, the crisis that unfolded in Cyprus in the first quarter of the year ended with the signing of the EU-IMF bailout program for a total of €10 billion.

Additionally, in the financial arena, some progress was observed in terms of the banking union. The BCE agreed to fund the European Stability Mechanism (ESM) with €60 billion to recapitalize troubled banks directly, and a Single Resolution Mechanism (SRM) was adopted and the Single Bank Resolution Fund (SBRF) was established. The ECB also announced that it will carry out a comprehensive assessment –asset quality review (AQR)– of the Eurozone banks' assets early in 2014, before starting its banking supervision function.

Money markets in the developed economies showed stability. In the United States, the 3-month Libor stood around 0.27 percent and its spread relative to the overnight rate in the wholesale market (OIS) remained around 0.16 percent in the year. In the Eurozone, the interest rates in money markets also showed stability except at the end of the year when there was a reduction of excess liquidity in the banking system due to banks' prepayments of the ECB 3 year-loans they had received in December 2011



and February 2012. Notwithstanding, these prepayments reflect a better financial position and better market credit conditions. It is worth mentioning that the ECB has tried to sterilize its balance of the sovereign bonds (€175.5 billion) it acquired under the previous asset purchase program (SMP) completely through auctions of 7-days deposits.

The **sovereign debt markets** of developed economies showed a mixed evolution. The major economies were affected by the onset of the Fed tapering and by better growth conditions. The yields on 10-year sovereign bonds of USA, the UK, and Germany rose significantly, whereas the yield on Japanese bonds fell slightly due to uncertainty about the effectiveness of “Abenomics”.

The economic trend of the Eurozone peripheral countries was favored by the improvement of economic conditions and by investors’ search for higher yields. The *spreads* of 10-year sovereign debt and CDS spreads fell significantly, particularly in countries with EU/IMF programs such as Ireland, after they completed their program successfully at the end of the year.

TABLE 16 SOVEREIGN SPREADS OF DEVELOPED COUNTRIES					
	End of period			Chg. in bps	
	Dec. 11 (3)	Dec. 12 (2)	Dec. 13 (1)	Dec. 12 (1)-(2)	Dec. 11 (1)-(3)
<b>Treasury bond yields (10 year) (%)</b>					
USA	1.88	1.76	3.03	127	115
Japan	0.99	0.79	0.74	- 5	- 25
United Kingdom	1.98	1.83	3.02	119	105
Eurozone:					
Germany	1.83	1.32	1.93	61	10
France	3.15	2.00	2.56	56	- 59
Italy	7.11	4.50	4.13	- 37	- 298
Spain	5.09	5.27	4.15	- 111	- 94
Portugal	13.36	7.01	6.13	- 88	- 723
Greece	34.96	11.90	8.42	- 348	- 2,654
Ireland	8.21	8.21	3.51	- 469	- 469
<b>CDS-5 years (in pbs)</b>					
US	49	38	28	- 10	- 21
Japan	143	82	40	- 42	- 103
United Kingdom	98	41	26	- 15	- 71
Germany	102	42	25	- 17	- 77
France	220	93	54	- 39	- 166
Spain	380	300	154	- 146	- 227
Italy	484	289	168	- 121	- 316
Greece	8,786	4,265	675	- 3,590	- 8,111
Portugal	1,082	443	352	- 91	- 730
Ireland	724	220	120	- 100	- 604

Source: Bloomberg.

The credit *spreads* of Latin American countries increased, except in Mexico, in line with expectations related to the beginning of tapering –which increased global risk aversion– and in line with a lower outlook for growth in the region.

**TABLE 17**  
**SOVEREIGN SPREADS OF LATIN AMERICA**

	End of period			% Chg. Dec. 13 compared to:	
	Dec. 11 (3)	Dec. 12 (2)	Dec. 13 (1)	Dec. 12 (1)-(2)	Dec. 11 (1)-(3)
<b>Spreads CDS (in pbs)</b>					
Argentina	938	1,401	1,638	237	701
Brazil	161	108	193	85	33
Chile	132	72	80	8	- 53
Colombia	191	96	118	22	- 73
Mexico	153	97	92	- 5	- 61
Peru	172	97	133	36	- 39

Source: Bloomberg.

**Stock markets** in the developed economies showed a positive trend due to improvements in conditions for growth. On the other hand, signals of slowing activity in the emerging economies like China, the onset of the Fed tapering, and uncertainty about its effect on the emerging market economies generated liquidations in the exchange markets of the major emerging economies.

**TABLE 18**  
**STOCK MARKETS**  
(Main indices, end of period)

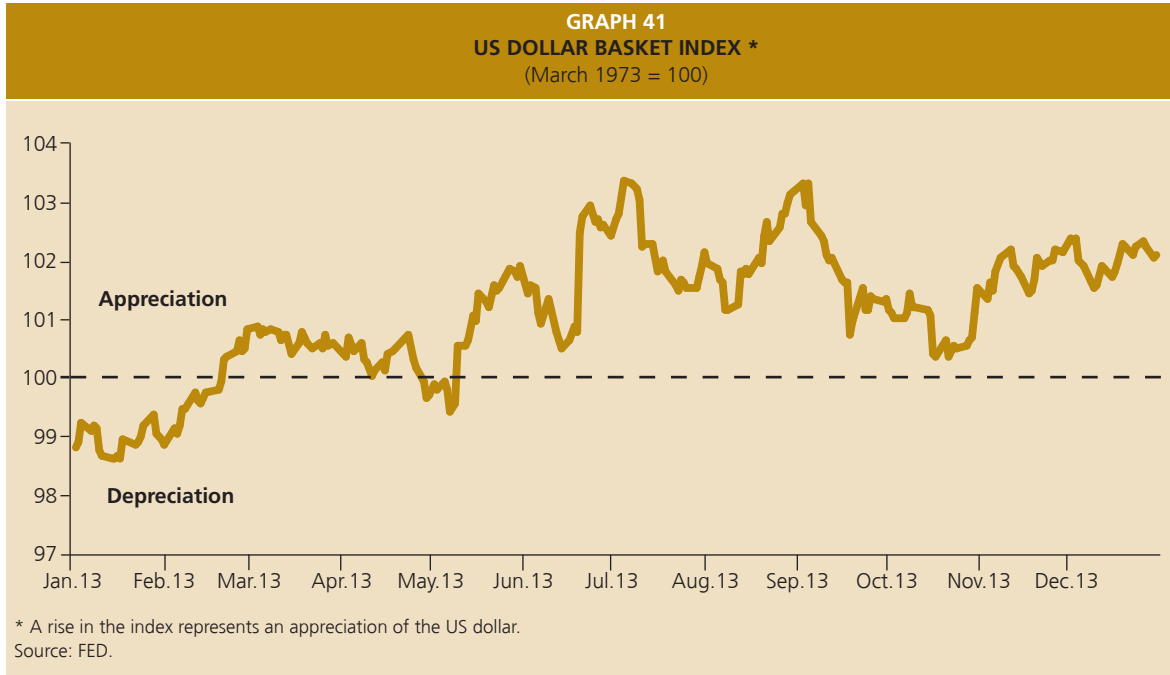
		Dec. 11	Dec. 12	Dec. 13	% Chg. Dec. 13 compared to:	
					Dec. 12	Dec. 11
VIX	S&P'500	23.4	18.0	13.7	- 4.3	- 9.7
USA	Dow Jones	12,218	13,104	16,577	26.5%	35.7%
BRAZIL	Bovespa	56,754	60,952	51,507	- 15.5%	- 9.2%
ARGENTINA	Merval	2,463	2,854	5,391	88.9%	118.9%
MEXICO	IPC	37,078	43,706	42,727	- 2.2%	15.2%
CHILE	IGP	20,130	21,070	18,227	- 13.5%	- 9.5%
COLOMBIA	IGBC	12,666	14,716	13,071	- 11.2%	3.2%
PERU	Ind. Gral.	19,473	20,629	15,754	- 23.6%	- 19.1%
UNITED KINGDOM	FTSE 100	5,572	5,898	6,749	14.4%	21.1%
GERMANY	DAX	5,898	7,612	9,552	25.5%	61.9%
FRANCE	CAC 40	3,160	3,641	4,296	18.0%	36.0%
SPAIN	IBEX 35	8,566	8,168	9,917	21.4%	15.8%
ITALY	FTSE MIB	15,090	16,273	18,968	16.6%	25.7%
CYPRUS	CYSMMAPA	296	115	103	- 10.1%	- 65.1%
RUSSIA	RTSI\$ Index	1,382	1,527	1,443	- 5.5%	4.4%
UKRAINE	PFTS Index	534	329	301	- 8.6%	- 43.8%
TURKEY	XU100	51,267	78,208	67,802	- 13.3%	32.3%
SOUTH AFRICA	JSE	31,986	39,250	46,256	17.8%	44.6%
JAPAN	Nikkei 225	8,455	10,395	16,291	56.7%	92.7%
INDONESIA	JCI	3,822	4,317	4,274	- 1.0%	11.8%
INDIA	S&P CNX Nifty	4,624	5,905	6,304	6.8%	36.3%
CHINA	Shangai C.	2,199	2,269	2,116	- 6.7%	- 3.8%

Source: Bloomberg.





In **foreign exchange markets**, the dollar appreciated as a result of the beginning of the Fed tapering. According to the Fed currency basket index –which includes the currencies of USA’s main trading partners with figures at period-end– the dollar appreciated 2.9 percent in the year due basically to the trend this currency registered since May because of expectations regarding the onset of *tapering*.



The dollar depreciated against the euro and the pound reflecting better financial conditions in the countries with debt problems (Ireland, Portugal, Spain, and Italy, particularly) and European countries’ better prospects for growth. Against the yen, the dollar appreciated significantly (21.4 percent). This also reflected the implementation of the “*Abenomics*” program, which includes purchases of bonds by the Bank of Japan for 60 to 70 trillion yen per year.

In Latin America, the dollar appreciated against most currencies given that expectations about the reduction of monetary stimulus by the Fed generated a liquidation of assets in the emerging economies. In Brazil, these pressures were intensified by the important current account deficit the country showed in the year. In Argentina, the depreciation of its currency reflected the gap between the official exchange rate and the rate in the parallel market, lower minor international reserves, and its current account deficit.

Other emerging economies also faced pressures on their currencies, particularly those countries that have higher current account deficits or are heavily dependent on short-term capital. Some of these economies responded to these pressures by raising the monetary policy rate, by selling dollars or by establishing restrictions.

**TABLE 19**  
**EXCHANGE RATE**  
(End of period)

	Dec. 11	Dec.12	Dec.13	% Chg. Dec. 13 compared to:	
				Dec.12	Dec. 11
Canada	1.02	0.99	1.06	7.1	4.2
Japan	76.94	86.74	105.30	21.4	36.9
United Kingdom (US\$/c.u.)	1.55	1.63	1.66	1.9	6.6
Eurozone (US\$/c.u.)	1.30	1.32	1.37	4.2	6.2
Switzerland	0.94	0.92	0.89	- 2.5	- 4.8
Brazil	1.86	2.05	2.36	15.4	26.8
Chile	519	478	525	9.8	1.2
Colombia	1,936	1,766	1,929	9.2	- 0.4
Mexico	13.95	12.86	13.03	1.3	- 6.6
Argentina	4.30	4.92	6.52	32.6	51.5
Peru	2.697	2.552	2.80	9.7	3.8
Hungary	243	220	216	- 1.9	- 11.2
Poland	3.44	3.08	3.02	- 2.2	- 12.3
Russia	32.19	30.55	32.89	7.7	2.2
Turkey	1.88	1.78	2.15	20.4	13.9
China	6.29	6.23	6.05	- 2.8	- 3.8
India	53.01	54.99	61.80	12.4	16.6
Israel	3.81	3.73	3.47	- 7.0	- 9.0
South Africa	8.07	8.45	10.45	23.6	29.5
Fed basket	100.6	99.2	102.1	2.9	1.4

Source: Bloomberg and Reuters.

#### 4. Balance of Payments

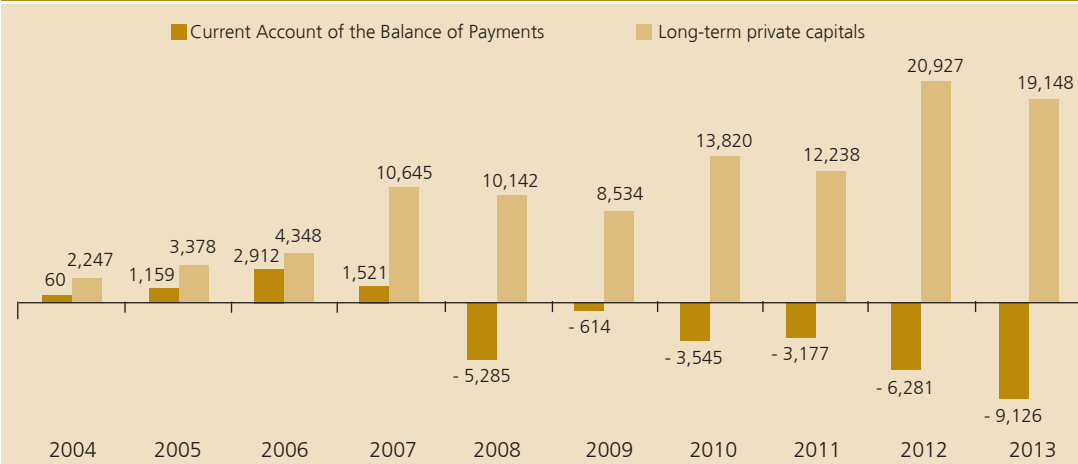
In 2013, in a context of declining international prices for our main export products, Peru's terms of trade recorded an average decrease of 4.7 percent. Together with the growth of domestic demand, this explains that the deficit in the current account of the balance of payments increased from 3.3 percent of GDP in 2012 to 4.5 percent in 2013.

The financial account registered a flow of US\$ 11.41 billion –equivalent to 5.6 percent of GDP– resulting mainly from the long-term operations of the private sector (7.4 percent of GDP), whose flow includes the placement of bonds in external markets (by financial, oil, and manufacturing companies), foreign direct investment (of mining companies and companies providing non-financial services), and long-term loans (energy, mining and hydrocarbons companies).

The financial account of the public sector showed a negative flow of US\$ 1.35 billion, while net short-term capital outflows totaled US\$ 2.13 billion. This was mainly due to the decrease of banks' external liabilities, whose balancing entry could be found in the issuance of long-term bonds in international markets.



**GRAPH 42**  
**CURRENT ACCOUNT AND LONG TERM CAPITALS 1/**  
(Millions US\$)



1/ Includes foreign direct investments, portfolio investment and long term disbursements.  
Source: BCRP.

**TABLE 20**  
**BALANCE OF PAYMENTS**

	Million US\$			% GDP	
	2011	2012	2013	2012	2013
<b>I. CURRENT ACCOUNT BALANCE</b>	<b>- 3,177</b>	<b>- 6,281</b>	<b>- 9,126</b>	<b>- 3.3</b>	<b>- 4.5</b>
1. Trade Balance	9,224	5,232	- 40	2.7	0.0
a. FOB Exports	46,376	46,367	42,177	24.0	20.8
b. FOB Imports	- 37,152	- 41,135	- 42,217	- 21.3	- 20.9
2. Services	- 2,244	- 2,420	- 1,801	- 1.3	- 0.9
a. Exports	4,264	4,915	5,814	2.5	2.9
b. Imports	- 6,508	- 7,335	- 7,615	- 3.8	- 3.8
3. Investment Income	- 13,357	- 12,399	- 10,631	- 6.4	- 5.3
a. Private	- 12,821	- 11,670	- 9,773	- 6.0	- 4.8
b. Public	- 537	- 729	- 858	- 0.4	- 0.4
4. Current transfers	3,201	3,307	3,346	1.7	1.7
of which: Remittances	2,697	2,788	2,707	1.4	1.3
<b>II. FINANCIAL ACCOUNT</b>	<b>8,716</b>	<b>19,812</b>	<b>11,407</b>	<b>10.3</b>	<b>5.6</b>
1. Private sector	9,271	15,792	14,881	8.2	7.4
a. Assets	- 1,597	- 2,408	- 1,291	- 1.2	- 0.6
b. Liabilities	10,868	18,200	16,173	9.4	8.0
2. Public sector	662	1,447	- 1,350	0.8	- 0.7
a. Assets	- 273	- 457	113	- 0.2	0.1
b. Liabilities 1/	935	1,904	- 1,463	1.0	- 0.7
3. Short-term capital	- 1,217	2,572	- 2,125	1.3	- 1.1
a. Assets	- 1,258	0	356	0.0	0.2
b. Liabilities	42	2,572	- 2,481	1.3	- 1.2
<b>III. EXCEPTIONAL FINANCING</b>	<b>33</b>	<b>19</b>	<b>5</b>	<b>0.0</b>	<b>0.0</b>
<b>IV. NET ERRORS AND OMISSIONS</b>	<b>- 886</b>	<b>1,257</b>	<b>622</b>	<b>0.7</b>	<b>0.3</b>
<b>V. BALANCE OF PAYMENT RESULT</b>	<b>4,686</b>	<b>14,806</b>	<b>2,907</b>	<b>7.7</b>	<b>1.4</b>
<b>(V = I + II + III + IV) = (1-2)</b>					
1. Change in the balance of NIRs	4,711	15,176	1,672	7.9	0.8
2. Valuation effect	25	369	- 1,235	0.2	- 0.6

1/ Government bonds issued abroad and held by residents are excluded from the external liabilities of the public sector, and government bonds issued in the domestic market and held by non-residents are included in the external liabilities of the public sector.  
Source: BCRP, MEF, SBS, SUNAT, MINCETUR, PROMPERU, Ministry of Foreign Affairs, COFIDE, ONP, FCR, Tacna Free Trade Zone, Banco de la Nación, Cavali S.A. ICLV, Proinversión, Bank for International Settlements (BIS), and businesses.

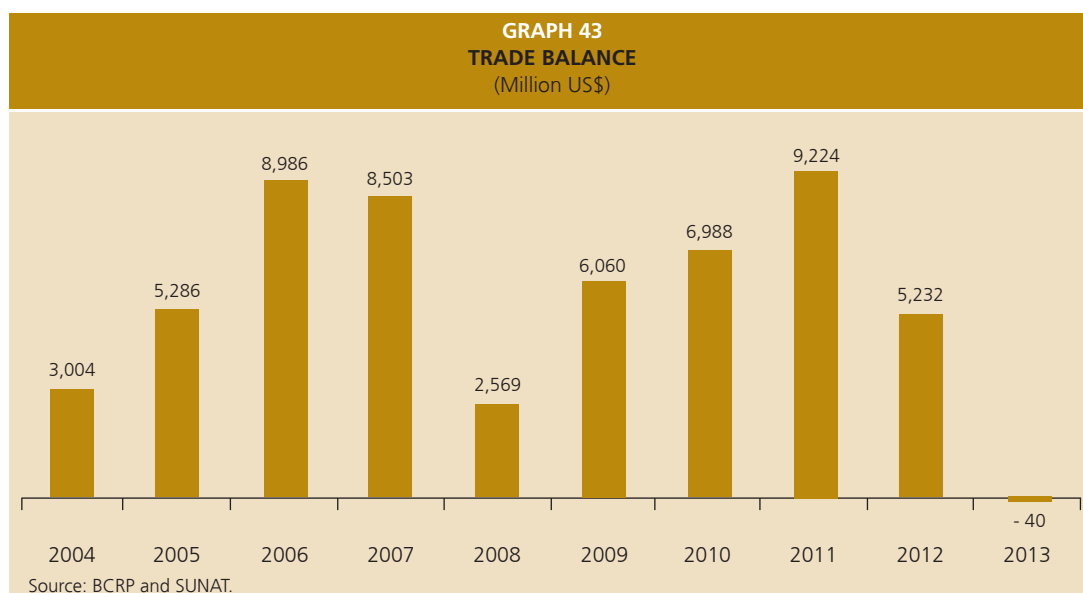
## 4.1 Trade Balance

The trade balance recorded a deficit of US\$ 40 million in 2013, which reflects the greater dynamism of imports in line with the evolution of domestic demand, the effect of lower terms of trade, and a negative growth rate in the volume of both traditional and non-traditional exports.

Exports, which totaled US\$ 42.18 billion, were 9.0 percent lower than in the previous year due to the decline in the average prices of exports (5.5 percent), especially traditional exports (gold, copper, and coffee), as a result of a less favorable international environment. In terms of volume, fishmeal, coffee and gold were affected (exports of coffee dropped due to the strong impact of the yellow rust plague, while exports of gold declined due mainly to the lower exports of gold traders).

The volume of non-traditional exports recorded a decline of 1.5 percent. Exports of textiles, fishery products, and chemicals dropped 9.9, 2.0 and 3.7 percent, respectively. This decline was in part offset by an increase of farming products (6.2 percent) and steel and iron products (0.1 percent).

On the other hand, imports were 2.6 percent higher than in 2012 and amounted to US\$ 42.22 billion. Reflecting the increased demand for consumer goods as well as the higher demand for capital goods associated with the growth of economic activity and the implementation of investment projects in the country, imports grew 3.5 percent in terms of volume, whereas imports in terms of prices fell 0.8 percent.



With this balance, the degree of openness in the economy –measured as the weight of foreign trade–reached a level equivalent to 41.7 percent of GDP, which makes the Peruvian economy one of the more open economies in the region as a result of the continued implementation of trade liberalization policies through the signing of free trade agreements (FTAs).



As in 2011 and 2012, Peru's major trading partners in 2013 were USA and China, which increased their participation in terms of Peru's total trade by 2.9 and 0.8 percentage points, respectively. The increase in exports of traditional products, particularly gold, to the United States is worth pointing out.

On the other hand, China continued buying minerals such as copper, iron and zinc, and fishmeal from Peru, while the latter bought mainly machinery, mobile phones, computer equipment, and cars from the Asian country.

Trade with the United States increased in terms of both traditional exports and non-traditional exports. The latter included greater exports of farming products, fisheries and textiles, with exports of grapes, asparagus, quinoa, t-shirts, and frozen fish products standing out. The U.S. market remains the market with the highest demand for our non-traditional products with a share of 24.1 percent of total exports.

At the level of regions, our exports of non-traditional products to South American countries were the only ones that decreased, which would be associated with quasi-tariff trade restrictions adopted recently by some countries. On the other hand, our exports to the European Union recorded a recovery of 6.1 percent relative to 2012, while the Asian and American markets continued increasing their demand for our products.

**TABLE 21**  
**TRADE BY MAIN COUNTRIES AND REGIONS 1/**  
(% structure)

	Exports 2/			Imports 3/			X + M		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
United States	13.1	13.7	18.0	19.3	18.7	20.0	15.8	16.1	19.0
China	15.1	17.1	17.5	16.4	18.2	19.2	15.7	17.6	18.4
Brazil	2.8	3.1	4.1	6.4	6.1	5.3	4.4	4.5	4.7
Japan	4.7	5.6	5.3	3.3	3.4	3.2	4.1	4.6	4.2
Canada	9.2	7.5	6.5	1.5	1.4	1.4	5.8	4.6	4.0
Switzerland	12.9	11.0	7.2	0.4	0.4	0.4	7.4	6.0	3.8
South Korea	3.7	3.4	3.7	3.8	3.8	3.5	3.7	3.5	3.6
Chile	4.2	4.4	4.0	3.8	3.1	3.1	4.0	3.8	3.6
Ecuador	1.8	2.0	2.3	5.1	4.9	4.6	3.3	3.4	3.4
Germany	4.2	4.1	2.8	3.0	3.2	3.2	3.6	3.7	3.0
Mexico	1.0	0.9	1.2	3.9	4.3	4.7	2.3	2.5	3.0
Spain	3.7	4.0	3.8	1.5	1.9	2.0	2.7	3.0	2.9
Colombia	2.3	2.0	2.0	3.9	3.7	3.4	3.0	2.8	2.7
Italy	2.8	2.2	2.4	1.5	1.6	1.6	2.2	1.9	2.0
Others	18.6	19.0	19.3	26.2	25.4	24.5	22.0	22.0	21.7
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Asia	26.5	29.1	30.2	30.4	32.2	33.0	28.2	30.5	31.7
North America	23.2	22.1	25.7	24.6	24.4	26.1	23.9	23.2	26.0
European Union	18.9	17.7	16.7	10.8	11.8	11.8	15.3	14.9	14.3
Andean countries 4/	11.3	12.3	11.6	14.6	13.9	12.7	12.8	13.1	12.1
Mercosur 5/	3.3	3.6	4.6	12.2	11.4	9.8	7.3	7.3	7.2
Others	16.7	15.2	11.2	7.3	6.3	6.5	12.6	11.1	8.7

X: Exports. M: Imports.

1/ Imports were grouped by country of origin.

2/ Exports exclude goods sold and repairs of foreign ships and aircrafts.

3/ Imports exclude defense material, other purchased goods, and ships and aircrafts abroad.

4/ Bolivia, Chile, Colombia, Ecuador, and Venezuela.

5/ Brazil, Argentina, Uruguay, and Paraguay.

Source: SUNAT.

## Classification of exports by groups of economic activity

Peru's exports classified according to the type of economic activity where they originate are discussed in this section. This classification is based on a selection and grouping of the major tariff items which cover 98 percent of the FOB value of the goods exported in 2013, arranging them according to the International Standard Industrial Classification Revision 4 (ISIC Rev. 4).

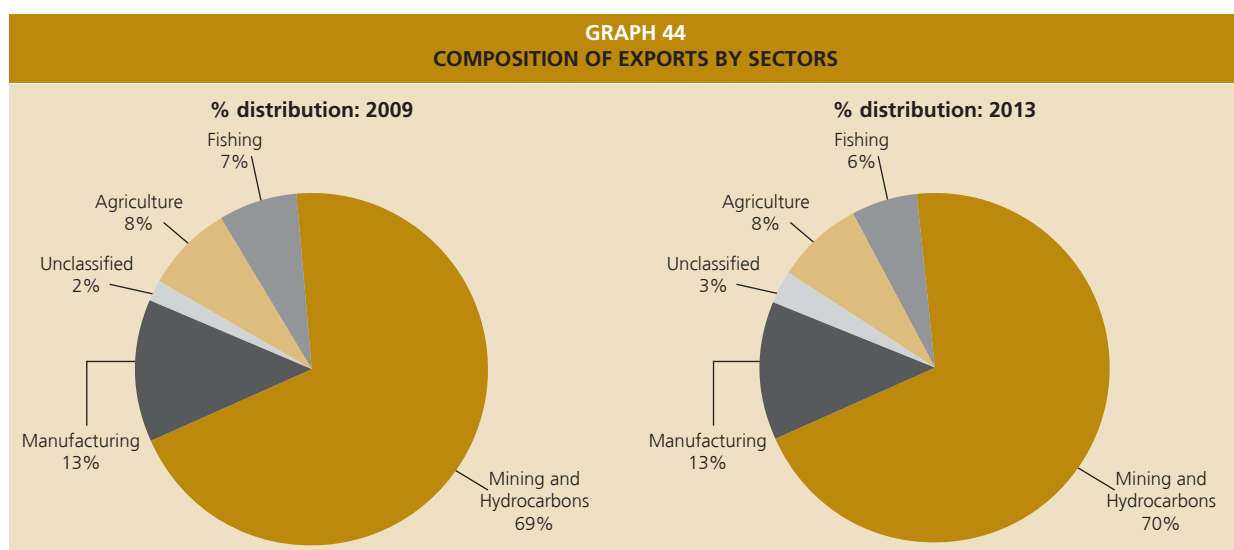
All ISIC items were classified into four major groups: agriculture, fishing, mining and hydrocarbons, and manufacturing. In some cases, different ISIC groups have been combined to obtain a similar classification to the one used in statistics of economic activity. For example, ISIC groups 0121 to 0126, which refer to the cultivation of assorted fruits, have been combined into a single group called "Fruits", which includes fresh grapes, avocados, mangoes, bananas, mandarins, among other fruits. Thus, for instance, whether "traditional" or "non-traditional" exports, all mining concentrates, refined, or processed products are under the category of "mining and hydrocarbon exports".

In this way, we can say that exports of the agriculture sector amounted to US\$ 3.47 billion in 2013, exports of the fishing sector to US\$ 2.43 billion, mining and hydrocarbons exports to US\$ 29.24 billion, and manufacturing exports to US\$ 5.28 billion.

Exports of coffee (US\$ 695 million) and fruits (US\$ 1.04 billion) stand out in the group of agriculture products. It is worth mentioning that the rust plague reduced shipments of coffee by 32 percent compared to 2012, which explains the decline registered in agricultural exports. Excluding coffee, farming exports would show an increase of 12.8 percent.

Exports of fishmeal and canned fish and seafood (US\$ 2.38 billion) are noteworthy in the fishing sector, while exports of non-ferrous minerals (US\$ 10.65 billion) and primary products based on non-ferrous minerals (US\$ 12.11 billion) stand out in the sector of mining and hydrocarbons. Finally, exports of textiles –fabrics, yarn, garments and synthetic fibers– which totaled US\$ 1.58 billion stand out in the manufacturing group.

The graph below shows that the distribution of exports by sector has remained relatively stable between 2009 and 2013, with the exception of the fishing sector whose share declined from 7 to 6 percent and the share of the mining and hydrocarbons sector which increased from 69 to 70 percent in the same period.





**TABLE 22**  
**EXPORTS BY GROUP OF ECONOMIC ACTIVITY 1/**  
(Million US\$)

CIU	Sector	2009	2010	2011	2012	2013
	<b>Agricultural Products</b>	<b>2,087</b>	<b>2,695</b>	<b>3,891</b>	<b>3,480</b>	<b>3,466</b>
0111	Cereals, legumes and oilseeds, except rice	90	115	139	161	211
	<i>Of which:</i>					
	Quinoa	7	13	25	32	79
	Tara powder	13	27	30	32	32
	Black Eye Bean	14	17	17	18	20
0113	Vegetables, tubers and roots	296	356	368	445	525
	<i>Of which:</i>					
	Fresh Asparagus	251	291	294	343	412
	Fresh onions	28	42	43	54	63
0121 - 0126	Fruits	403	513	779	844	1,039
	<i>Of which:</i>					
	Grapes	136	180	288	366	450
	Avocados	64	85	161	136	185
	Mangos	71	89	115	117	133
	Organic bananas	51	49	65	82	89
0127	Coffee	584	887	1,597	1,023	695
0128	Spices and medicinal and aromatic plants	120	121	160	142	131
	<i>Of which:</i>					
	Whole paprika	68	66	87	65	49
	Ground paprika	14	15	24	30	22
1030	Canned fruits and vegetables	472	557	703	693	679
1072	Sugar cane	39	68	51	43	56
	Others	84	78	95	129	131
	<b>Fishing</b>	<b>1,952</b>	<b>2,268</b>	<b>2,846</b>	<b>2,811</b>	<b>2,428</b>
0311	Fresh or frozen products	13	24	23	29	41
1020	Fishmeal and canned fish, and sea food	1,935	2,239	2,820	2,778	2,383
	Others	3	5	4	4	4
	<b>Mining and Hydrocarbons</b>	<b>18,688</b>	<b>25,559</b>	<b>32,996</b>	<b>32,633</b>	<b>29,241</b>
0610	Crude oil	353	505	577	582	540
0620	Natural gas	0	284	1,284	1,331	1,372
0710	Iron	298	523	1,030	845	857
0729	Non-ferrous minerals	6,471	9,738	12,135	12,530	10,653
0891	Phosphates, sulphates and other	10	70	254	449	440
1920	Oil refining products	1,562	2,239	2,681	3,046	3,214
2420	Primary products of precious metals and non-ferrous metals	9,955	12,152	14,975	13,778	12,107
	Others	39	47	60	73	58
	<b>Manufacturing</b>	<b>3,615</b>	<b>4,316</b>	<b>5,375</b>	<b>5,768</b>	<b>5,280</b>
1040	Oils and fats of vegetable and animal origin	263	285	353	571	391
1050	Milk products	62	84	103	119	112
1061, 1071, 1074	Milling and Bakery	89	112	151	146	147
1073	Cocoa and chocolate and confectionery products	83	97	125	123	152
1079	Other foodstuffs	36	47	56	72	82
1080	Prepared animal food	63	79	104	123	122
1311 - 1430, 2030	Textiles (yarn, tissues, garments and fibers)	1,340	1,383	1,716	1,773	1,582
1610	Wood	120	132	116	112	104
1709	Paper and cardboard items	75	75	89	108	121
1811	Brochures, books and other printed materials	62	59	75	87	76
2011	Basic chemicals	248	497	720	570	464
2012	Fertilizers	67	56	58	58	58
2013	Supplies of plastics and synthetic rubber	30	48	66	58	57
2023	Toiletries and cleaning products	98	110	129	196	183
2029	Others chemicals	49	53	71	79	63
2211	Tires and inner tubes	36	56	79	76	84
2220	Plastic products	221	296	389	453	435
2392	Building materials	49	71	80	82	109
2410, 2431	Iron and steel industry	110	144	146	185	175
2432	Smelting of non-ferrous metals	92	154	185	189	185
	Electric motors, generators, transformers and distribution equipment	19	37	24	29	32
2732	Other electric and electronic cables	24	15	24	31	10
2822 - 2824	Machinery and equipment	34	50	49	47	45
3211 - 3290	Miscellaneous articles	80	91	100	109	112
	Others	268	289	376	821	818
	<b>Unclassified</b>	<b>575</b>	<b>711</b>	<b>965</b>	<b>1,330</b>	<b>1,222</b>
	<b>Total</b>	<b>26,918</b>	<b>35,549</b>	<b>46,072</b>	<b>46,022</b>	<b>41,637</b>

1/ Only definitive exports are included.

## Traditional Exports

In 2013 traditional exports amounted to US\$ 30.95 billion, 11.1 percent less than in 2012, this decline reflecting mainly the lower prices of basic metals as well as the lower prices of fishmeal and coffee.

The volume of traditional products exported fell 4.4 percent compared to 2012 as a result of lower shipments of gold, fishmeal, coffee –due to lower production because of the yellow rust plague– and crude oil, due to lower extraction.

<b>TABLE 23</b>						
<b>EXPORTS</b>						
<b>(% change)</b>						
	<b>Volume</b>			<b>Price</b>		
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>TRADITIONAL EXPORTS</b>	<b>4.4</b>	<b>1.0</b>	<b>- 4.4</b>	<b>23.4</b>	<b>- 4.0</b>	<b>- 7.0</b>
<i>Of which:</i>						
Fish meal	20.1	2.4	- 36.1	- 7.9	- 2.9	20.6
Coffee	28.8	- 10.1	- 10.9	39.5	- 28.7	- 23.7
Copper	0.3	11.0	- 0.2	20.3	- 9.9	- 8.3
Gold	2.5	- 10.6	- 1.4	29.0	6.0	- 15.7
Zinc	- 20.0	1.6	7.4	12.2	- 12.6	- 2.7
Crude oil	- 13.9	- 4.1	- 6.1	32.0	5.1	- 1.0
Derivatives	- 11.9	13.6	11.6	33.8	0.3	- 4.3
<b>NON-TRADITIONAL EXPORTS</b>	<b>15.2</b>	<b>5.6</b>	<b>- 1.5</b>	<b>14.7</b>	<b>4.2</b>	<b>- 0.4</b>
<i>Of which:</i>						
Agricultural exports	16.3	2.5	6.2	10.6	6.1	4.9
Fisheries	34.4	- 5.1	- 2.0	21.4	2.1	3.2
Textiles	8.6	7.1	- 9.9	17.4	2.2	- 1.8
Chemicals	17.6	- 7.6	- 3.7	14.5	7.1	- 4.6
Iron, steel and jewelry	2.8	26.8	0.1	15.7	- 9.1	- 3.4
<b>TOTAL</b>	<b>6.6</b>	<b>2.2</b>	<b>- 3.8</b>	<b>21.5</b>	<b>- 2.2</b>	<b>- 5.5</b>

Source: BCRP and SUNAT.

The value of exports of fisheries amounted to US\$ 1.71 billion –down 26.2 percent relative to the previous year– due basically to lower volumes of exports of fishmeal and fish oil.

In terms of value, mining exports in 2013 (US\$ 23.26 billion) were 12.0 percent lower than in 2012. This result reflects both the lower international prices of basic metals and the lower volume of exports of gold. It should be pointed out that the volume of exports of copper –our main export product– remained stable relative to 2012 with a total of 1,402 thousand fine metric tons of copper exported.

Peru's sales of crude oil and natural gas to other countries amounted to US\$ 5.21 billion, which represents an increase of 4.2 percent compared to the previous year. This outcome reflects an increase in the volumes of exports of oil derivatives (11.6 percent) and natural gas (9.4 percent).





**TABLE 24  
TRADITIONAL EXPORTS**

	Million US\$			% change		
	2011	2012	2013	2011	2012	2013
<b>FISHING</b>	<b>2,114</b>	<b>2,312</b>	<b>1,707</b>	<b>12.2</b>	<b>9.4</b>	<b>- 26.2</b>
<i>Of which:</i>						
Fishmeal	1,780	1,770	1,364	10.6	- 0.6	- 22.9
Fish oil	333	542	343	21.6	62.5	- 36.7
<b>AGRICULTURAL PRODUCTS</b>	<b>1,689</b>	<b>1,095</b>	<b>785</b>	<b>73.3</b>	<b>- 35.2</b>	<b>- 28.3</b>
<i>Of which:</i>						
Cotton	8	4	2	608.9	- 43.5	- 61.2
Sugar	48	6	14	- 26.5	- 87.8	139.1
Coffee	1,597	1,024	696	79.8	- 35.9	- 32.0
<b>MINING</b>	<b>27,526</b>	<b>26,423</b>	<b>23,257</b>	<b>26.7</b>	<b>- 4.0</b>	<b>- 12.0</b>
<i>Of which:</i>						
Copper	10,721	10,731	9,813	20.9	0.1	- 8.6
Iron	1,030	845	857	96.9	- 18.0	1.4
Lead 1/	2,427	2,575	1,759	53.7	6.1	- 31.7
Zinc	1,523	1,352	1,413	- 10.0	- 11.2	4.5
Refined silver	219	210	479	85.6	- 4.5	128.7
Gold	10,235	9,702	8,061	32.0	- 5.2	- 16.9
<b>OIL AND NATURAL GAS</b>	<b>4,568</b>	<b>4,996</b>	<b>5,205</b>	<b>47.9</b>	<b>9.4</b>	<b>4.2</b>
<b>TOTAL</b>	<b>35,896</b>	<b>34,825</b>	<b>30,954</b>	<b>29.7</b>	<b>- 3.0</b>	<b>- 11.1</b>

1/ Includes silver content.  
Source: BCRP and SUNAT.

## Non-Traditional Exports

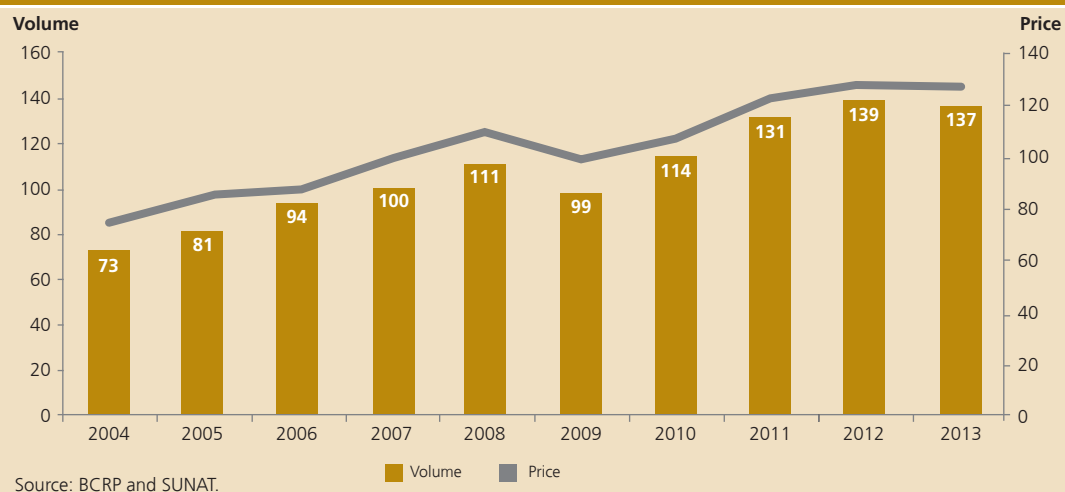
Non-traditional exports amounted to US\$ 10.99 billion, 1.9 percent less than in 2012. The volume of non-traditional exports decreased slightly (1.5 percent) affected by the global economic slowdown.

In the last ten years exports of non-traditional products have increased 12.2 percent on average. This increase is explained mainly by higher volumes of exports –up 6.4 percent on average in annual terms–, especially in the case of farming products (10.7 percent), chemicals (9.1 percent), fishing products (6.4 percent), and steel&iron products (6.0 percent).

The main markets of destination of our non-traditional products were United States, with US\$ 2.65 billion, followed by Venezuela and Chile, with US\$ 769 and US\$ 747 million, respectively. However, in terms of economic blocs, exports to the Andean countries amounted to US\$ 3.50 billion, a figure higher by US\$ 459 million than the value of exports to North America.

As regards Peru's exports to the United States, the top sellers were t-shirts (US\$ 249 million), fresh asparagus (US\$ 254 million), calcium phosphates (US\$ 115 million) and fresh grapes (US\$ 98 million), but non-traditional exports to the American market have increased in general.

**GRAPH 45**  
**NON-TRADITIONAL EXPORTS**  
(Index 2007 = 100)



**TABLE 25**  
**MAIN DESTINATION: NON-TRADITIONAL EXPORTS**  
(Million US\$)

	2011	2012	2013	% Change 2013/2012
United States	2,338	2,613	2,650	1.4
Venezuela	895	1,179	769	- 34.8
Chile	602	708	747	5.5
Ecuador	620	739	733	- 0.9
Colombia	828	767	714	- 7.0
Netherlands	433	454	562	23.9
Bolivia	436	531	537	1.2
Spain	488	433	415	- 4.2
Brazil	354	409	411	0.5
China	337	331	364	10.0
Mexico	219	244	257	5.3
United Kingdom	172	178	232	30.5
Germany	178	170	187	10.4
France	236	184	187	1.7
Italy	188	221	176	- 20.2
Others	1,853	2,036	2,044	0.4
<b>Total</b>	<b>10,176</b>	<b>11,197</b>	<b>10,985</b>	<b>- 1.9</b>
Memo:				
Andean countries 1/	3,380	3,925	3,499	- 10.8
North America	2,653	2,965	3,040	2.5
European Union	1,981	1,897	2,013	6.1
Asia	870	970	1,060	9.3
Mercosur 2/	519	585	558	- 4.7

1/ Bolivia, Chile, Colombia, Ecuador, and Venezuela.

2/ Argentina, Brazil, Paraguay, and Uruguay.

Source: SUNAT and BCRP.



**TABLE 26  
NON-TRADITIONAL EXPORTS**

	Million US\$			% change		
	2011	2012	2013	2011	2012	2013
Agricultural products	2,836	3,083	3,434	28.7	8.7	11.4
Fishing products	1,049	1,017	1,028	63.0	- 3.1	1.1
Textiles	1,990	2,177	1,926	27.5	9.4	- 11.5
Wood and paper manufacturing	402	438	426	11.8	9.1	- 2.8
Chemicals	1,655	1,636	1,503	34.7	- 1.1	- 8.2
Non-metallic minerals	492	722	720	95.5	46.8	- 0.3
Iron and steel, and jewelry	1,130	1,301	1,258	19.0	15.2	- 3.3
Metal mechanic products	476	545	534	21.1	14.6	- 2.1
Others 1/	147	277	156	33.7	88.6	- 43.7
<b>TOTAL</b>	<b>10,176</b>	<b>11,197</b>	<b>10,985</b>	<b>32.2</b>	<b>10.0</b>	<b>- 1.9</b>

1/ Includes furs, leather, and handicrafts, mainly.  
Source: BCRP and SUNAT.

Exports of agricultural products amounted to US\$ 3.43 billion, with shipments of fresh grapes, asparagus and fresh avocados standing out. It is worth mentioning that a greater dynamism was observed in the demand for Peruvian products from different countries of destination, such as United States, Netherlands, China and Chile.

In terms of economic blocks, the main destinations were the European Union (avocados, asparagus, fresh grapes, fresh mangoes, organic bananas, canned artichokes, and cocoa beans), North America (asparagus, fresh grapes, canned artichokes, paprika, fresh onions, fresh mangoes, and quinoa), and the Andean countries (food for shrimps and prawns, noodles, milled white rice, and hatching eggs).

In the last ten years, exports of agricultural products have grown at an average annual rate of 18.6 percent. Thus, the value of exports in 2013 was approximately 5.5 times the value of exports in 2004. Exports of fresh grapes, fresh avocado, organic banana, cocoa beans, and quinoa, which has seen an exponential growth in the past year, stand out in terms of export values.

**TABLE 27  
MAIN NON-TRADITIONAL AGRICULTURAL PRODUCTS  
(Million US\$)**

Most popular products	2003	2013	Average % change 2004-2013
Fresh grapes	23	450	34.5
Fresh asparagus	108	412	14.3
Fresh avocados	16	185	28.0
Asparagus prepared	82	150	6.2
Fresh mangoes	31	133	15.7
Shrimp feed	14	109	22.8
Evaporated milk	18	104	18.9
Other vegetables prepared	21	99	16.6
Paprika	22	91	15.1
Organic bananas	7	89	29.3
Canned artichokes	7	87	28.4
Cocoa beans	1	83	51.2
Quinoa	0	79	70.5
Fresh onions	11	63	18.7
Subtotal	364	2,133	19.4
<b>Total</b>	<b>624</b>	<b>3,434</b>	<b>18.6</b>

Source: BCRP and SUNAT.

Exports of fish products totaled US\$ 1.03 billion and reflected higher sales of canned and frozen squid and other frozen products. The main markets for these products were United States (US\$ 226 million), China (US\$ 128 million), and Spain (US\$ 114 million). In the last ten years, fishing exports grew at an annual average rate of 17.5 percent.

**TABLE 28**  
**MAIN NON-TRADITIONAL FISHING PRODUCTS**  
(Million US\$)

<b>Most popular products</b>	<b>2003</b>	<b>2013</b>	<b>Average % change 2004-2013</b>
Frozen giant squid	63	262	15.3
Frozen scallops	15	159	26.5
Canned giant squid	8	136	32.9
Frozen prawns tails with shell	10	82	24.0
Frozen fillets	17	47	10.9
Frozen fish (anchovy)	4	46	29.1
Canned anchovies	2	30	33.4
Whole frozen shrimps	5	26	17.4
Frozen prawns tails without shell	2	21	29.6
Giant Squid meal	2	18	27.6
Other canned fish (anchovy)	18	17	- 0.3
Other fillet fish	5	17	12.6
Subtotal	149	862	19.2
<b>Total</b>	<b>205</b>	<b>1,028</b>	<b>17.5</b>

Source: BCRP and SUNAT.

**TABLE 29**  
**MAIN COUNTRIES OF DESTINATION OF TEXTILE PRODUCTS**  
(Million US\$)

	<b>Year</b>			<b>% Change 2013/2012</b>
	<b>2011</b>	<b>2012</b>	<b>2013</b>	
United States	740	645	654	1.5
Venezuela	399	708	422	- 40.4
Ecuador	81	100	115	15.8
Brazil	103	102	104	1.1
Colombia	108	94	94	0.6
Chile	76	81	88	8.7
Italy	73	58	59	1.7
Mexico	26	35	44	25.8
Germany	40	35	40	13.7
Bolivia	40	45	39	- 13.0
Argentina	53	41	32	- 22.0
Canada	20	24	24	2.9
China	21	20	23	17.9
United Kingdom	31	21	19	- 12.4
Japan	18	18	18	- 4.1
Other	160	150	151	0.2
<b>Total</b>	<b>1,990</b>	<b>2,177</b>	<b>1,926</b>	<b>- 11.5</b>
<b>Memo:</b>				
North America	786	703	722	2.7
Andean Countries 1/	705	1,027	759	- 26.1
Andean Countries excluding Venezuela	306	319	337	5.5
European Union	203	160	167	4.1
Mercosur 2/	166	153	141	- 7.9
Asia	69	72	78	8.5

1/ Bolivia, Chile, Colombia, Ecuador and Venezuela.

2/ Argentina, Brazil, Paraguay and Uruguay.

Source: BCRP and SUNAT.



Exports of textiles totaled US\$ 1.93 billion in 2013 (down 11.5 percent from the previous year). These exports showed a decline of 9.9 percent in terms of volume and a decline of 1.8 percent in terms of average prices. The contraction of the volume of textile products was associated with lower sales to the Venezuelan market, which was tempered by the recovery of shipments to the United States, Europe, and other Andean countries.

**TABLE 30**  
**MAIN COUNTRIES OF DESTINATION OF CHEMICAL PRODUCTS**  
(Million US\$)

	Year			% Change 2013/2012
	2011	2012	2013	
Chile	210	276	252	- 8.7
Colombia	204	232	220	- 5.0
Ecuador	162	195	202	3.4
Bolivia	151	181	173	- 4.5
Netherlands	35	49	82	66.1
Venezuela	226	161	72	- 55.0
Brazil	83	79	63	- 20.6
United States	74	55	56	0.6
Mexico	33	36	45	27.4
China	40	31	32	4.2
Guatemala	27	30	27	- 9.6
United Kingdom	24	17	23	38.2
Argentina	28	19	21	9.8
Germany	49	26	20	- 22.4
Panama	20	28	19	- 31.0
Other	290	221	194	- 12.2
<b>Total</b>	<b>1,655</b>	<b>1,636</b>	<b>1,503</b>	<b>- 8.2</b>
Memo:				
Andean countries 1/	955	1 045	919	- 12.0
European Union	230	156	171	9.1
Mercosur 2/	115	103	91	- 11.5
North America	108	94	109	15.4
Asia	81	68	60	- 11.4

1/ Bolivia, Chile, Colombia, Ecuador and Venezuela.  
2/ Argentina, Brazil, Paraguay and Uruguay.  
Source: BCRP and SUNAT.

Exports of chemical products totaled US\$ 1.50 billion, 8.2 percent less than in 2012. This decline resulted mainly from lower sale prices for these products (4.5 percent) as well as from a reduction in the volume of shipments of sulfuric acid, copper rod, and PET-preforms. The main markets for chemical products in 2013 were Chile (US\$ 252 million), Colombia (US\$ 220 million) and Ecuador (US\$ 202 million).

## Diversification of Exports

A significant growth has been observed in terms of the value of our exports in the last decade. This growth has been coupled by a greater diversification of export products, especially of non-traditional exports.

The number of non-traditional exports<sup>6</sup> has increased from 3,743 products in 2003 to 4,480 in 2013, that is, by 737 new products. Moreover, the number of markets of destination for Peru's non-traditional exports has increased from 166 countries in 2003 to 182 in 2013, while the number of exporting companies has increased by 2,923 between 2003 and 2013.

<sup>6</sup> Measured by the number of tariff items.

## Imports

The dynamism of the demand for imported goods continued to be driven by domestic demand. Thus, imports in 2013 amounted to US\$ 42.22 billion, which represents an expansion of 2.6 percent compared to 2012.

**TABLE 31**  
**FOB IMPORTS BY USE OR DESTINATION**  
(FOB value in million US\$)

	FOB Value: Million US\$			% Change		
	2011	2012	2013	2012	2013	Average 2004-2013
<b>1. CONSUMER GOODS</b>	<b>6,734</b>	<b>8,252</b>	<b>8,837</b>	<b>22.5</b>	<b>7.1</b>	<b>17.0</b>
Non-durable goods	3,489	4,082	4,499	17.0	10.2	15.8
Main food products	409	568	381	39.0	- 32.9	22.0
Rest	3,080	3,514	4,118	14.1	17.2	15.4
Durable goods	3,245	4,170	4,338	28.5	4.0	18.3
<b>2. INPUTS</b>	<b>18,332</b>	<b>19,273</b>	<b>19,512</b>	<b>5.1</b>	<b>1.2</b>	<b>16.2</b>
Fuel, oils and related	5,752	5,885	6,453	2.3	9.6	16.7
Raw materials for agriculture	1,092	1,292	1,244	18.2	- 3.7	16.2
Raw materials for industry	11,488	12,096	11,815	5.3	- 2.3	16.0
<b>3. CAPITAL GOODS</b>	<b>11,730</b>	<b>13,347</b>	<b>13,654</b>	<b>13.8</b>	<b>2.3</b>	<b>21.3</b>
Construction materials	1,449	1,488	1,443	2.7	- 3.0	21.9
For agriculture	111	137	130	24.0	- 4.9	22.6
For industry	7,345	8,168	8,319	11.2	1.9	19.3
Transportation equipment	2,825	3,554	3,762	25.8	5.8	27.3
<b>4. OTHER GOODS</b>	<b>356</b>	<b>262</b>	<b>213</b>	<b>- 26.2</b>	<b>- 18.8</b>	<b>15.7</b>
<b>5. TOTAL IMPORTS</b>	<b>37,152</b>	<b>41,135</b>	<b>42,217</b>	<b>10.7</b>	<b>2.6</b>	<b>17.8</b>
Memo:						
<b>Main food products</b>	<b>2,304</b>	<b>2,528</b>	<b>2,372</b>	<b>9.7</b>	<b>- 6.2</b>	<b>15.5</b>
Wheat	536	516	569	- 3.7	10.1	11.9
Maize and/or sorgum	564	507	502	- 10.1	- 1.1	17.7
Rice	118	149	110	26.1	- 26.5	37.8
Sugar	138	188	78	36.4	- 58.5	40.3
Dairy products	98	167	127	70.9	- 23.5	18.6
Soybean	795	936	920	17.7	- 1.7	15.2
Meat	55	64	66	16.7	2.8	11.7

Memo: Classification used in CUODE.

Source: SUNAT, Tacna Free Trade Zone, and Banco de la Nación.

The average price of imports in 2013 fell 0.8 percent relative to the previous year, with the prices of iron and steel products falling 9.8 percent and the prices of textile products falling 6.8 percent. On the other hand, an increase was observed in the prices of non-durable consumer goods (2.1 percent) and plastics (3.1 percent).

The components of imports that showed greater dynamism were consumer goods and inputs, which registered growth rates of 7.1 and 1.2 percent in terms of value, respectively. The increase in imports of durable consumer goods is explained by larger purchases of cars from Asia by companies such as Toyota del Peru, KIA, and the Ministry of the Interior (the Ministry of the Interior bought police cars as part of the "intelligent vehicles" campaign).



**TABLE 32**  
**IMPORTS**  
(% change)

	Volumen			Price		
	2011	2012	2013	2011	2012	2013
<b>CONSUMER GOODS</b>	<b>13.3</b>	<b>21.0</b>	<b>5.4</b>	<b>8.3</b>	<b>1.2</b>	<b>1.6</b>
Durable goods	12.4	26.7	2.9	7.8	1.4	1.1
Non-durable goods	14.2	15.7	7.9	8.8	1.1	2.1
<b>INPUTS</b>	<b>6.4</b>	<b>6.1</b>	<b>3.7</b>	<b>22.8</b>	<b>- 0.9</b>	<b>- 2.4</b>
Main food products	- 1.4	3.4	3.6	35.4	0.0	- 1.9
Crude oil and derivatives	1.7	- 1.3	10.6	40.1	3.7	- 3.1
Industrial inputs	10.7	10.8	0.3	12.8	- 3.5	- 2.0
<i>Of which:</i>						
Plásticos	3.5	10.7	1.7	17.8	- 9.6	3.1
Iron and steel	- 7.3	19.6	0.8	13.3	- 8.2	- 9.8
Textiles	0.5	8.1	2.2	33.9	- 10.3	- 6.8
Papers	9.0	5.3	1.0	7.9	- 1.4	- 1.8
Chemicals	38.8	5.4	0.2	12.7	- 0.8	0.0
Organic chemicals	6.1	18.9	2.2	11.9	- 7.4	- 0.8
<b>CAPITAL GOODS</b>	<b>27.1</b>	<b>13.5</b>	<b>2.4</b>	<b>1.7</b>	<b>0.2</b>	<b>- 0.1</b>
Building materials	31.1	2.5	- 3.0	1.7	0.2	- 0.1
Rest1/	26.5	15.1	3.0	1.7	0.2	- 0.1
<b>TOTAL</b>	<b>13.8</b>	<b>10.9</b>	<b>3.5</b>	<b>13.3</b>	<b>- 0.2</b>	<b>- 0.8</b>

1/ Excludes building materials.  
Source: BCRP and SUNAT.

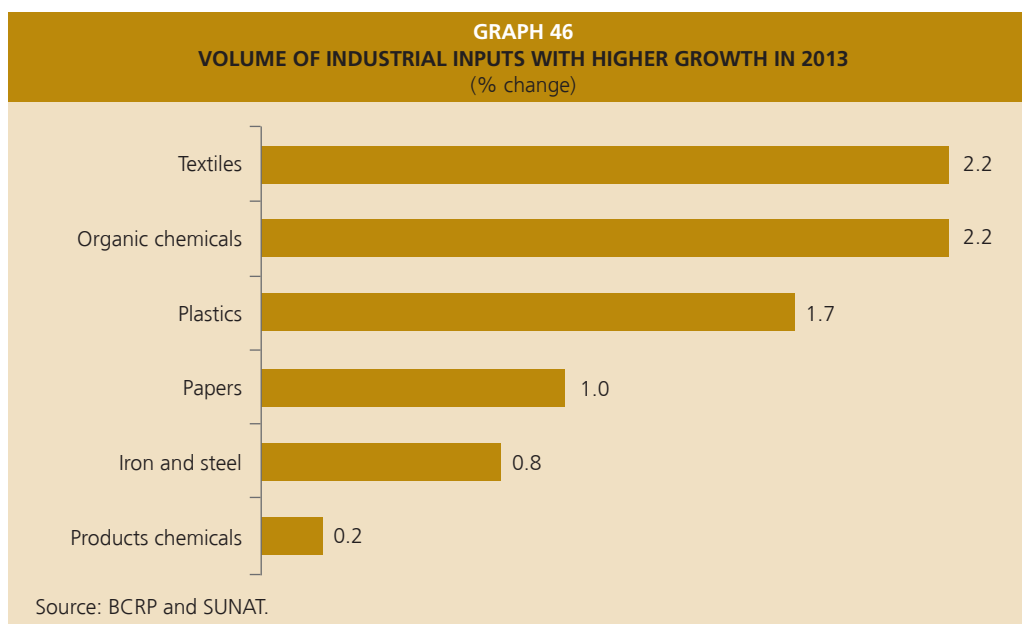
Private consumption also influenced a greater demand for imports of television sets and other household appliances. Imports of television sets, which increased by 6.4 percent, amounted to US\$ 531 million. The main countries of origin of these products were Mexico and China.

Imports of durable consumer products which showed a major expansion include furniture, plastic items and household appliances, while perfumes, cosmetics, clothing and footwear were the products that grew the most among imports of non-durable consumer goods.

Moreover, imports of inputs amounted to US\$ 19.51 billion, which represents 46.2 percent of the country's total imports. In terms of value, imports of inputs grew 1.2 percent relative to 2012, in line with the increased volume of imports of these products. However, in terms of imports of oil and derivatives, a decline was observed in the volume of imports of crude oil (7.0 percent) whereas an expansion was observed in the volume of imports of derivatives (39.2 percent).

In the case of industrial inputs, there was an expansion of 0.3 percent in terms of volume associated with higher imports of plastics, organic chemicals, and textiles, with higher imports of polypropylene and polyethylene tereftalato (input used to manufacture plastic bottles), biodiesel, dodecyl (input for the production of detergents), and uncarded cotton and yarn standing out.

Imports of inputs in the group of iron and steel products also contributed to this increase, the greater acquisitions of iron billets and rods of steel alloyed by Sider, Aceros Arequipa and Acero Cassado being worth pointing out. The countries of origin of these iron and steel products were Brazil, Turkey, and China.



Imports of capital goods in the year showed a nominal increase of 2.3 percent and a growth of 2.4 percent in real terms. However, if construction materials are excluded, imports of capital goods show a real growth of 3.0 percent. In terms of economic sectors, increased imports in the electricity sector (US\$ 41 million) associated to increased purchases of companies such as Energía Eólica (generators), ENERSUR (parts of gas turbines) and Parque Eólico Marcona (parts of windmills to generate wind power) should be pointed out.

**TABLE 33**  
**IMPORTS OF CAPITAL GOODS BY ECONOMIC SECTORS**

SECTOR	FOB Value: Million US\$			% Change		
	2011	2012	2013	2012	2013	Average 2004-2013
Agriculture	39	55	50	39.2	- 9.8	28.2
Fishing	11	13	9	16.7	- 26.4	2.9
Hydrocarbons	443	413	276	- 6.9	- 33.2	4.9
Mining	1,214	1,628	1,526	34.1	- 6.3	25.2
Manufacturing	1,166	1,183	1,236	1.5	4.5	16.1
Construction	570	681	676	19.3	- 0.7	29.3
Electricity	436	300	341	- 31.1	13.6	30.5
Transportation	1,786	2,247	2,372	25.8	5.6	34.1
Telecommunications	790	843	953	6.7	13.0	16.8
Traders of Capital Goods	3,002	3,382	3,282	12.6	- 2.9	20.4
IT Equipment	626	755	793	20.6	5.1	17.2
Machinery and diverse equipments	601	741	682	23.2	- 8.0	24.8
Medicine and surgery instruments	94	102	127	9.2	24.3	20.0
Office equipments	224	156	147	- 30.2	- 6.3	19.9
Financial services	633	639	446	0.8	- 30.2	18.7
Other traders	824	988	1,087	20.0	10.0	22.0
Unclassified	2,271	2,603	2,935	14.6	12.7	21.0
<b>Memo:</b>						
Mobile phones	529	553	761	4.5	37.7	20.4
<b>Total</b>	<b>11,730</b>	<b>13,347</b>	<b>13,654</b>	<b>13.8</b>	<b>2.3</b>	<b>21.3</b>



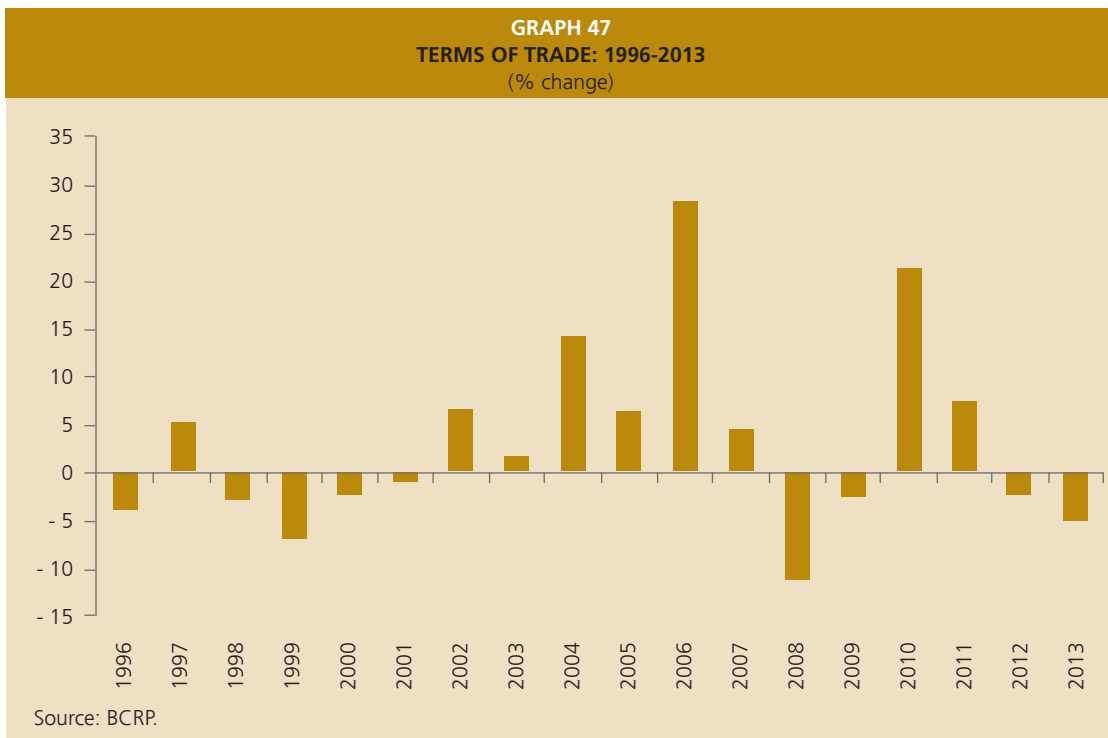


In the telecommunications sector, increased imports of mobile telephony equipment by América Móvil and Telefónica stand out, while in the sector of transportation the increase in purchases of railcars for railways by companies such as GYM Ferrovias and imports of pick-up trucks by Toyota del Peru are worth mentioning.

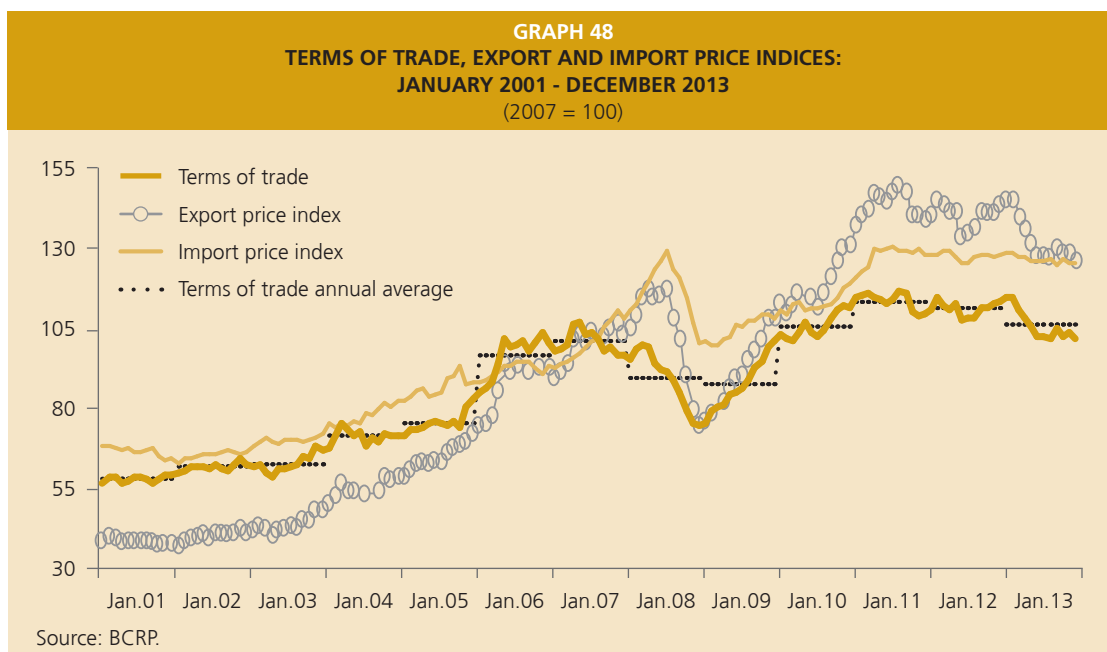
#### 4.2. Terms of Trade<sup>7</sup>

In 2013, the terms of trade showed an average decrease of 4.7 percent. The decline of 5.5 percent in export prices was partially offset by a 0.8 percent drop in import prices.

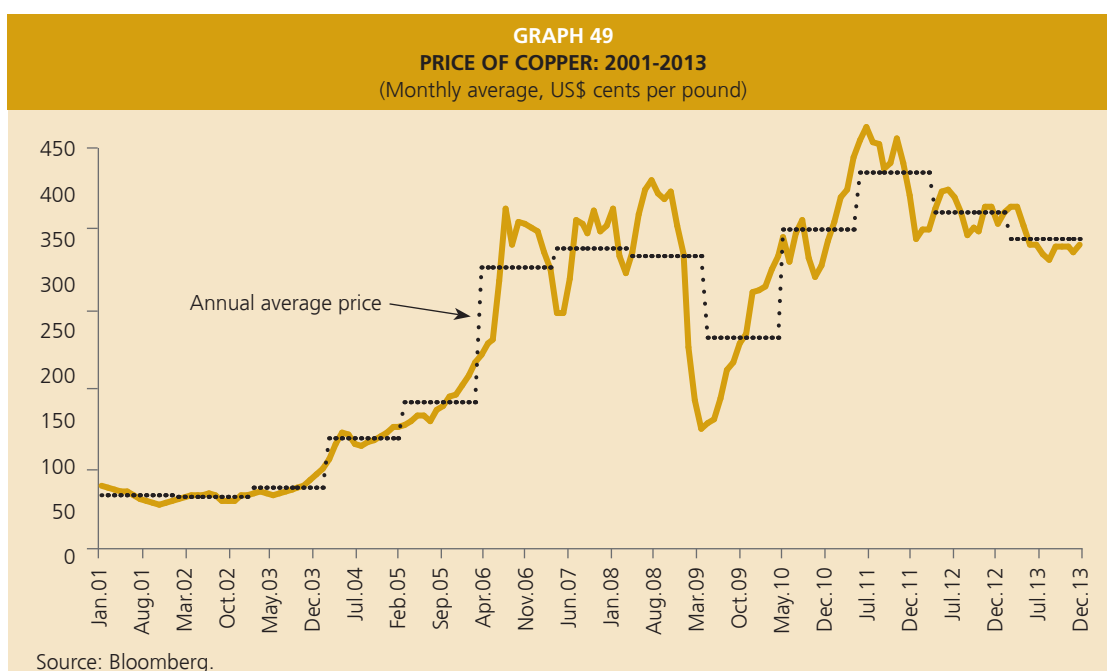
In general terms, commodity prices were affected by the Fed's announcement of an upcoming reduction of monetary stimulus on May 22, as well as by fears of a slowdown in China's level of economic activity. The international prices of food commodities were pushed downwards by the abundant supply of grains due to increased cultivation encouraged by high prices in the period of drought in the USA in 2012.



<sup>7</sup> As from this Report, the method used to calculate exports and imports price indicators included in the terms of trade will be an annual chain-linked Laspeyres index which will replace the prior monthly chain-linked Fisher index. This change allows us to weight products and sectors of the previous year and therefore to annually update the structure of foreign trade without introducing instability due to monthly chain-linking.



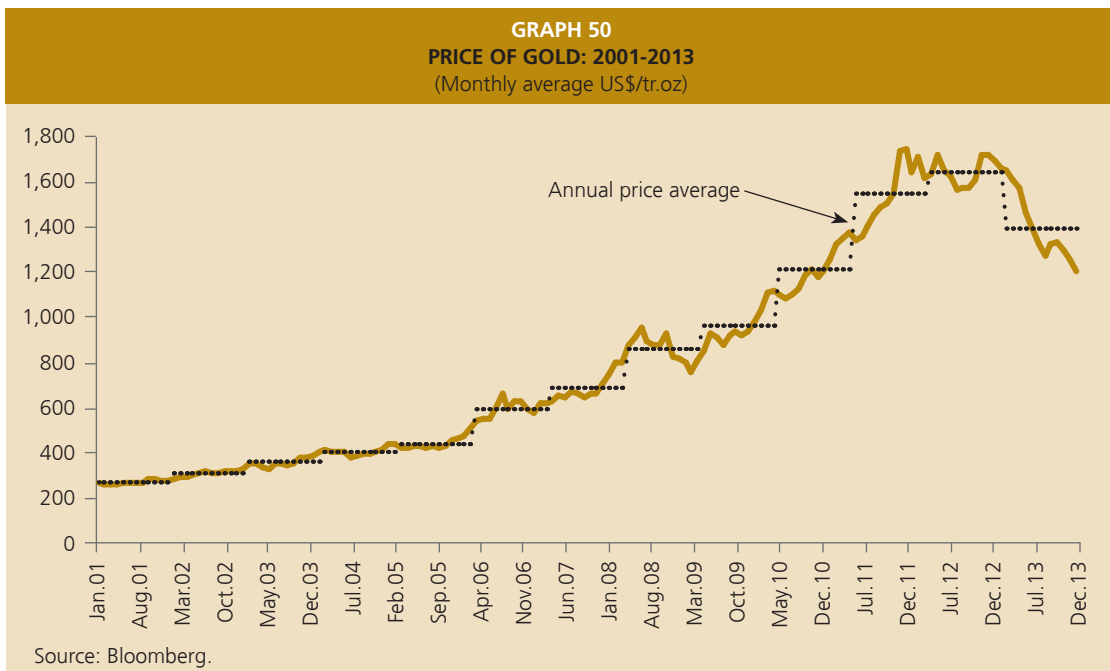
The average price of **copper** recorded a decline of 8 percent in 2013. The price of copper dropped to a minimum low of US\$ 313 cents per pound in the month of July, then partially recovered and closed at US\$ 327 cents per pound in December. The initial fall in the price of copper was associated with the liquidation of speculative positions due to expectations of a Fed reduction of monetary stimulus and a strong increase in the global supply of copper as well as to fear about of lower demand from China. However, the price of copper recovered partially as a result of a global production deficit due to the unexpected growth of demand from China and to the lower secondary supply of copper.





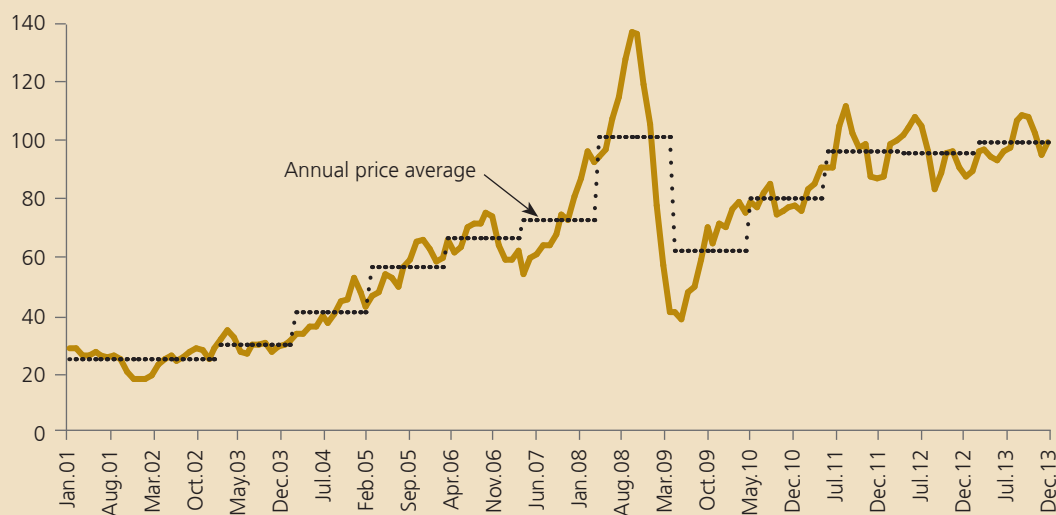
The average price of gold declined 16 percent, closing the year with an average level of US\$ 1,411 per ounce in 2013. This decline was influenced by the liquidations of Exchange Trade Funds (ETFs) which generated a net record supply this year, as well as by the reduction of noncommercial net long positions in gold on metals exchanges and lower purchases from central banks.

This strong decline in investment demand was caused by the restructuring of investors' portfolio in response to expectations that the Fed would withdraw monetary stimulus and to the low rates of inflation in the advanced economies. The price drop was offset by an increased consumer demand after demand for jewelry reached its pre-recession levels and demand for small bars, coins and medals registered a new historic record.



The average price of **crude** increased 4 percent, showing an average price of US\$ 98 per barrel in 2013. This increase was associated with supply disruptions in periods of high seasonal demand due mainly to the sanctions imposed on Iran, to social problems in Libya and, to a lesser extent, to production cuts in Iraq, Nigeria, Venezuela, Syria, and Sudan. In this context, the International Energy Agency (IEA) reported that oil inventories in OECD countries had fallen below the average levels of the past 10 years. The price rise was offset by the increase in the U.S. production of crude oil, which continued to exceed expectations reaching levels not seen since 1989 and was reflected in the increase of crude inventories in this country.

**GRAPH 51**  
**PRICE OF WTI OIL: 2001-2013**  
 (Monthly average, US\$ per barrel)



## Box 2

### METHODOLOGICAL CHANGE IN ESTIMATING FOREIGN TRADE PRICE INDICES

As from this report, the terms of trade are calculated using Laspeyres formula of price indices with annual chain-linking and weightings taking into account relatively stable trading patterns in a period.

Since 2001, the terms of trade have been estimated using Fisher's monthly chain-linked price indices, both for exports and for imports. These indices measure price changes in a period according to a geometric average of the Laspeyres index (which compares weighted prices with a basket of goods of the previous month) and the Paasche index (which compares weighted prices with a basket of goods in the current month).

While it is true that monthly chain-linking allows updating the weight structure frequently in accordance to the evolution of the trade structure, it can introduce volatility and price underestimation problems. In line with the latest recommendations of the IMF, annual weights from the previous year ( $T-1$ ), estimated with the Laspeyres method will be used as from this Report:

$$P_{T-1,t}^L = \sum_{i=1}^n \omega_{i,T-1} \cdot \left( \frac{p_{i,t}}{p_{i,T-1}} \right)$$

where  $p_{i,t}$  is the price in the current month ( $t$ ) of good  $i$ ,  $p_{i,T-1}$  is its average price in the previous year and  $\omega_{i,T-1}$  is its nominal participation in the previous year. It should be pointed out that  $p_{i,t}$  corresponds to an implicit price based on customs data (FOB value divided by volume) in the case of all exports and imports of inputs.



Filters are used for the prices of non-traditional products as well as for the prices of imports of inputs –excluding food and crude– to reduce problems related to atypical observations, product seasonality, and very small transactions.

Using this method, the terms of trade are estimated to have increased 5.5. percent on average per year between 2004 and 2013, whereas using the prior method the increase would have been 3.6 percent.

TERMS OF TRADE (% change)						
	Fisher (1994=100)			Laspeyres (2007=100)		
	XP	MP	ToT	XP	MP	ToT
2004	22.7	12.1	9.4	26.4	11.0	13.9
2005	16.8	10.6	5.6	18.5	11.6	6.1
2006	36.1	7.5	26.7	36.3	6.4	28.1
2007	14.4	10.6	3.4	14.1	9.4	4.3
2008	3.5	21.0	- 14.4	3.8	16.5	- 10.9
2009	- 10.0	- 7.4	- 2.8	- 12.7	- 10.6	- 2.4
2010	29.9	10.1	17.9	30.4	7.8	21.0
2011	20.0	13.8	5.4	21.5	13.3	7.2
2012	- 3.3	1.7	- 4.9	- 2.2	- 0.2	- 2.1
2013	- 7.3	- 2.7	- 4.7	- 5.5	- 0.8	- 4.7
<b>Annual average % change</b>						
2004-2013	11.3	7.4	3.6	12.0	6.2	5.5

### 4.3. Services

The trade deficit in services amounted to US\$ 1.80 billion, US\$ 619 million lower than in 2012. Revenues increased by US\$ 899 million (18.3 percent) relative to the previous year, with higher revenues for travel, transport, and insurance and reinsurance services. On the other hand, outflows amounted to US\$ 7.62 billion, up by US\$ 280 million (3.8 percent) due to higher expenditure in travel abroad, passenger services, payments of premiums overseas, and communications.

The transport deficit totaled US\$ 1.37 billion, US\$ 261 million lower than in 2012. Revenue increased by US\$ 301 million (24.7 percent) as a result of domestic airlines' higher sales of tickets overseas (45.3 percent) and to a lesser extent by higher income from foreign ships in the country. Expenses increased by US\$ 41 million due to the increase in foreign airlines' sale of international travel tickets in the country (1.3 percent), in part offset by the lower expenses of national airlines abroad (4.1 percent) and by lower freight payments (0.3 percent).

**TABLE 34**  
**SERVICES**

	Million US\$			% change	
	2011	2012	2013	2012	2013
<b>I. TRANSPORTATION</b>	<b>- 1,531</b>	<b>- 1,628</b>	<b>- 1,367</b>	<b>6.3</b>	<b>- 16.0</b>
1. Credit	994	1,223	1,524	23.1	24.7
2. Debit	- 2,524	- 2 850	- 2 891	12.9	1.4
<b>II. TRAVEL</b>	<b>906</b>	<b>- 1,004</b>	<b>- 1,408</b>	<b>10.8</b>	<b>40.3</b>
1. Credit	2,262	2,443	3,009	8.0	23.2
2. Debit	- 1,356	- 1,439	- 1,601	6.1	11.2
<b>III. COMMUNICATIONS</b>	<b>- 47</b>	<b>- 74</b>	<b>- 146</b>	<b>59.0</b>	<b>96.5</b>
1. Credit	132	147	131	11.5	- 10.5
2. Debit	- 179	- 221	- 278	23.9	25.5
<b>IV. INSURANCE AND REINSURANCE</b>	<b>- 359</b>	<b>- 366</b>	<b>- 404</b>	<b>2.2</b>	<b>10.2</b>
1. Credit	230	361	400	57.2	10.6
2. Debit	- 588	- 728	- 803	23.7	10.4
<b>V. OTHERS 1/</b>	<b>- 1,214</b>	<b>- 1,355</b>	<b>- 1,293</b>	<b>11.6</b>	<b>- 4.6</b>
1. Credit	646	742	749	14.7	1.0
2. Debit	- 1,861	- 2,097	- 2,042	12.7	- 2.6
<b>VI. TOTAL SERVICES</b>	<b>- 2,244</b>	<b>- 2,420</b>	<b>- 1,801</b>	<b>7.8</b>	<b>- 25.6</b>
1. Credit	4,264	4,915	5,814	15.3	18.3
2. Debit	- 6,508	- 7,335	- 7,615	12.7	3.8

1/ Includes government, financial, and information technology services, royalties, leasing of equipment, and business services.  
Source: BCRP, SUNAT, SBS, Mincetur, PROMPERÚ, Ministry of Trade Affairs and businesses.

**TABLE 35**  
**OTHER SERVICES**

	Million US\$			% change	
	2011	2012	2013	2012	2013
<b>Balance of Other Services</b>	<b>- 1,214</b>	<b>- 1,355</b>	<b>- 1,293</b>	<b>11.6</b>	<b>- 4.6</b>
<b>Revenue</b>	<b>646</b>	<b>742</b>	<b>749</b>	<b>14.7</b>	<b>1.0</b>
Government Services	143	146	149	1.8	2.2
Others services	503	596	601	18.4	0.8
Other Business Services 1/	399	479	482	20.2	0.6
Financial Services	67	59	68	- 11.7	14.4
Computer and Information Services	26	36	33	36.8	- 7.2
Personal, Cultural, and Recreational Services	5	10	9	89.4	- 14.3
Royalties and License Rights	5	12	8	114.5	- 26.3
<b>Expenditures</b>	<b>1,861</b>	<b>2,097</b>	<b>2,042</b>	<b>12.7</b>	<b>- 2.6</b>
Government Services	153	157	161	2.5	2.8
Other services	1,708	1,940	1,881	13.6	- 3.1
Other Business Services 1/	1,108	1,378	1,339	24.4	- 2.9
Computer and Information Services	196	180	201	- 8.3	11.5
Royalties and License Rights	216	229	210	6.3	- 8.6
Financial Services	52	86	101	64.6	17.8
Construction Services	115	42	9	- 63.3	- 78.1
Personal Services, Cultural and Recreational	21	24	21	13.6	- 11.2

1/ Includes mainly sale-purchase services, commissions, leasing of ships and unmanned aircraft and business, professional and various (legal, accounting, management consulting and public relations; advertising, research of public opinion polls markets; research and development and engineering, among others).

Source: Ministry of Trade Affairs and businesses.



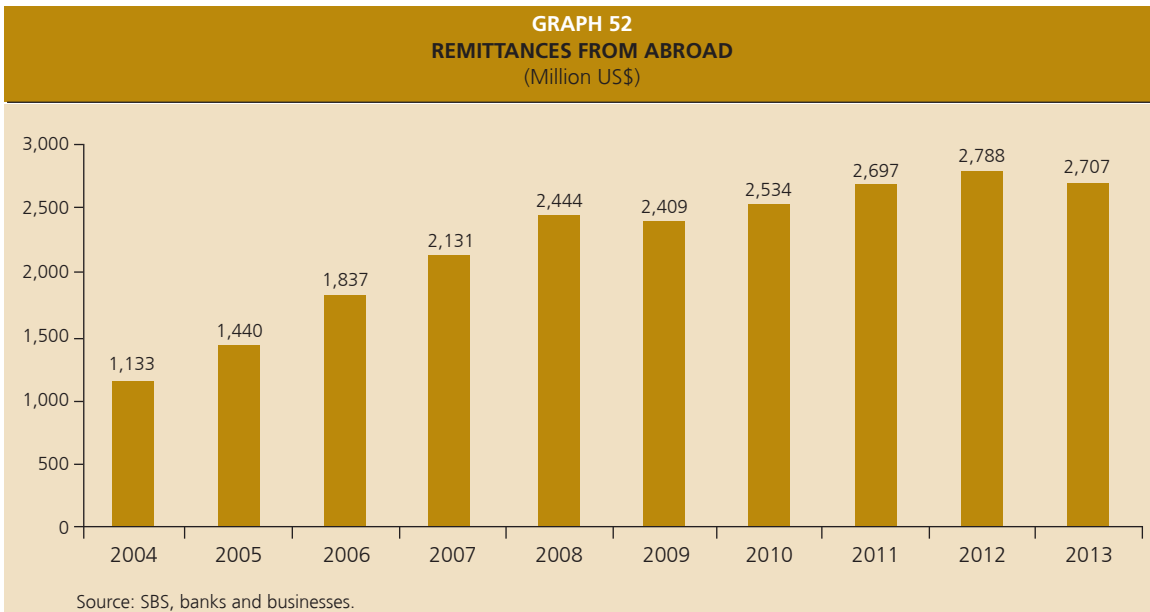
The travel surplus amounted to US\$ 1.41 billion. Revenue grew 23.2 percent due to an increase in the number of visitors who came to the country (10.1 percent), mainly through International Airport Jorge Chavez (13.3 percent), and to the higher average spending of visitors (11.9 percent). Expenses rose 11.2 percent due mainly to the higher average spending (7.2 percent) and the larger number of Peruvians who visited other countries (4.0 percent).

The heading other services showed a deficit of US\$ 1,29 billion. Revenues increased by 1.0 percent, mainly as a result of other business services and financial services. On the other hand, expenses declined by US\$ 55 million (-2.6 percent) due to the lower payments made for other business services.

#### 4.4. Current Transfers

Current transfers, whose most important component is remittances from Peruvians residing abroad (81 percent), totaled US\$ 3.35 billion in 2013. Remittances in the year were 2.9 percent lower than in 2012 and amounted to US\$ 2.71 billion.

This decline of remittances reflects the impacts of the international crisis and the slow recovery of the Eurozone. Thus, in 2013, the United States and Spain accounted for 46.1 percent of total remittances to the country, whereas in 2012 these countries accounted for 47.9 percent of total remittances. This generated a reduction of 0.1 percentage points in the share of remittances in GDP terms to 1.3 percent of GDP, a lower ratio than in 2012 which is also the lowest ratio recorded in the last ten years.



**TABLE 36**  
**REMITTANCES FROM ABROAD**

Year	Million US\$	% change	% GDP
2004	1,133	30.4	1.7
2005	1,440	27.1	1.9
2006	1,837	27.6	2.1
2007	2,131	16.0	2.1
2008	2,444	14.7	2.0
2009	2,409	- 1.4	2.0
2010	2,534	5.2	1.7
2011	2,697	6.4	1.6
2012	2,788	3.4	1.4
2013	2,707	- 2.9	1.3

Source: SBS, banks and businesses.

Like in 2012, USA continued to be the major country of origin of remittances even though remittances from this country declined by 1.8 percent. A similar situation was observed in the case of Spain, where still weak economic activity and high levels of unemployment continue to affect the Peruvians living there. Although remittances from Spain decreased 18 percent in 2013, this country is still the second source of these transfers.

Remittances from Japan also reduced their share in terms of total remittances. These fund transfers fell from representing 9.3 percent of total remittances in 2012 to 8.4 percent in 2013, this significant decline being explained by a drop in remittances of 11.8 percent after having grown 4.2 percent in 2012.

A similar situation was observed in South America, whose share in terms of total remittances decreased slightly after having shown a rising trend for eight consecutive years. Thus, the region's share fell from 16.5 percent in 2012 to 16.4 percent in 2013 as a result of a reduction of 3.9 percent in these fund transfers. However, within the region, Chile, which has a significantly large Peruvian colony and accounted for 7.0 percent of total remittances in 2012, increased its share in total remittances to 8.5 percent in 2013.

**TABLE 37**  
**REMITTANCES BY COUNTRIES**  
(% share)

	2011	2012	2013
United States	33.5	34.0	34.4
Spain	15.9	13.9	11.8
Japan	9.2	9.3	8.4
Italy	8.2	7.6	7.7
Chile	6.0	7.0	8.5
Argentina	5.5	5.8	4.7
Other countries <sup>1/</sup>	21.7	22.5	24.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

<sup>1/</sup> Includes estimated remittances not classified by country (informal channels).

Source: SBS, banks and businesses.





Banks, which intermediated 43.6 percent of total remittances, continued to be the main source used to transfer these funds even though their share declined by nearly 3 points. On the other hand, money transfer companies (ETFs) and other media registered a share of 44.4 percent in the intermediation of these funds.

<b>TABLE 38</b>			
<b>REMITTANCES FROM ABROAD BY SOURCE</b>			
<b>(% share)</b>			
	<b>2011</b>	<b>2012</b>	<b>2013</b>
Banks	47.2	46.4	43.6
FTCs - Other channels 1/	40.6	41.6	44.4
Informal channels	12.2	12.0	12.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
1/ Fund transfer companies (FTCs) and other means. Source: SBS, banks, and businesses.			

The average remittance amount was US\$ 303 per transfer, slightly higher than in 2012. The average remittances that increased the most were the ones transferred from Chile (3.8 percent), the United States (3.3 percent), and Italy (1.1 percent). As regards the number of transfers made, a strong decline was observed in transactions from Argentina (-21 percent) and Spain (-13.4 percent).

<b>TABLE 39</b>			
<b>AVERAGE REMITTANCES BY COUNTRIES 1/</b>			
<b>(Average per delivery in US\$)</b>			
<b>Countries</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
United States	241	255	263
Spain	364	395	375
Japan	624	610	560
Italy	314	314	318
Chile	205	224	232
Argentina	195	227	226
Other countries 1/	357	388	387
<b>Average remittance</b>	<b>285</b>	<b>302</b>	<b>303</b>
1/ Excludes estimated remittances not classified by country (informal channels). Source: SBS, banks, and businesses.			

<b>TABLE 40</b>			
<b>NUMBER OF REMITTANCES BY COUNTRIES 1/</b>			
<b>(Thousand)</b>			
<b>Countries</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
United States	3,746	3,716	3,532
Spain	1,181	983	851
Japan	396	423	407
Italy	704	673	653
Chile	786	870	996
Argentina	760	711	562
Other countries	719	752	862
<b>Total</b>	<b>8,292</b>	<b>8,129</b>	<b>7,863</b>
1/ Excludes estimated remittances not classified by country (informal channels). Source: SBS, banks, and businesses.			

#### 4.5. Factor Income

Factor income showed a deficit of US\$ 10.63 billion, a balance lower by US\$ 1.77 billion than the one recorded the previous year due mainly to lower outflows for profits in the mining and hydrocarbons sectors. On the other hand, the private sector income, consisting of interests on deposits and the yields of financial and non-financial investments, amounted to US\$ 460 million.

The public sector deficit amounted to US\$ 858 million, a figure US\$ 129 million higher than the one recorded the previous year due to the higher outflows for interests on bonds of the external public debt.

<b>TABLE 41 FACTOR INCOME</b>					
	Million US\$			% change	
	2011	2012	2013	2012	2013
<b>I. REVENUE</b>	<b>1,111</b>	<b>1,152</b>	<b>1,222</b>	<b>3.7</b>	6.1
1. Private	339	409	460	20.6	12.3
2. Public	772	742	762	- 3.8	2.7
<b>II. EXPENDITURE</b>	<b>14,468</b>	<b>13,551</b>	<b>11,853</b>	<b>- 6.3</b>	<b>- 12.5</b>
1. Private	13,160	12,080	10,232	- 8.2	- 15.3
Profits 1/	12,511	11,402	9,301	- 8.9	- 18.4
Interests	649	677	932	4.3	37.6
- Long-term loans	458	421	445	- 8.0	5.6
- Bonds	54	140	368	161.1	163.2
- Short-term loans 2/	137	116	119	- 15.7	2.4
2. Government	1,309	1,472	1,621	12.5	10.2
Interests on long-term loans	289	286	421	- 1.1	47.2
Interests on bonds	1,019	1,185	1,199	16.3	1.2
Interests on BCRP securities 3/	0	0	0	- 88.5	- 25.3
<b>III. BALANCE (I-II)</b>	<b>- 13,357</b>	<b>- 12,399</b>	<b>- 10,631</b>	<b>- 7.2</b>	<b>- 14.3</b>
1. Private	- 12,821	- 11,670	- 9,773	- 9.0	- 16.3
2. Public	- 537	- 729	- 858	35.9	17.7

1/ Profits or losses accrued in the period. Includes profits and dividends sent abroad plus undistributed profits.  
2/ Includes interests of non-financial public enterprises.  
3/ Includes interests of short-term and long-term loans.  
Source: BCRP, MEF, Cofide, ONP and businesses.

#### 4.6. Financial Account

In 2013 the private sector financial account registered a balance of US\$ 14.88 billion, a balance US\$ 911 million lower than in 2012 due mainly to lower foreign direct investment (FDI) in the country. The decline in FDI is associated with lower profit generation and with lower profit reinvestment in the sectors of mining and hydrocarbons.

The flow of liabilities in 2013 amounted to US\$ 16.17 billion, FDI accounting for 57 percent of this total (of which 60 percent was contributions and loans from parent companies and 40 percent was withheld profits, mainly in the form of reinvested profits). FDI, which accumulated a flow of US\$ 9.30 billion, concentrated mainly in the sectors of mining (US\$ 4.56 billion) and non-financial services (US\$ 2.51 billion), accounted for 76 percent of the total flow.



**TABLE 42**  
**PRIVATE SECTOR FINANCIAL ACCOUNT**  
(Million US\$)

	2011	2012	2013
<b>1. ASSETS</b>	<b>- 1,597</b>	<b>- 2,408</b>	<b>- 1,291</b>
<b>2. LIABILITIES</b>	<b>10,868</b>	<b>18,200</b>	<b>16,173</b>
Foreign direct investment	7,665	11,918	9,298
Non-financial sector	1,396	3,410	5,582
Long-term loans	1,176	1,944	1,211
Portfolio investment	220	1,467	4,371
Financial sector	1,807	2,872	1,293
Long-term loans	1,810	2,092	- 212
Portfolio investment	- 2	780	1,505
<b>3. NET FLOW</b>	<b>9,271</b>	<b>15,792</b>	<b>14,881</b>
% GDP	5.4	8.2	7.4

Source: BCRP, Cavali S.A. ICLV, Proinversion, and businesses.

**TABLE 43**  
**FOREIGN DIRECT INVESTMENT IN COUNTRY**  
**BY DESTINATION SECTOR \***  
(Million US\$)

	2011	2012	2013
Hydrocarbons	586	1,228	844
Mining	4,861	7,112	4,555
Financial sector	889	1,420	915
Non-financial services	815	1,037	2,505
Manufacturing	1	422	65
Energy and others	513	698	414
<b>TOTAL</b>	<b>7,665</b>	<b>11,918</b>	<b>9,298</b>

(\* ) Includes contributes and other net capital operations, net loans abroad and reinvestment (current profits).  
Source: Businesses.

On the other hand, the balance of net loans from abroad, which totaled US\$ 998 million, declined significantly compared to the previous year. Nonetheless, this decline was offset by bond placements in foreign markets for a total of US\$ 6.39 billion, the highest amount of bonds placed by private companies ever registered (this placement of securities was even higher than the record level registered in 2012). This figure is included in the portfolio investment account under other liabilities.

This placement of securities allowed the private sector to extend the term of its debt. Moreover, in the banking sector, this effect was reinforced by the decrease of short-term international liabilities (debt replacement). Banks' reduction of their international liabilities was also associated with excess liquidity in dollars in the domestic market, which reflected in the reduction of interest rates in dollars and in the substitution of external funding for greater domestic funding in foreign currency. As regards interest rates on bonds, bonds issued by a local company were placed during the year in the international market at historically low rates due to the high demand for these securities.

**TABLE 44**  
**BONDS ISSUED BY FIRMS IN THE EXTERNAL MARKET 2011 - 2013\***

Date	Business	Amount (Millions US\$)	Maturity (Years)	Yields
<b>I. Total Year 2011</b>		<b>1,855</b>		
<b>a. Financial Sector</b>		<b>1,535</b>		
March 16	BCP (Suc. Panamá)	700	5	4.750%
September 16	BCP (Suc. Panamá) - Bonos subordinados - Híbrido	350	15	
November 7	Patrimonio fideicometido Interproperties (IFH)	185	12	8.750%
November 14	Intercorp Retail Trust - IFH (Panamá)	300	7	8.875%
<b>b. Non-financial sector</b>		<b>320</b>		
November 25	Lindley	320	10	6.750%
<b>II. Total Year 2012</b>		<b>3,825</b>		
<b>a. Financial sector</b>		<b>2,465</b>		
January 27	Cofide	400	10	4.950%
April 19	BCP (Suc. Panamá) - Bonos subordinados - Híbrido	350	15	
July 6	BCP - Titulización de Remesas del Exterior	465	10	5.370%
August 23	BBVA	500	10	5.000%
September 21	Interbank	250	8	4.800%
November 26	Cofide	100	10	3.320%
December 6	Scotiabank Perú SAA	400	15	
<b>b. Non-financial sector</b>		<b>1,360</b>		
January 26	Volcan	600	10	5.375%
February 2	Camposol	125	5	9.875%
April 12	Terminales Portuarios Euroandinos - Paita	110	25	8.125%
July 26	Coazúcar (Grupo Gloria)	325	10	6.375%
September 21	Maestro Perú	200	7	6.750%
<b>III. Total Year 2013</b>		<b>6,389</b>		
<b>a. Financial Sector</b>		<b>2,236</b>		
January 22	BBVA Banco Continental	300	3,5	2.314%
January 24	Fondo MiVivienda	500	10	3.500%
April 1	Banco de Crédito	716	10	4.250%
April 5	Banco de Crédito	170	14	6.125%
April 8	BBVA Banco Continental	500	5	3.250%
December 13	Interbank	50	10	7.500%
<b>b. Non-financial sector</b>		<b>4,153</b>		
January 10	Copeinca	75	5	9.000%
January 25	Exalmar	200	7	7.380%
January 10	Cementos Pacasmayo	300	10	4.630%
March 15	Alicorp	450	10	3.880%
March 21	Gas Natural de Lima y Callao - Cálida	320	10	4.380%
March 21	Compañía Minera Milpo	350	10	4.630%
April 9	Corporación Lindley	260	10	4.630%
April 19	Ferreycorp	300	7	4.880%
April 23	Transportadora de Gas del Perú	850	15	4.250%
April 30	Consorcio Transmataro	450	10	4.380%
September 9	Inkia Energy	150	8	8.375%
November 6	San Miguel Industrias	200	7	7.750%
November 7	Andino Investment Holding	115	7	11.000%
December 5	Planta de Reserva Fria de Generación de Eten	133	20	7.650%

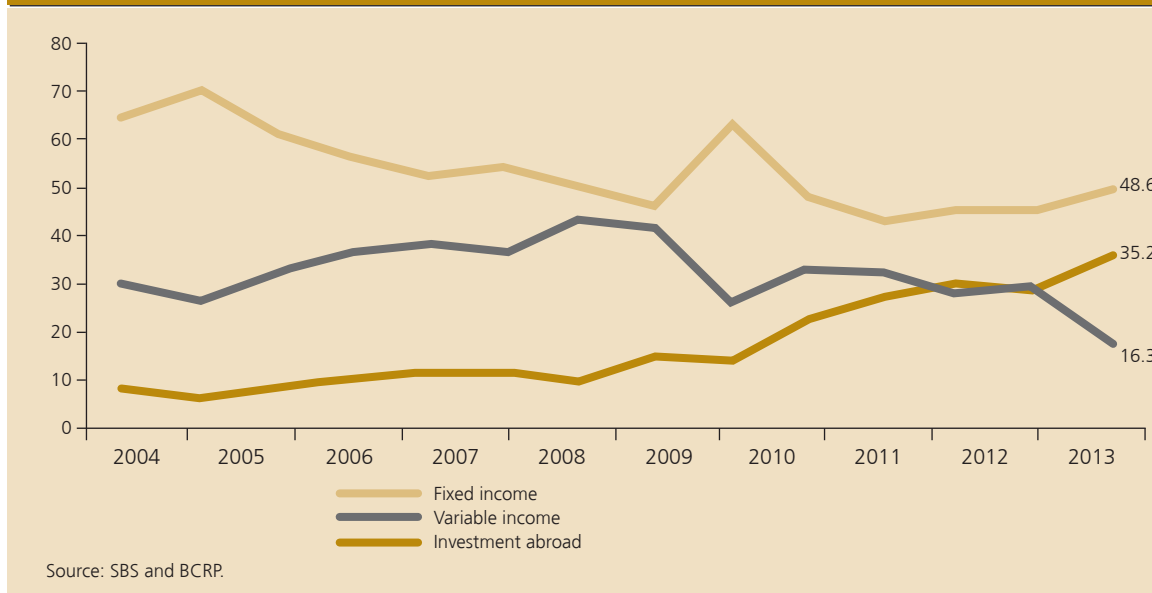
Fuente: Bloomberg.

As for investment in securities issued by non-residents which represent at the same time external assets of the local economy, this investment increased by US\$ 1.29 billion, US\$ 1.18 billion less than in the previous year. This is explained the lower amount of external assets purchased by private pension funds (AFPs), mutual funds, and insurance companies.

The limit for AFPs' investment abroad at December 2013 was 36.5 percent. It is worth pointing out that the extension of this limit by one percentage point is equal to US\$ 365 million.



**GRAPH 53**  
**AFP: INVESTMENT**  
(%)



## Public Sector Financial Account

Contrasting with the positive flow of US\$ 1.45 billion recorded in 2012, in 2013 the financial account of the public sector showed a negative balance of US\$ 1.35 billion. This difference is explained mainly by non-residents' lower acquisition of sovereign bonds and by the greater amortization made in 2013 associated mainly with the prepayment of external public debt to IBRD and the IADB (US\$ 1.62 billion).

**TABLE 45**  
**PUBLIC SECTOR FINANCIAL ACCOUNT 1/**

	Million US\$			% change	
	2011	2012	2013	2012	2013
<b>I. DISBURSEMENTS</b>	<b>990</b>	<b>1,448</b>	<b>1,277</b>	<b>458</b>	<b>- 171</b>
Investment projects	679	333	652	- 346	319
Central government	616	317	195	- 299	- 122
Public enterprises	63	16	457	- 46	441
Financial	0	0	430	0	430
Non-financial	63	16	27	- 46	11
Free disposable loans	311	115	125	- 196	10
Global bonds 2/	0	1,000	500	1,000	- 500
<b>II. AMORTIZATION</b>	<b>- 868</b>	<b>- 1,215</b>	<b>- 2,618</b>	<b>- 347</b>	<b>- 1,404</b>
<b>III. NET EXTERNAL ASSETS</b>	<b>- 273</b>	<b>- 457</b>	<b>113</b>	<b>- 184</b>	<b>570</b>
<b>IV. OTHER OPERATION WITH DEBT SECURITIES (a-b)</b>	<b>813</b>	<b>1,671</b>	<b>- 122</b>	<b>859</b>	<b>- 1,793</b>
a. Sovereign bonds purchased by non residents	360	1,797	219	1,437	- 1,578
b. Global bonds purchased by residents	- 452	126	341	579	215
<b>V. TOTAL</b>	<b>662</b>	<b>1,447</b>	<b>- 1,350</b>	<b>786</b>	<b>- 2,797</b>

1/ Medium- and long-term accounts; excludes loans to BCRP to support the balance of payments.

2/ Bonds are classified according to the market where they are issued. Includes US\$ 500 millions issued by Cofide.

Source: BCRP, MEF, Cofide, and FCR.

## Short-Term Capital Flows

The net flow of short-term capital went from a capital inflow of US\$ 2.57 billion in 2012 to an outflow of US\$ 2.13 billion in 2013, strongly concentrated in the banking sector and associated with the greater dynamism of placements of long-term external bonds (variation in the structure of banks' external liabilities by maturity terms). This capital inflow resulted in a balance equivalent to 3.2 percent of GDP, of which 1 percentage point was debt of the financial sector.

<b>TABLE 46</b>			
<b>SHORT-TERM CAPITAL FINANCIAL ACCOUNT</b>			
(Million US\$)			
	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>1. BANKS</b>	<b>- 912</b>	<b>2,123</b>	<b>- 2,329</b>
Assets 1/	- 180	- 24	- 360
Liabilities 2/	- 732	2,147	- 1,969
<b>2. BCRP 3/</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>3. BANCO DE LA NACION</b>	<b>- 4</b>	<b>- 51</b>	<b>66</b>
Assets 1/	- 4	- 51	66
Liabilities 2/	0	0	0
<b>4. NON-BANK FINANCIAL</b>	<b>9</b>	<b>50</b>	<b>- 53</b>
Assets 1/	2	- 16	- 46
Liabilities 2/	7	67	- 7
<b>5. NON-FINANCIAL SECTOR 4/</b>	<b>- 310</b>	<b>450</b>	<b>192</b>
Assets 1/	- 1,077	92	696
Liabilities 2/	767	358	- 505
<b>6. TOTAL SHORT-TERM CAPITAL</b>	<b>- 1,217</b>	<b>2,572</b>	<b>- 2,125</b>
Assets 1/	- 1,258	0	356
Liabilities 2/	42	2,572	- 2,481

1/ The negative sign indicates an increase of assets.  
2/ A positive sign indicates an increase of liabilities  
3/ Obligations in national currency to non residents for Certificates of Deposit issued by the Central Bank.  
4/ Net flow of assets with other countries. The negative sign indicates an increase in net assets.  
Source: BCRP, Bank for International Settlements (BIS) and businesses.

## International Investment Position

The international assets at December 2013 amounted to US\$ 102.09 billion, a figure 1.9 percent higher than at end 2012. The BCRP international reserves, which increased by US\$ 1.66 billion, are equivalent to 32.5 percent of GDP. This amount covers 5.0 times short term external liabilities (including the amortization of medium and long term loans to one year) and 93 percent of private banks' total obligations. Moreover, this high level of reserves reflects the soundness of the Peruvian economy.

On the side of liabilities, the increase in the balance of FDI stands out. This increase results from the contribution, loans, and withheld profit of foreign companies in Peru and to a lesser extent, by the higher balance of medium- and long-term public and private debt.



**TABLE 47**  
**NET INTERNATIONAL INVESTMENT POSITION**  
(End of period levels)

	Million US\$			% GDP	
	2011	2012	2013	2012	2013
<b>I. ASSETS</b>	<b>79,984</b>	<b>100,222</b>	<b>102,092</b>	<b>52.0</b>	<b>50.5</b>
1. BCRP reserve assets	48,859	64,049	65,710	33.2	32.5
2. Assets of financial sector (excluding BCRP)	18,757	22,823	23,778	11.8	11.8
3. Others assets	12,368	13,350	12,604	6.9	6.2
<b>II. LIABILITIES</b>	<b>120,571</b>	<b>146,084</b>	<b>154,701</b>	<b>75.7</b>	<b>76.5</b>
<b>1. Bonds and total private and public external debt 1/</b>	<b>48,090</b>	<b>59,376</b>	<b>60,823</b>	<b>30.8</b>	<b>30.1</b>
a. Medium and long term debt	41,736	50,435	54,373	26.1	26.9
Private sector 2/	17,504	23,982	30,341	12.4	15.0
Public sector (i - ii + iii) 3/	24,232	26,452	24,032	13.7	11.9
i. External public debt	20,204	20,402	18,778	10.6	9.3
ii. Public debt issued abroad purchased by residents	831	957	1,298	0.5	0.6
iii. Public debt issued locally purchased by non-residents	4,859	7,008	6,552	3.6	3.2
b. Short-term debt	6,354	8,941	6,450	4.6	3.2
Financial sector (excluding BCRP)	1,789	4,003	2,026	2.1	1.0
BCRP	43	57	47	0.0	0.0
Others 4/	4,523	4,881	4,376	2.5	2.2
<b>2. Direct investment</b>	<b>50,641</b>	<b>62,559</b>	<b>71,857</b>	<b>32.4</b>	<b>35.5</b>
<b>3. Capital participation</b>	<b>21,840</b>	<b>24,149</b>	<b>22,021</b>	<b>12.5</b>	<b>10.9</b>

1/ External public debt includes the debt of the Central Government and public enterprises.

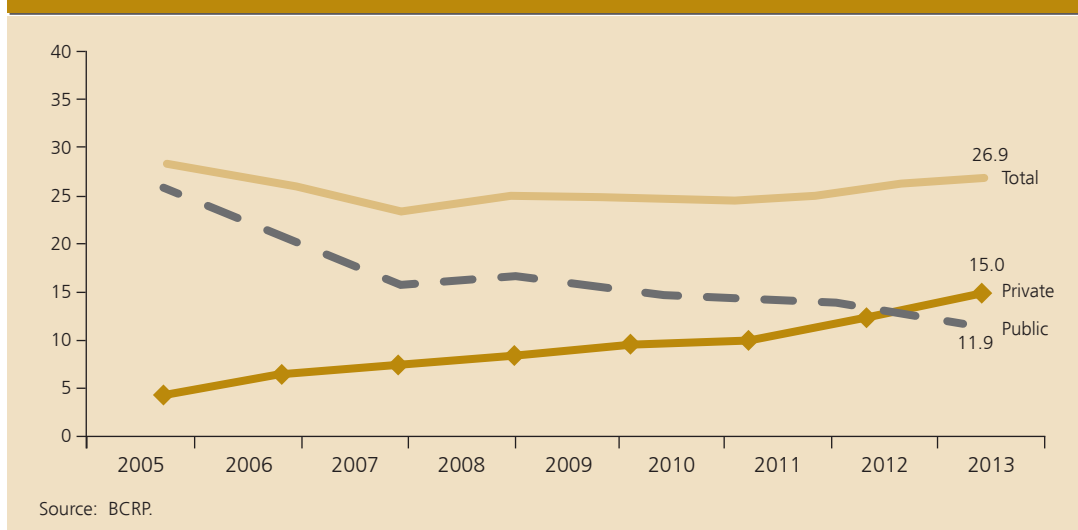
2/ Includes bonds.

3/ Government bonds issued abroad and in the hands of residents are excluded from foreign liabilities of the public sector. Government bonds issued locally, in the hands of non-residents, are included foreign liabilities of this sector.

4/ Includes mainly short-term debt of the non-financial private sector.

Source: BCRP, MEF, Cavali SA ICLV, Proinversión, and BIS.

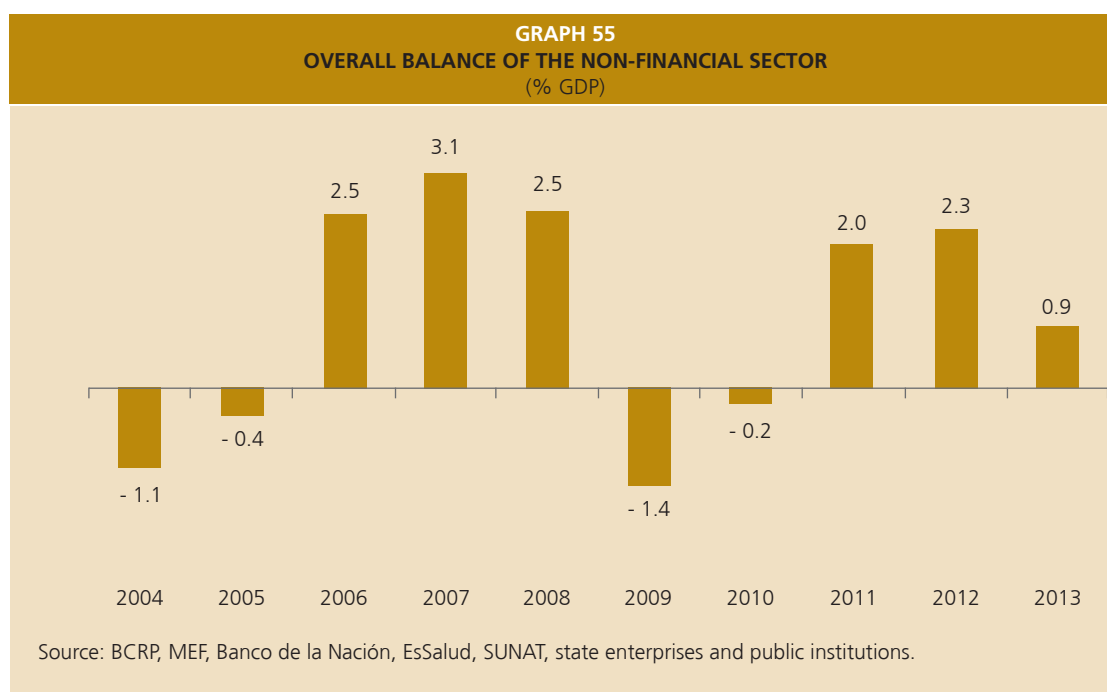
**GRAPH 54**  
**MEDIUM AND LONG-TERM EXTERNAL DEBT**  
(% GDP)





## Public Finances

In 2013, the non-financial public sector recorded an economic surplus of 0.9 percent of GDP, a lower balance than in 2012 (2.3 percent of GDP). Isolating from the economic balance the effects of the economic cycle as well as fluctuations in the prices of mining and hydrocarbons exports, we obtain the structural economic balance, which was negative by 0.3 percent of GDP in 2013. This balance is consistent with a countercyclical fiscal position with a fiscal stimulus of around 0.5 percent of GDP, in a context in which the prices of mineral exports dropped significantly relative to the previous year and the non-financial expenditure of the general government reached an all-time high in the last thirty-five years (20.5 percent of GDP).





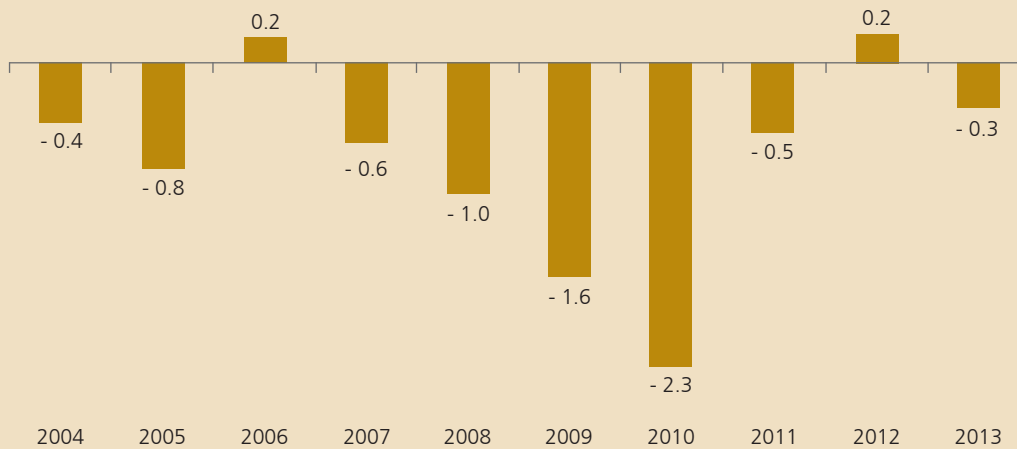


**TABLE 48**  
**OVERALL BALANCE OF THE NON-FINANCIAL PUBLIC SECTOR**

	Million nuevos soles			% GDP		
	2011	2012	2013	2011	2012	2013
<b>I. PRIMARY BALANCE</b>	<b>15,149</b>	<b>17,024</b>	<b>10,922</b>	<b>3.2</b>	<b>3.3</b>	<b>2.0</b>
<b>1. Of the General Government</b>	<b>14,902</b>	<b>15,895</b>	<b>10,051</b>	<b>3.2</b>	<b>3.1</b>	<b>1.8</b>
a. Current revenue	102,134	113,528	121,065	21.7	22.3	22.1
i. Tax revenue	77,261	86,097	91,698	16.4	16.9	16.8
ii. Non-tax revenue	24,873	27,431	29,367	5.3	5.4	5.4
b. Non-financial expenditure	87,542	97,899	111,914	18.6	19.3	20.5
i. Current	63,191	68,948	78,398	13.4	13.6	14.3
ii. Capital	24,350	28,951	33,515	5.2	5.7	6.1
c. Capital revenue	310	267	901	0.1	0.1	0.2
<b>2. Of Public Enterprises</b>	<b>247</b>	<b>1,129</b>	<b>870</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>
<b>II. INTERESTS</b>	<b>5,541</b>	<b>5,568</b>	<b>6,090</b>	<b>1.2</b>	<b>1.1</b>	<b>1.1</b>
1. External debt	2,655	2,755	3,065	0.6	0.5	0.6
2. Domestic debt	2,886	2,813	3,025	0.6	0.6	0.6
<b>III. OVERALL BALANCE (I-II)</b>	<b>9,608</b>	<b>11,456</b>	<b>4,832</b>	<b>2.0</b>	<b>2.3</b>	<b>0.9</b>
1. Net external financing	748	- 1,388	- 4,388	0.2	- 0.3	- 0.8
(Million US\$)	\$ 277	- \$ 531	- \$ 1,689	0.2	- 0.3	- 0.8
a. Disbursements	\$ 990	\$ 948	\$ 348	0.6	0.5	0.2
b. Amortization	\$ 831	\$ 1,175	\$ 2,367	0.5	0.6	1.1
c. Others	\$ 118	- \$ 304	\$ 330	0.1	- 0.2	0.2
2. Net domestic financing	- 10,491	- 10,094	- 1,182	- 2.2	- 2.0	- 0.2
3. Privatization	135	26	737	0.0	0.0	0.1

Source: MEF, Banco de la Nación, BCRP, SUNAT, EsSalud, state enterprises and public institutions.

**GRAPH 56**  
**STRUCTURAL OVERALL BALANCE OF THE NON-FINANCIAL PUBLIC SECTOR**  
(% GDP)



Source: BCRP.

In 2013 the fiscal surplus was lower than the resources required for the amortization of the public debt (S/. 7.86 billion). This gap was covered with external disbursements, with the placement of sovereign bonds, and with privatization revenues. The public sector continued to accumulate assets in the form of deposits.

**TABLE 49**  
**FINANCING OF THE NON-FINANCIAL PUBLIC SECTOR**

	Million nuevos soles			% GDP		
	2011	2012	2013	2011	2012	2013
<b>1. Overall balance</b>	<b>9,608</b>	<b>11,456</b>	<b>4,832</b>	<b>2.0</b>	<b>2.3</b>	<b>0.9</b>
<b>2. Amortization</b>	<b>3,634</b>	<b>4,342</b>	<b>7,859</b>	<b>0.8</b>	<b>0.9</b>	<b>1.4</b>
Redemption of recognition bonds	530	509	448	0.1	0.1	0.1
Domestic debt	813	729	1,188	0.2	0.1	0.2
External debt 1/	2,291	3,105	6,223	0.5	0.6	1.1
<b>3. Financial requirements</b>	<b>- 5,974</b>	<b>- 7,114</b>	<b>3,028</b>	<b>- 1.3</b>	<b>- 1.4</b>	<b>0.6</b>
External disbursements	2,717	2,520	954	0.6	0.5	0.2
Freely disposable funds	851	1,644	348	0.2	0.3	0.1
Investment projects	1,866	875	606	0.4	0.2	0.1
Domestic bonds 1/	1,221	2,940	4,025	0.3	0.6	0.7
Privatization	135	26	737	0.0	0.0	0.1
Others	- 10,047	- 12,599	- 2,689	- 2.1	- 2.5	- 0.5

1/ Amounts in 2013 include operations of managing of approved debt by D. S. N° 037-2013-EF.  
Source: MEF, Banco de la Nación, BCRP, SUNAT, EsSalud, state enterprises, and public institutions.

## 1. Revenue of the General Government

In 2013 the current revenue of the general government amounted to 22.1 percent of GDP, a figure 0.2 percentage points of GDP lower than in the previous year. However, in real terms, the current revenues of the general government show a growth rate of 3.7 percent. Tax revenues, excluding the taxes from the mining sector, grew 8.9 percent.

As a percentage of GDP, the central government tax collection was 16.3 percent, while the fiscal revenues of the central government reached 18.9 percent.

**TABLE 50**  
**FISCAL REVENUE RATIOS**  
(% GDP)

	2011	2012	2013
Central government tax burden	16.1	16.5	16.3
Central government fiscal burden 1/	18.8	19.1	18.9
Fiscal burden of the general government 2/	21.7	22.3	22.1

1/ The difference respect to tax burden is the inclusion of non-tax revenues.

2/ The difference between central and general government due to local governments and other institutions as EsSalud, ONP, and regulatory agencies of general government.

Source: MEF, Banco de la Nación, BCRP, SUNAT, EsSalud, ONP, charity societies, regulatory agencies and registry offices.

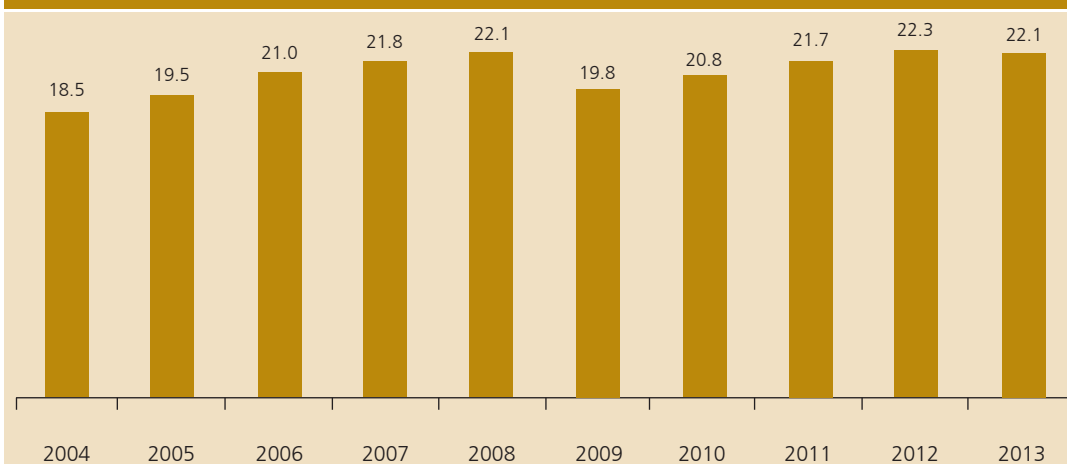


**TABLE 51  
GENERAL GOVERNMENT REVENUES**

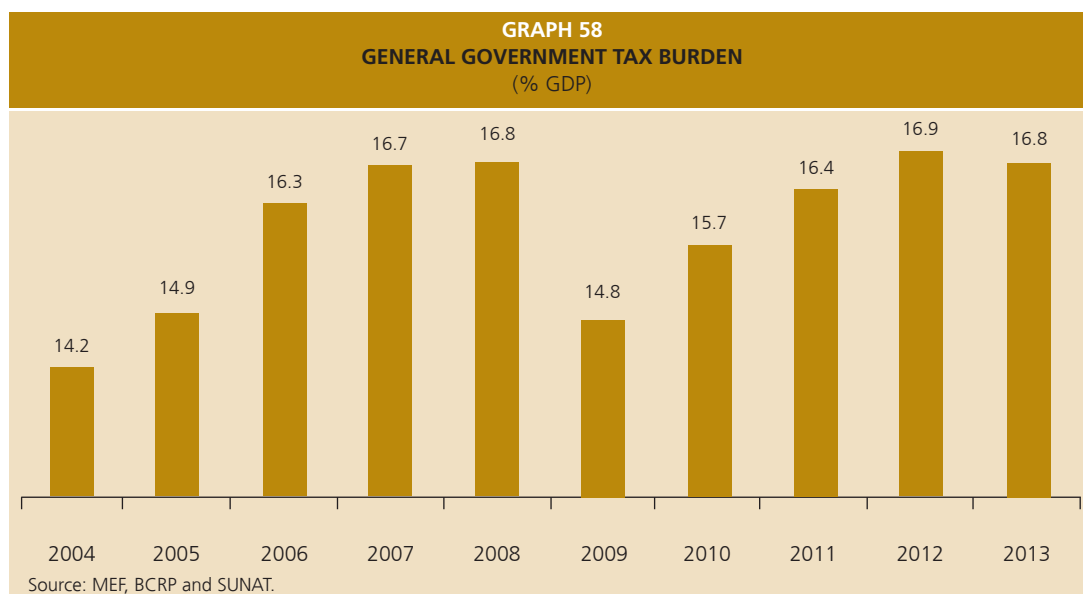
	Million nuevos soles			Real % change		% GDP		
	2011	2012	2013	2011	2012	2011	2012	2013
<b>I. TAX REVENUE</b>	<b>77,261</b>	<b>86,097</b>	<b>91,698</b>	<b>7.5</b>	<b>3.6</b>	<b>16.4</b>	<b>16.9</b>	<b>16.8</b>
1. Income tax	33,628	37,278	36,512	6.9	- 4.7	7.2	7.3	6.7
- Individuals	7,931	9,070	10,149	10.3	8.9	1.7	1.8	1.9
- Legal entities	21,432	23,429	22,914	5.5	- 4.9	4.6	4.6	4.2
- Tax regularization	4,265	4,779	3,450	7.7	- 29.7	0.9	0.9	0.6
2. Import duties	1,380	1,526	1,706	6.7	8.7	0.3	0.3	0.3
3. Value-added tax (VAT)	40,424	44,042	47,819	5.1	5.6	8.6	8.7	8.7
- Domestic VAT	22,029	24,543	27,164	7.5	7.6	4.7	4.8	5.0
- VAT on imports	18,395	19,499	20,655	2.3	3.0	3.9	3.8	3.8
4. Excise tax	4,718	4,918	5,480	0.5	8.4	1.0	1.0	1.0
- Fuels	2,231	2,149	2,501	- 7.2	13.3	0.5	0.4	0.5
- Others	2,487	2,769	2,979	7.4	4.6	0.5	0.5	0.5
5. Other income tax	6,818	8,920	11,444	26.2	24.7	1.5	1.8	2.1
- National government	5,098	6,902	9,069	30.7	27.7	1.1	1.4	1.7
- Local government	1,720	2,018	2,375	13.1	14.5	0.4	0.4	0.4
6. Tax returns	- 9,707	- 10,587	- 11,264	5.3	3.5	- 2.1	- 2.1	- 2.1
<b>II. NON-TAX REVENUES</b>	<b>24,873</b>	<b>27,431</b>	<b>29,367</b>	<b>6.4</b>	<b>4.2</b>	<b>5.3</b>	<b>5.4</b>	<b>5.4</b>
1. Contributions to Essalud and ONP	9,071	10,281	11,493	9.3	8.8	1.9	2.0	2.1
2. Oil, gas and mining royalty	3,756	2,850	2,875	- 28.9	- 4.2	0.8	0.6	0.5
3. Oil Canon	2,673	2,910	3,005	5.1	0.5	0.6	0.6	0.5
4. Others	9,373	11,391	11,993	15.7	2.8	2.0	2.2	2.2
<b>III. TOTAL (I+ II)</b>	<b>102,134</b>	<b>113,528</b>	<b>121,065</b>	<b>7.2</b>	<b>3.7</b>	<b>21.7</b>	<b>22.3</b>	<b>22.1</b>

Source: MEF, Banco de la Nación, BCRP, INEI, SUNAT, EsSalud, ONP, charity societies, regulatory agencies and registry offices.

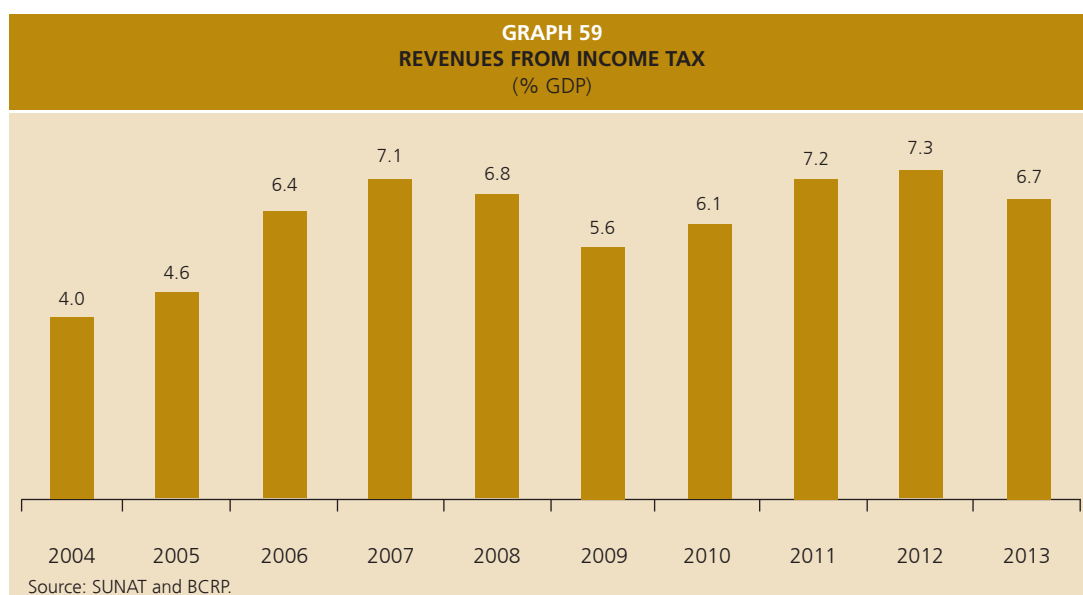
**GRAPH 57  
GENERAL GOVERNMENT FISCAL BURDEN  
(% GDP)**



Source: MEF, Banco de la Nación, BCRP, SUNAT, EsSalud, ONP, charity societies, regulatory agencies and registry offices.



Revenue from the **income tax** went from 7.3 to 6.7 percent in GDP terms, showing a reduction of 4.7 percent in real terms. This was mainly associated with the drop in mining exports as well as with the slower pace of growth in economic activity, which brought about a decline in revenue from income tax-third category of 7.9 percent in real terms. Thus, legal entities' payments on account of the income tax fell from 4.6 percentage points of GDP in 2012 to 4.2 percent of GDP in 2013, while the regularization payments fell by 0.3 percentage points of GDP.





The decrease of 7.9 percent in **payments on account of income tax-third category** is associated with the decline of tax revenue from the mining sector, which shrank by 47.3 percent in real terms over the year due to the lower prices of some of our major mining exports, such as gold and copper. On the other hand, tax revenue from the sectors related to domestic demand increased in real terms. Excluding the mining sector, the tax revenue from other sectors grew 5.9 percent in the year (revenue from sector of services increased 4.9 percent, while revenue from the sectors of trade and construction increased 13.1 percent and 19.2 percent, respectively). Taking the place of the mining sector, the sector of services showed for the second year the highest contribution in terms of income tax revenue.

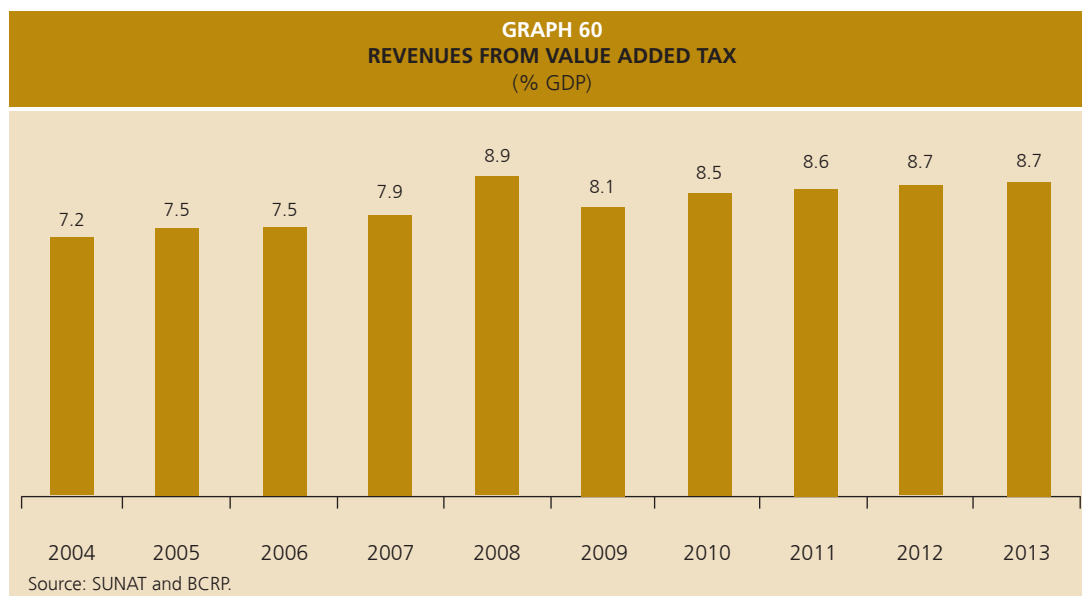
**TABLE 52**  
**REVENUES FROM CORPORATE TAX BY SECTORS: PAYMENTS ON ACCOUNT**  
(Million nuevos soles)

	2011	2012	2013	Real % change	
				2012	2013
Services 1/	5,716	6,967	7,507	17.6	4.9
Commerce	2,492	2,952	3,431	14.3	13.1
Mining	6,290	5,393	2,922	- 17.3	- 47.3
Manufacturing	2,505	2,683	2,706	3.4	- 1.9
Hydrocarbons	1,474	1,779	1,908	16.6	4.3
Construction	706	854	1,047	16.8	19.2
Agriculture and livestock	87	81	64	- 10.1	- 23.6
Fishing	50	35	48	- 32.6	33.2
<b>Total</b>	<b>19,321</b>	<b>20,744</b>	<b>19,633</b>	<b>3.6</b>	<b>- 7.9</b>

1/ Includes activities in real estate, business, leasing, telecommunications, financial intermediation, health, social services, tourism and hotels, electric generation, water services, and others.  
Source: SUNAT and INEI.

Revenue from **import duties** grew 8.7 percent in real terms and maintained a ratio of 0.3 percent in GDP terms. This increase is explained by the greater volume of imports, particularly of consumer goods, which are taxed with higher tariff rates as well as by the effect of the depreciation of the nuevo sol recorded during the year.

Holding at 8.7 percent of **GDP**, revenue from the value added tax (VAT) registered a growth rate of 5.6 percent in real terms. The growth of the domestic VAT reflects the dynamism of domestic demand as well as measures implemented to broaden the tax base. VAT revenues from the sectors of services and construction stand out with a real growth of 11.8 and 17.5 percent, respectively.



Furthermore, the revenue from the **excise tax** grew 8.4 percent in real terms and remained at 1.0 percent as a percentage of GDP. This growth was driven both by the increase of the excise tax on beer, liquors, and other goods (4.6 percent) and by the increase of the excise tax on fuels (13.3 percent).

Revenue from **other taxes** grew by a real 24.7 percent, from 1.8 to 2.1 percent of GDP. This growth is explained by an increase in most of its tax components, particularly the transfer of tax withholdings (142.3 percent) as a result of the greater number of taxpayers that have adopted this system to pay the VAT as well as of the stricter intervention of the tax agency. In addition, higher revenue was also obtained due to the positive evolution of the temporary tax on net assets (ITAN), which increased by 10.7 percent in real terms. The Special Tax on Mining contracted by 25.9 percent reflecting the lower operational profits of mining companies.

The **tax rebates**, which grew by a real 3.5 percent, were equivalent to 2.1 percent of GDP. This result is explained mainly by higher VAT refunds for exports (14.1 percent in real terms), offset in part by lower rebates for early recovery of the VAT.

**Non-tax revenues** grew by a real 4.2 percent due to the increase recorded in terms of contributions to EsSalud and ONP (8.8 percent), associated with the growth of formal employment and the increase in the average salary. In addition, own resources and transfers grew 10.7 percent in real terms. These increases were partially offset by a real decline in revenue from mining royalties and the Special Levy on Mining (down by 14.0 and 16.2 percent, respectively).



## 2. General Government Expenditure

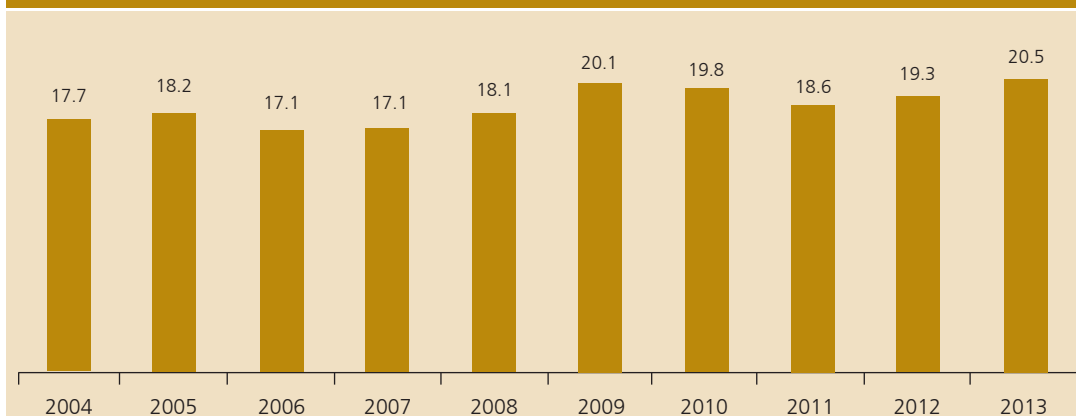
The non-financial expenditure of the general government was equivalent to 20.5 percent of GDP, a ratio 1.2 percentage points higher than in 2012 and the highest registered since 1970. The growth in the general government's non-financial expenditure in the year is explained by higher current expenditure in salaries and wages (up from 5.0 to 5.4 percent of GDP) and by higher capital spending (up from 5.7 to 6.1 percent of GDP).

**TABLE 53**  
**GENERAL GOVERNMENT NON-FINANCIAL EXPENDITURE 1/**

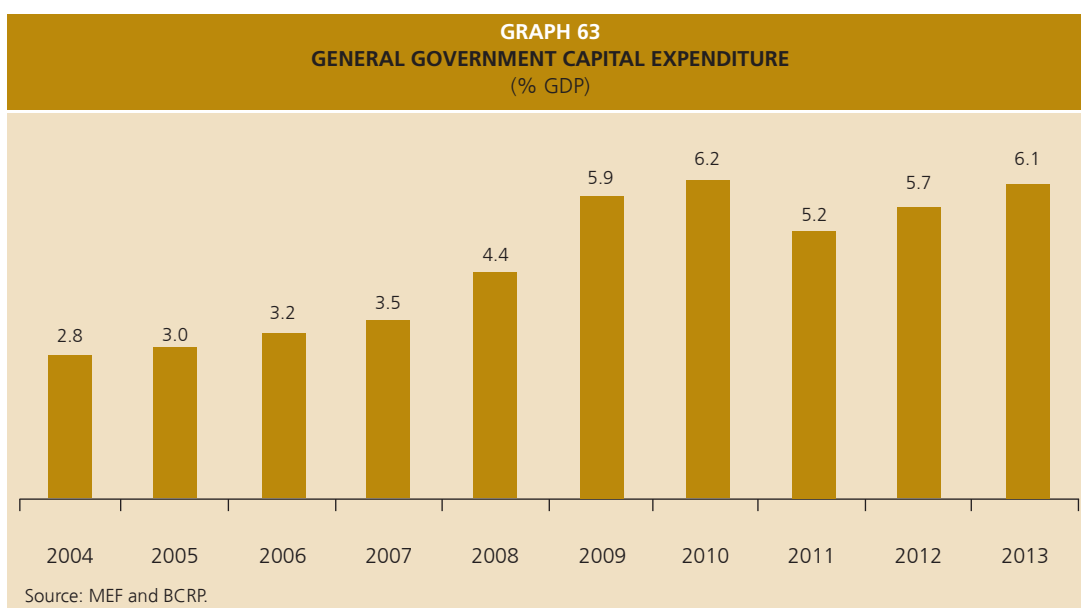
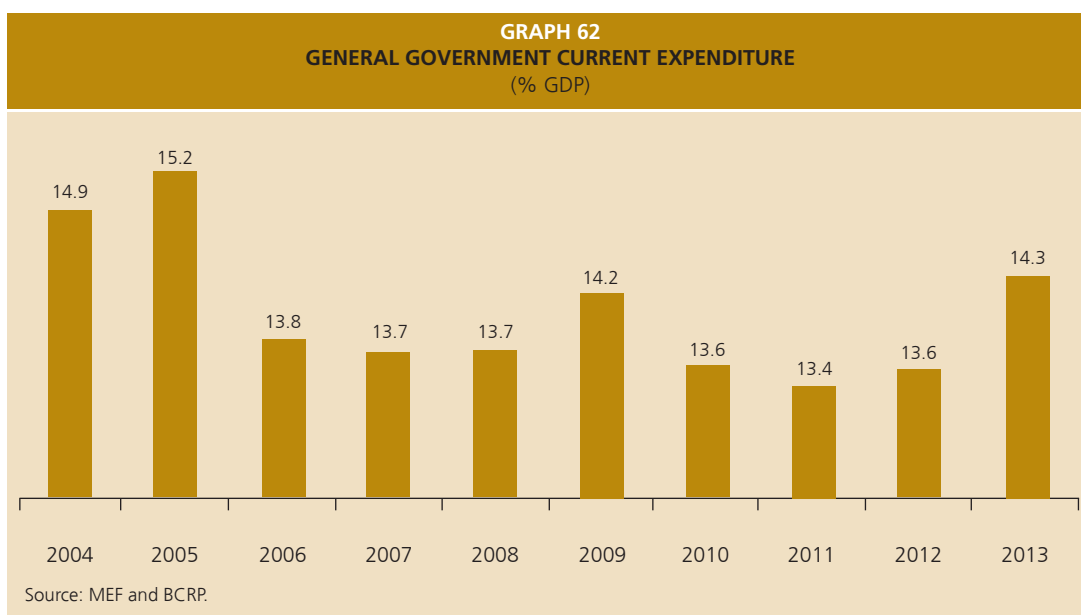
	Million nuevos soles			Real % change		% GDP		
	2011	2012	2013	2012	2013	2011	2012	2013
<b>I. CURRENT EXPENDITURE</b>	<b>63,191</b>	<b>68,948</b>	<b>78,398</b>	<b>5.3</b>	<b>10.6</b>	<b>13.4</b>	<b>13.6</b>	<b>14.3</b>
<b>Wages and salaries</b>	<b>22,842</b>	<b>25,254</b>	<b>29,369</b>	<b>6.7</b>	<b>13.1</b>	<b>4.9</b>	<b>5.0</b>	<b>5.4</b>
National government	13,364	15,215	17,993	9.8	15.1	2.8	3.0	3.3
Regional governments	7,533	8,248	9,453	5.7	11.5	1.6	1.6	1.7
Local governments	1,945	1,791	1,922	- 11.1	4.4	0.4	0.4	0.4
<b>Goods and services</b>	<b>23,884</b>	<b>28,433</b>	<b>31,444</b>	<b>14.9</b>	<b>7.5</b>	<b>5.1</b>	<b>5.6</b>	<b>5.8</b>
National government	16,609	18,542	20,921	7.7	9.7	3.5	3.6	3.8
Regional governments	2,304	3,306	3,570	38.7	5.1	0.5	0.7	0.7
Local governments	4,970	6,585	6,953	28.2	2.7	1.1	1.3	1.3
<b>Transfers</b>	<b>16,466</b>	<b>15,261</b>	<b>17,586</b>	<b>- 10.6</b>	<b>12.0</b>	<b>3.5</b>	<b>3.0</b>	<b>3.2</b>
National government	13,353	11,940	14,137	- 13.8	15.1	2.8	2.3	2.6
Regional governments	2,083	2,107	2,261	- 2.3	4.4	0.4	0.4	0.4
Local governments	1,030	1,214	1,188	13.8	- 4.7	0.2	0.2	0.2
<b>II. CAPITAL EXPENDITURE</b>	<b>24,350</b>	<b>28,951</b>	<b>33,515</b>	<b>15.0</b>	<b>12.6</b>	<b>5.2</b>	<b>5.7</b>	<b>6.1</b>
<b>Gross Capital Formation</b>	<b>22,820</b>	<b>27,253</b>	<b>30,812</b>	<b>15.6</b>	<b>10.0</b>	<b>4.9</b>	<b>5.4</b>	<b>5.6</b>
National government	9,666	8,370	9,544	- 16.5	11.0	2.1	1.6	1.7
Regional governments	4,662	6,653	7,145	38.2	4.5	1.0	1.3	1.3
Local governments	8,493	12,230	14,123	39.8	12.3	1.8	2.4	2.6
<b>Other capital expenditure</b>	<b>1,530</b>	<b>1,698</b>	<b>2,703</b>	<b>7.0</b>	<b>54.7</b>	<b>0.3</b>	<b>0.3</b>	<b>0.5</b>
<b>III. NON-FINANCIAL EXPENDITURE (I + II)</b>	<b>87,542</b>	<b>97,899</b>	<b>111,914</b>	<b>8.0</b>	<b>11.2</b>	<b>18.6</b>	<b>19.3</b>	<b>20.5</b>
National government	54,231	55,525	64,986	- 1.2	13.8	11.5	10.9	11.9
Regional governments	16,640	20,376	22,522	18.3	7.5	3.5	4.0	4.1
Local governments	16,670	21,998	4,406	27.8	7.9	3.5	4.3	4.5

1/ Net of commissions and intergovernmental transfers.  
Source: MEF, BCRP, and INEI.

**GRAPH 61**  
**GENERAL GOVERNMENT NON-FINANCIAL EXPENDITURE**  
(% GDP)



Source: MEF and BCRP.



## National Government

The **non-financial expenditure of the national government** was equivalent to 11.9 percent of GDP, which represents an increase of 13.8 percent in real terms compared to 2012. This is explained mainly by increased spending in transfers (15.1 percent) and in wages and salaries (15.1 percent).

Expenditure in **wages and salaries** grew by a real 15.1 percent, which is explained mainly by the higher salary levels approved in the sectors of Defense and Interior for the armed forces and Policía Nacional del Perú since December 2012 (Decree-Law 1132) as part of a new salary structure. In addition to this, higher spending in salaries was also observed in the sector of Economy and Finance (Ley de Fortalecimiento de





la Sunat) and Education, as a result of the new salary structure approved in the framework of the public teaching career (Law 29944).

Spending in **goods and services** amounted to 3.8 percent of GDP – higher by 9.7 percent in real terms than in 2012–, due mainly to higher spending in the sectors of Education, Health, Economy and Finance, and Agriculture (service contracts (CAS), contracts with service companies to enhance the provision of some services, and purchases of insecticides and fungicides to combat the rust plague).

Expenditure for **current transfers** rose from 2.3 percent of GDP in 2012 to 2.6 percent of GDP in 2013 (15.1 percent in real terms) due mainly to increased transfers to cover payments associated with the National Pension System, Fondo Complementario de Jubilación Minera, Metalúrgica y Siderúrgica, and Caja Militar-Policial as well as increased allocations to the programs Juntos, Pensión 65, and Qali-Warma.

**Capital expenditure** increased by 18.1 percent in real terms, from 1.9 percent of GDP in 2012 to 2.2 percent in 2013, due mainly to higher gross capital formation (increase of 11.0 percent) and to the increase in other capital expenditure (up from 0.3 percent to 0.4 percent of GDP in 2013).

The national government expenditure in **gross capital formation** was concentrated mainly in the sector of Transportation (S/. 5.43 billion), which represented 57 percent of the investment of the national government. It is worth pointing out that increased spending was made in road concession projects and works associated with the following projects: Iniciativa para la Integración de la Infraestructura Regional Sudamericana (IIRSA) Sur and Norte, Ayacucho-Abancay highway, Proyecto Especial Sistema Eléctrico de Transporte Masivo de Lima y Callao, and the construction and improvement of Camaná-Quilca-Matarani-Ilo-Tacna highway.

## Regional Governments

The non-financial expenditure of the regional governments increased by 7.5 percent in real terms and from 4.0 to 4.1 percent in GDP terms between 2012 and 2013. The highest expenditure increase in real terms was observed in salaries (11.5 percent) and in gross capital formation (4.5 percent). The increase in the former is explained by the higher salaries paid to teachers, contracts to new teachers, and by higher spending in the health sector given that medic staff was hired to provide health care in new hospitals such as the hospitals of Ica and Lambayeque.

The regional governments with higher investment in investment projects are the governments of Cusco, Arequipa, and Piura. In addition to this, the improvement of Avenida Néstor Gambetta in Callao stands out among the projects developed by regional governments in 2013.

**TABLE 54**  
**MAIN INVESTMENT PROJECTS OF THE NATIONAL GOVERNMENT**  
(Million nuevos soles)

	2012	2013	Flow
<b>TRANSPORT</b>	5,117	5,433	316
Road Concessions-IIRSA South and North	1,371	1,612	241
Rehabilitation and improvement of the Ayacucho - Abancay highway	385	543	158
Special Project Tren Eléctrico	1,283	396	- 887
Construction and improvement of the Camaná-Quilca-Matarani-Ilo-Tacna highway	15	320	306
Rehabilitation and improvement of the Huaura - Sayán - Churín highway	0	183	183
Improvement of the Satipo - Mazamari - Pangoa - Puerto Ocopa highway	0	173	173
Rehabilitation and improvement of the Cajamarca Celendin Balzas highway	125	156	31
Rehabilitation and improvement of the Trujillo - Shiran - Huamachuco highway	54	120	65
Improvement of the San Marcos - Cajabamba - Sausacocha highway	1	112	111
Rehabilitation and improvement of the Panamericana Norte highway - Tranche III	0	82	82
Rehabilitation and improvement of the Yauri - Negromayo - Oscollo - Imata highway	0	74	74
Railways concessions	41	66	25
Rehabilitation of the road Las Vegas - Tarma highway	20	51	31
Rehabilitation and improvement of the Río Seco - El Ahorcado highway	14	45	32
Construction and improvement of the Huamachuco - Puente Pallar - Juanjuí highway	2	41	40
Rehabilitation and improvement of the Tingo Maria-Aguaytia-Pucallpa highway	1	40	39
Rehabilitation and improvement of the Cañete - Lunahuaná highway	0	38	38
Improvement of the Mala - Calango - La Capilla highway	25	37	12
Construction and expansion second level Pucallpa airport - Cementery	0	33	33
Rehabilitation and improvement of the Imperial - Mayocc - Ayacucho highway	0	20	20
Rehabilitation and improvement of the Antigua Panamericana Sur, Mamacona - Arica highway	0	14	14
Others	1,779	1,276	- 503
<b>EDUCATION</b>	<b>893</b>	<b>1,070</b>	<b>177</b>
Improvement of education infrastructure	854	1,021	167
Others	39	49	10
<b>AGRICULTURE AND LIVESTOCK</b>	<b>421</b>	<b>611</b>	<b>190</b>
Irrigation infrastructure	146	289	143
Support agriculture	166	151	- 15
Eradication of fruit fly <i>Ceratitis capitata</i> from the coast of Peru	63	95	32
Others	46	76	30
<b>HEALTH</b>	<b>485</b>	<b>439</b>	<b>- 46</b>
Improvement and equipment of hospitals emergency services	467	416	- 51
Support to Health Sector Reform PAR-Salud	16	18	2
Others	2	5	3
<b>HOUSING</b>	<b>188</b>	<b>392</b>	<b>204</b>
National Rural Water Supply and Sanitation project	96	184	88
Urban development	29	154	125
Housing sector support	41	37	- 4
Others	22	17	- 5
<b>ELECTRICITY</b>	<b>280</b>	<b>232</b>	<b>- 48</b>
Installation of small power systems in several towns	265	219	- 46
Others	15	13	- 2
<b>OTHERS</b>	<b>986</b>	<b>1,367</b>	<b>381</b>
<b>TOTAL</b>	<b>8,370</b>	<b>9,544</b>	<b>1,174</b>

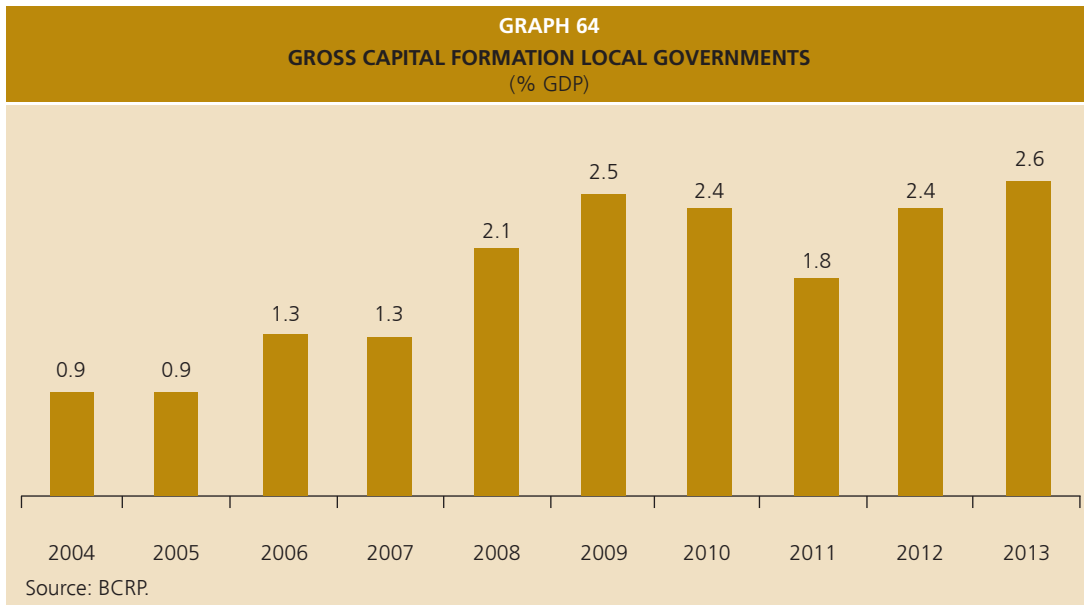
Source: MEF.



### Local Governments

The non-financial expenditure of the local governments grew by a real 7.9 percent relative to 2012, reflecting a greater dynamism in investment expenditure which increased 12.3 percent.

In terms of departments, the investment of local governments was led by the local governments of Cusco, Lima, Ancash, and La Libertad, while in terms of municipalities, the greater amounts of investment were recorded in the District Municipality of Echarate in Cusco, the Metropolitan Municipality of Lima, the District Municipality of San Marcos, Ancash, the Province Municipality of Trujillo, and the District Municipality Quimbiri in Cusco. The most significant project developed by local governments due to the amount involved was Programa de Transporte Urbano de Lima Metropolitana, Subsistema Norte Sur.



### 3. State Enterprises

The State-owned enterprises showed a positive economic balance with a surplus of S/. 739 million. This balance, which is lower by S/. 279 million than the one registered in 2012, is explained mainly by the surpluses recorded by the regional electricity companies, Sedapal and Electroperu, partially offset by the cash deficit recorded by Petroperú.

**The regional electricity companies** recorded an overall surplus of S/. 203 million, a balance S/. 85 million lower than in 2012, justified by higher capital expenditure in rural electrification investment projects in a year during which increased revenues were obtained from these companies' sale of energy. Egasa, San Gabán, and Seal stand out among the regional energy companies that contributed to this surplus.

**Electroperu** recorded a cash surplus of S/. 297 million. This balance, which is higher by S/. 186 million than the one registered in 2012, is explained mainly by lower operation costs and by higher revenues from sales of goods and services. It is worth mentioning that Electroperu sells energy to electricity distribution companies and free clients that supply energy in different areas of the country.

**Sedapal** showed a surplus of S/. 374 million, a balance S/. 25 million higher than in 2012 (S/. 349 million). Capital transfers to this Enterprise from Fondo Nacional de Financiamiento de la Actividad Empresarial del Estado (FONAFE) totaled S/. 407 million and were used to finance government investment projects in the field of urban water and sanitation Works, such as Proyecto de Mejoramiento Sanitario de las Áreas Marginales de Lima (Promesal), Proyectos de Ampliación de la Cobertura, as well as Rehabilitación y Reposición de Redes Primarias y Secundarias de Agua Potable y Alcantarillado.

In 2013, **Petroperu** recorded a deficit of S/. 615 million. Nonetheless, it had a higher production of gasoline, gasohol and industrial crude oil due to increased demand. Petroperu sales of fuels in the domestic market remained above those recorded in the previous year, particularly in the case of liquefied petroleum gas due to a greater market share; low sulfur diesel B5, due to increased sales associated with the legal rule on the maximum sulfur content, and gasoline, due to higher sales to wholesale clients and independent gas stations.

**TABLE 55**  
**OVERALL BALANCE OF STATE ENTERPRISES**

	Million nuevos soles			% GDP		
	2011	2012	2013	2011	2012	2013
Petroperú	- 174	96	- 615	0.0	0.0	- 0.1
Electroperú	99	186	297	0.0	0.0	0.1
Regional Electricity Companies	165	288	203	0.0	0.1	0.0
Sedapal	13	349	374	0.0	0.1	0.1
Others	31	100	480	0.0	0.0	0.1
<b>TOTAL</b>	<b>134</b>	<b>1,018</b>	<b>739</b>	<b>0.0</b>	<b>0.2</b>	<b>0.1</b>

Source: State enterprises and FONAFE.

#### 4. Promotion of Private Investment

In 2013, a total of US\$ 4.55 billion was obtained through private investment promotion processes. Of this total, US\$ 4.32 billion was committed investment for concessions granted and US\$ 231 million was proceeds from privatization processes. The sectors involved in these transactions have been mainly the sectors of electricity and telecommunications, which account for 70 percent of the operations carried out.

In terms of the investment amounts committed, the concessions outlined below are worth pointing out:



1. Provision of telecommunication services and use of the 1710-1770 MHz and 2110-2170 MHz bands (Blocks A and B) at the national level: The concession of Block A was awarded to Telefónica Móviles S.A. and the concession of Block B was awarded to Americatel Peru S.A. on July 22, 2013. The transaction, which amounted to US\$ 1.02 billion, includes US\$ 218 million as proceeds for the operation and US\$ 800 million in investment. High speed connection to mobile internet – commercially known as 4G worldwide– will be available to users as a result of this concession.
2. South Peru Energy Node: the concession of Power Station 1 (in the Arequipa Region) was awarded to Samay I S.A., while Power Station 2 (in Moquegua) was awarded to Enersur S.A. on November 29, 2013. The estimated investment amount is US\$ 700 million.
3. Hydroelectrical power stations (CH Molloco): The concession of this project was awarded on March 21, 2013, to Consorcio CEE, integrated by Corsan Corviam, Engevix, and Enex (companies with Spanish and Brazilian capital). The project is located in the provinces of Caylloma and Castilla in Arequipa. The power plant is designed to take advantage of the water resources of the Molloco River basin and part of the resources of River Palca to generate electricity.
4. Chavimochic Project - Third Stage: The concession of this project was awarded to Consorcio Río Santa – Chavimochic, integrated by Odebrecht Participações e Investimentos S.A., Constructora Norberto Odebrecht S.A. and Graña y Montero S.A.A. on December 18. The concession period is 25 years and the estimated investment amount is US\$ 574 million.

**TABLE 56**  
**PRIVATIZATIONS AND CONCESSIONS 2013**  
(Million US\$)

SALE OF STOCKS, ASSETS AND CONCESSIONS	DATE	AWARDED TO	Transaction or Investment
Former Tourist Hotels Monterrey, Huaraz and Ica	January 11	Hoteles Cadena Real	12.2
Transmission Line Machupicchu - Quencoro-Onocora-Tintaya 220 Kv and Associated Substations	February 21	Abengoa Perú S.A.	114.3
Energy from Hydroelectric power stations (Molloco HPS)	March 21	Consorcio CEE (Corsan Corviam, Engevix y Enex)	600.0
Iquitos Energy Supply	May 16	Genrent do Brasil Ltda	100.0
500 kV Transmission Line Mantaro-Marcona-Montalvo Socabaya and Associated Substations	July 18	Interconexión Eléctrica S.A. E.S.P. – ISA	278.4
Telecommunications services in channels 1710 - 1770 MHz and 2110 - 2170 MHz Bands (Blocks A and B) - Nationwide	July 22	Telefónica Móviles S.A. and Americatel Perú S.A.	1,018.4
Mass Use of Natural Gas Nationwide	July 25	Gas Natural Internacional SDG S.A.	205.0
Sale of Share: Telefónica S.A. and Telefónica del Perú S.A.A.	August 8 and 13	Various	0.1
National Energy node in the South Peruvian pipeline	November 29	Samay I S.A and Enersur S.A.	700.0
Provision of Sanitation Services in the Southern Districts of Lima	December 17	Técnicas de Desalinización de Aguas S.A.	100.0
Chavimochic project- III stage	December 18	Consorcio Río Santa – Chavimochic	573.7
Amazon Integration Loreto-San Martín to Terrestrial Telecommunications Network	December 18	Gilat to Home Perú S.A.,	25.3
Longitudinal of the Sierra road project - Section 2: Ciudad de Dios - Cajamarca - Chiple, Cajamarca - Trujillo and Dv. Chilete - Empalme PE-3N	December 19	Consorcio Consierra Tramo II	552.0
National Fiber Optic Dorsal Network (Universal South, Center and North Coverage)	December 23	Consorcio TV Azteca – Tendai	273.7
<b>TOTAL</b>			<b>4,553.1</b>

Source: Proinversión.

## 5. Public Debt

In 2013 the public debt amounted to S/. 107.04 billion. This debt amount, which is equivalent to 19.6 percent of GDP, is higher by S/. 3.23 billion than the debt amount recorded in 2012. The main debt indicators continued showing a favorable trend during the year: a greater part of the debt is domestic debt, a greater part is in domestic currency, and a greater part has been established at a fixed rate, all of which has contributed to reduce market risks.

**TABLE 57**  
**DEBT BALANCE OF THE NON-FINANCIAL PUBLIC SECTOR 1/**

	Million nuevos soles			% GDP		
	2011	2012	2013	2011	2012	2013
<b>PUBLIC DEBT (I + II)</b>	<b>103,856</b>	<b>103,811</b>	<b>107,044</b>	<b>22.1</b>	<b>20.4</b>	<b>19.6</b>
<b>I. EXTERNAL PUBLIC DEBT</b>	<b>53,514</b>	<b>49,888</b>	<b>48,084</b>	<b>11.4</b>	<b>9.8</b>	<b>8.8</b>
Loans	28,444	25,637	21,463	6.1	5.0	3.9
International organizations	21,227	19,369	15,912	4.5	3.8	2.9
Paris Club	7,119	6,189	5,478	1.5	1.2	1.0
Suppliers	81	67	63	0.0	0.0	0.0
Latin America	17	12	10	0.0	0.0	0.0
Global bonds	25,071	24,251	26,621	5.3	4.8	4.9
<b>II. DOMESTIC PUBLIC DEBT</b>	<b>50,341</b>	<b>53,923</b>	<b>58,961</b>	<b>10.7</b>	<b>10.6</b>	<b>10.8</b>
<b>1. LONG TERM</b>	<b>42,469</b>	<b>45,114</b>	<b>49,626</b>	<b>9.0</b>	<b>8.9</b>	<b>9.1</b>
Bank loans	3,284	3,404	4,587	0.7	0.7	0.8
Treasury bonds	39,133	41,705	45,039	8.3	8.2	8.3
1. Bonds to support the financial system	328	311	341	0.1	0.1	0.1
2. Debt swap bonds	1,890	1,746	1,543	0.4	0.3	0.3
3. Sovereign bonds	29,239	32,244	35,866	6.2	6.3	6.6
4. Recognition bonds	7,676	7,405	7,290	1.6	1.5	1.3
Municipality of Lima Bonds	52	5	0	0.0	0.0	0.0
<b>2. SHORT TERM</b>	<b>7,872</b>	<b>8,809</b>	<b>9,335</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>
Memo:						
Liabilities of Private-Public Partnerships	4,340	3,968	4,117	0.9	0.8	0.8
FEPCs	240	214	295	0.1	0.0	0.1
External debt from COFIDE and Mivivienda Fund	955	2,135	4,294	0.2	0.4	0.8
<b>Bond holdings</b>	<b>54,310</b>	<b>56,495</b>	<b>62,487</b>	<b>11.6</b>	<b>11.1</b>	<b>11.4</b>
Residents	18,379	16,759	21,178	3.9	3.3	3.9
Non-residents	35,931	39,736	41,309	7.6	7.8	7.6
<b>Sovereign bonds</b>	<b>29,239</b>	<b>32,244</b>	<b>35,866</b>	<b>6.2</b>	<b>6.3</b>	<b>6.6</b>
Residents	16,139	14,371	17,546	3.4	2.8	3.2
Non-residents	13,100	17,873	18,320	2.8	3.5	3.4
<b>Global bonds</b>	<b>25,071</b>	<b>24,251</b>	<b>26,621</b>	<b>5.3</b>	<b>4.8</b>	<b>4.9</b>
Residents	2,240	2,388	3,632	0.5	0.5	0.7
Non-residents	22,831	21,863	22,989	4.9	4.3	4.2

1/ Includes national government debt, regional and locals, and public enterprises. Excludes debt from COFIDE, Banco de la Nación, BCRP, and MiVivienda Fund.

Source: MEF, Banco de la Nación, MTC, ONP, and COFIDE.



## 5.1 External Debt

In 2013 the external debt, which accounts for 45 percent of the total debt of the non-financial public sector (NFPS), amounted to US\$ 17.20 billion (or S/. 48.08 billion). This amount represents a decrease of US\$ 2.36 billion in the debt amount compared to 2012 and includes the prepayment of US\$ 1.35 billion to the Inter American Development Bank (IDB) and the prepayment of US\$ 423 million to the International Bank for Reconstruction and Development (IBRD). These prepayment operations were carried out as public debt management operations with the purpose of reducing debt exposure to foreign exchange risk. However, the debt reduction was offset by the increase in the external debt valued in soles derived from the depreciation of the domestic currency in recent months. This prepayment operation was financed through the issuance of sovereign bonds.

External disbursements for the NFPS in 2013 amounted to US\$ 348 million and included funding for several investment projects of the general government (US\$ 195 million) and non-financial government enterprises (US\$ 27 million), as well as funds for the payment of external debt obligations (US\$ 125 million).

Disbursements were made mainly to the sector of Transport and Communications (US\$ 102 million) to finance investment projects, such as the second stage of Lima's Electric Train (US\$ 49 million) and to improve the national road network (US\$ 20 million). Other sectors that received external resources were the Ministry of Housing, Construction and Sanitation (US\$ 47 million), the Ministry of Agriculture (US\$ 26 million), and the Ministry of Economy and Finance (US\$ 16 million). As regards unrestricted loans, the IDB provided US\$ 80 million and the IBRD provided US\$ 45 million.

The NFPS amortization of the external debt amounted to US\$ 2.37 billion, which included the prepayment of debt to international agencies and writing-off a debt of US\$ 4 million by the government of the United States.

## 5.2 Domestic Debt

The domestic public debt showed a balance of S/. 58.96 billion at end-2013, which represents an increase of S/. 5.04 billion compared to the debt amount at end-2012. This increase is mostly explained by the issuance of sovereign bonds, whose balance increased to S/. 35.87 billion. Moreover, 51 percent of these sovereign bonds is held by non-residents.

Two debt management operations were carried out by the Ministry of Economy and Finance (MEF) with the issuance of sovereign bonds in February and in April of this year. A total of S/. 2.22 billion and S/. 1.40 billion was obtained with these two operations, respectively. The resources obtained were used to prepay the debt obligations with the IDB and the IBRD.

In addition to this, issuances of sovereign bonds for a total of S/. 879 million were approved in the second half of the year as part of a strategy of global management of public sector assets and liabilities. The government also approved the periodic issuance of 90-day to 360-day Treasury Bills and placed bills for a total of S/. 323 million during the year.

### 5.3 Net Debt <sup>8</sup>

In 2013 the net debt amounted to S/. 20.36 billion, a sum equivalent to 3.7 percent of GDP. This debt balance, which is lower by S/. 4.99 billion than the one registered at end 2012, is mainly explained by the increase in public financial assets (S/. 8.23 billion), offset by the growth of the public debt (S/. 3.23 billion).

**TABLE 58**  
**NET DEBT OF THE NON-FINANCIAL PUBLIC SECTOR**

Year (December)	Million nuevos soles			% GDP		
	Assets	Liabilities	Debt net	Assets	Liabilities	Debt net
2004	18,808	101,389	82,581	8.4	45.2	36.8
2005	20,792	102,938	82,146	8.5	42.1	33.6
2006	25,435	97,586	72,151	8.9	34.1	25.2
2007	38,061	95,604	57,543	11.9	29.9	18.0
2008	45,649	95,674	50,025	12.8	26.9	14.1
2009	47,003	99,215	52,212	12.9	27.2	14.3
2010	50,852	102,150	51,298	12.1	24.3	12.2
2011 1/	63,531	103,856	40,325	13.5	22.1	8.6
2012 1/	78,455	103,811	25,356	15.4	20.4	5.0
2013 1/	86,683	107,044	20,361	15.9	19.6	3.7

1/ Preliminary data.  
Source: BCRP, MEF, and ONP.

**GRAPH 65**  
**GROSS AND NET DEBT OF THE NON-FINANCIAL PUBLIC SECTOR**  
(% GDP)



<sup>8</sup> The net public debt is defined as the difference between the public sector liabilities (total public debt) and the public sector financial assets (total deposits in the domestic and external financial systems).





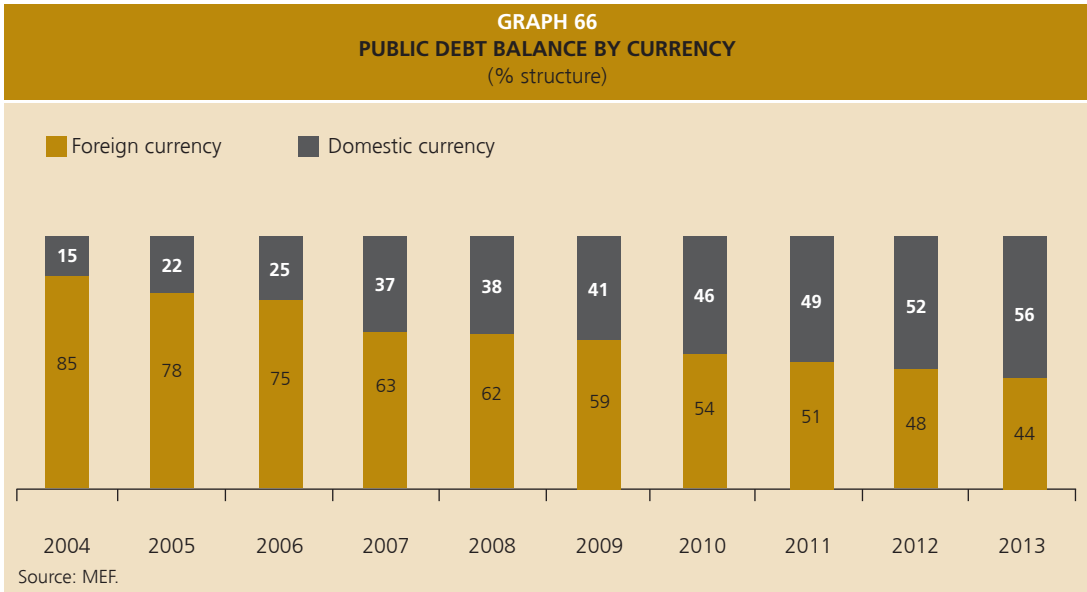
### 5.4 Debt by Currencies

The ratio of the debt in nuevos soles to the total public debt has been increased to reduce the debt's exposure to foreign exchange risk. Thus, between 2004 and 2013 the share of the debt in domestic currency has increased from 15 percent to 56 percent of the gross public debt. The increase in 2013 is explained mainly by the debt management operation carried out in the first months of the year through which part of the external debt was prepaid with the placement of sovereign bonds in domestic currency.

**TABLE 59**  
**DEBT BALANCE OF THE NON-FINANCIAL PUBLIC SECTOR BY CURRENCY**  
(Million nuevos soles)

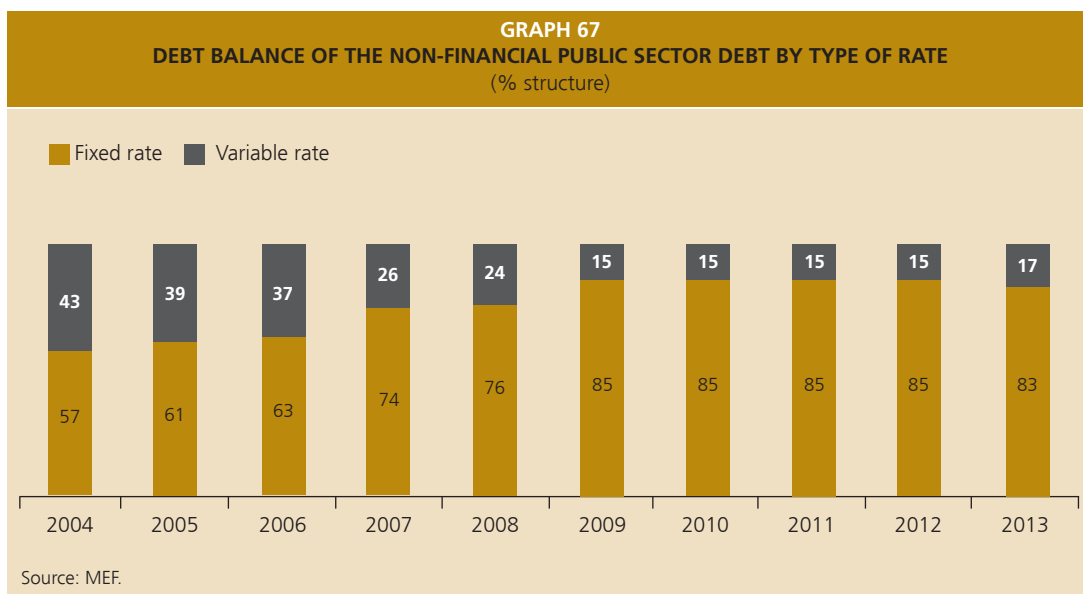
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Foreign currency	85,729	80,534	73,615	60,402	59,768	58,878	55,100	53,132	49,487	47,588
Domestic currency	15,660	22,404	23,970	35,202	35,906	40,337	47,050	50,724	54,324	59,457
<b>TOTAL</b>	<b>101,389</b>	<b>102,938</b>	<b>97,586</b>	<b>95,604</b>	<b>95,674</b>	<b>99,215</b>	<b>102,150</b>	<b>103,856</b>	<b>103,811</b>	<b>107,044</b>

Source: MEF.



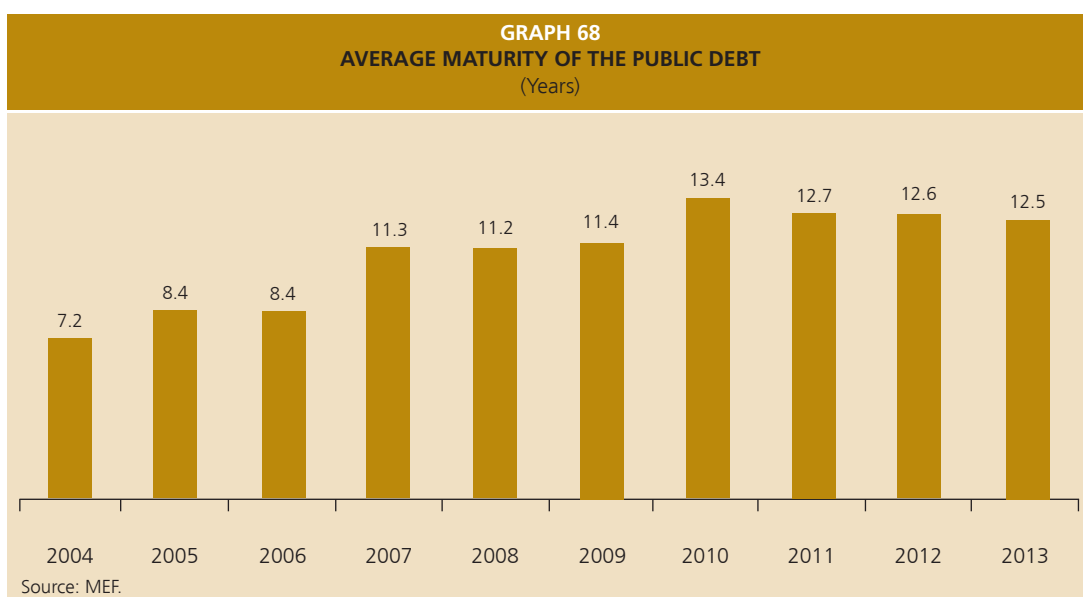
### 5.5 Debt by Type of Interest Rate

The ratio of fixed-rate debt has been reduced from 85 to 83 percent in 2013. However, when we look at the debt from a longer-term perspective, we see that the ratio of debt contracted at fixed rates has increased from 57 percent in 2004 to 83 percent in 2013. This has been done with the purpose of increasing the predictability regarding the debt service and minimizing the risks that a rise in international interest rates would entail.



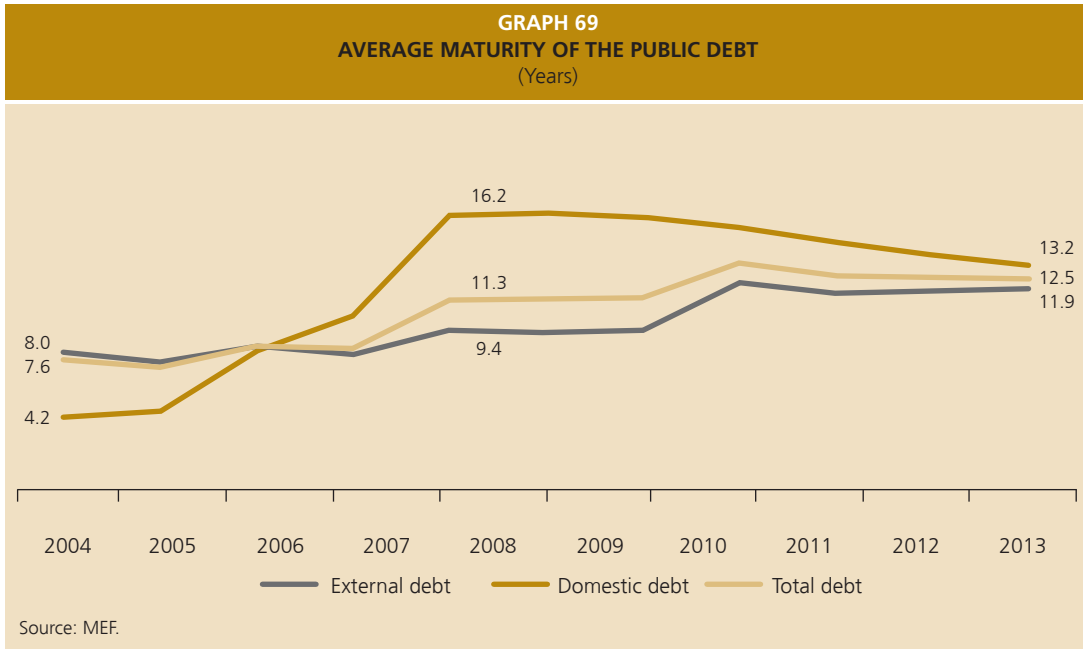
## 5.6 Average Life of the Debt

Because the average life of the debt has been increased, greater margin has been achieved to meet maturity terms and prevent in this way periods in which a large volume of debt payments concentrate. The average life of the debt has increased from 7.2 to 12.5 years between 2004 and 2013. The slight decrease observed in this indicator in recent years is explained by the increase in the short-term floating debt (unpaid accrued expenses).





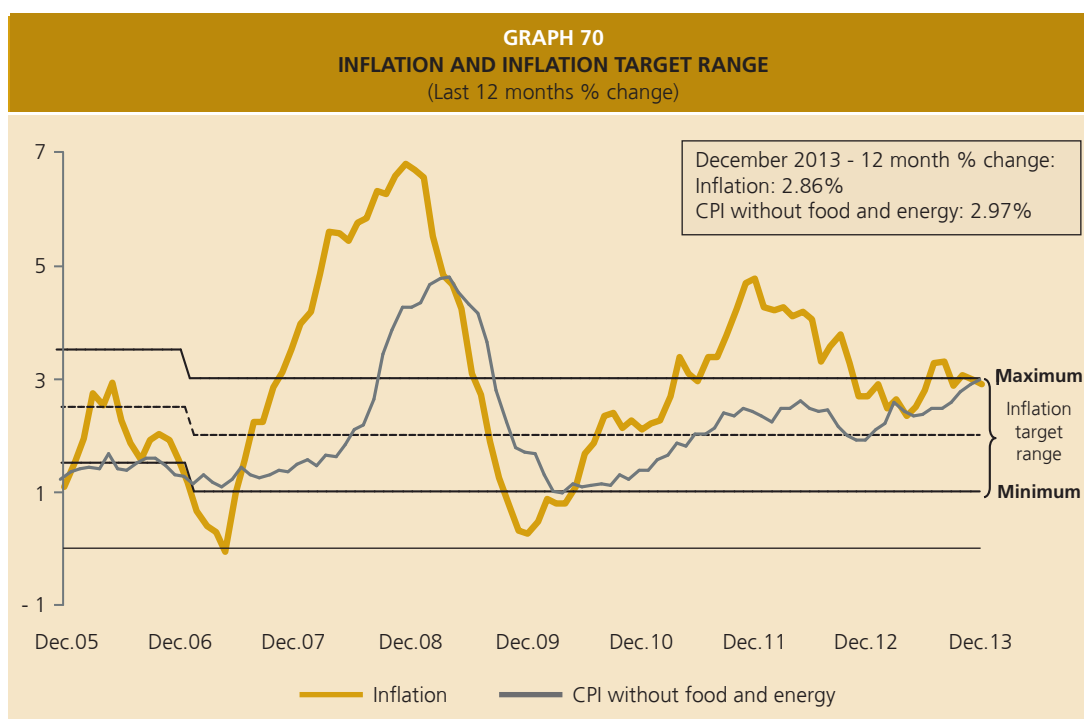
The average life of the **domestic public debt** (13.2 years) is longer than the average life of the **external public debt** (11.9 years). It should be pointed out that a re-distribution has been achieved in terms of the debt contracted with multilateral and bilateral sources and the debt in the capital market, the obligations generated by the latter representing 58 percent of the debt and a growing trend being observed in recent years.



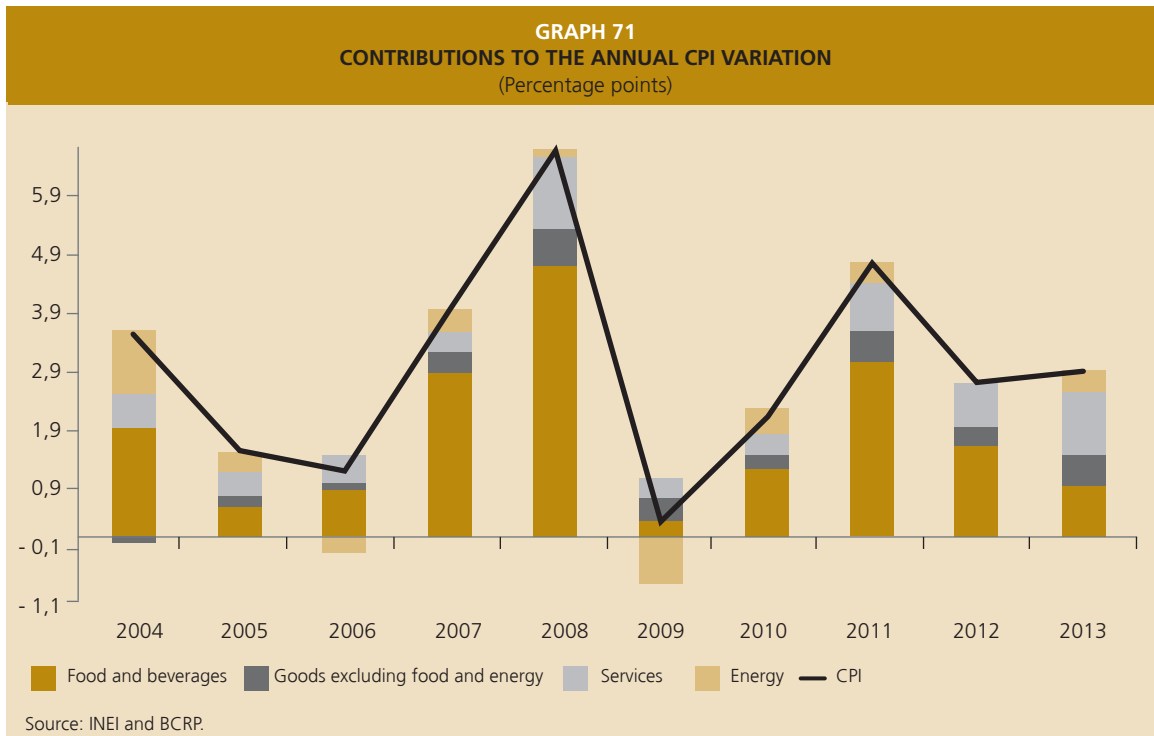
# IV.

## Inflation

In 2013, the rate of variation of the consumer price index (CPI) in Metropolitan Lima was 2.86 percent, slightly higher than in 2012 (2.65 percent). Inflation excluding food and energy rose from 1.91 to 2.97 percent in the same period.



The main rises were observed in meals outside the home, education costs, urban fares, and electricity rates, these four items explaining nearly 55 percent of the rate of inflation in the year.



The acceleration of inflation was also associated with the rise in the exchange rate. The likelihood that the U.S. Federal Reserve would start to withdraw its monetary stimulus generated high volatility in financial markets which caused episodes of depreciation of currencies in the emerging countries. In Peru, the dollar-nuevo sol exchange rate rose 9.1 percent between January and August, which had an impact on the price of vehicles, house rents, and airfare, among others. It is estimated that the depreciation of the nuevo sol had an impact of 0.25 percentage points on the inflation rate of the year.

Another factor that contributed to the acceleration of inflation in the period of January-to-August was the occurrence of climate anomalies that affected the prices of some products such as potatoes and fish. The prices of the products affected by these weather conditions grew about 11 percent on average between January and August only. These conditions tended to improve in the last months of the year, reversing the effects of price rises.

A rise in the international prices of some food inputs that affected the prices of products such as chicken meat and sugar was observed during 2012. The reversal of this shock was reflected in a decline in inflation.

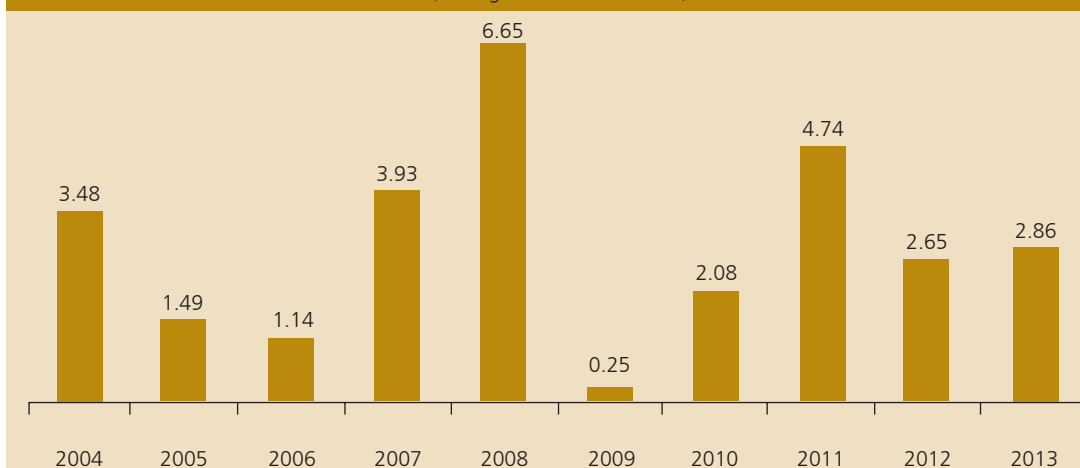
In general, the reversal of several factors contributed to the slowdown in the rate of inflation during the last months of the year and allowed the inflation rate to fall again within the monetary policy target. As a result of this, the average rate of inflation in Peru has been –and continues to be– the lowest in the region since 2001 (2.5 percent).

**TABLE 60**  
**WEIGHTED CONTRIBUTION TO THE INFLATION BY PERIODS**

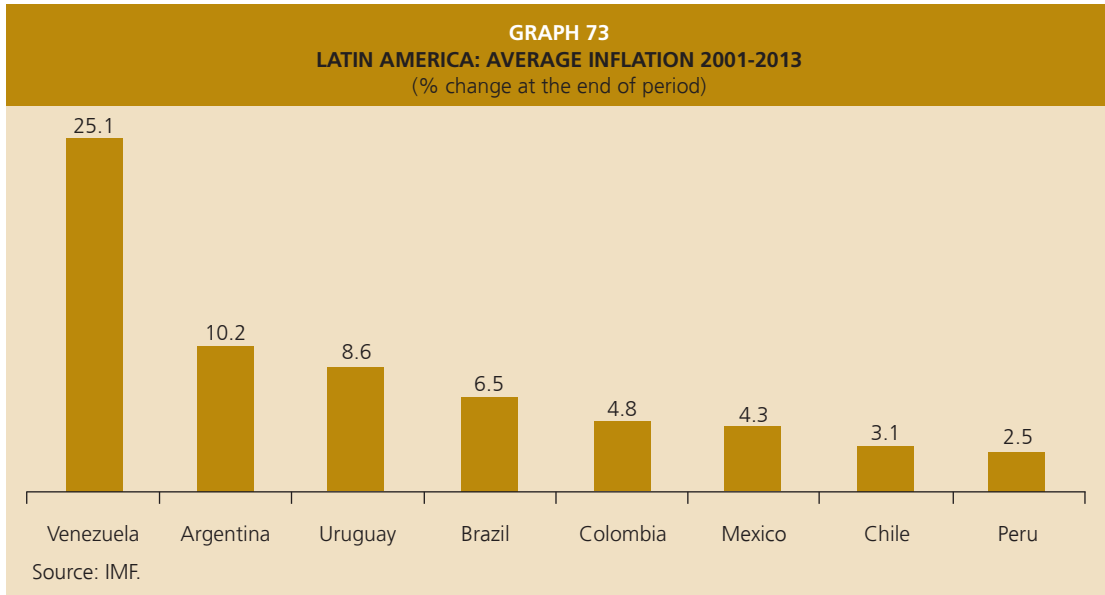
Item	Weigh	January-August		September-December		Year	
		% change	Weighted cont.	% change	Weighted cont.	% change	Weighted cont.
<b>INFLATION</b>	<b>100.0</b>	<b>2.8</b>	<b>2.76</b>	<b>0.1</b>	<b>0.09</b>	<b>2.9</b>	<b>2.86</b>
<b>1. Foodstuffs</b>	<b>37.8</b>	<b>3.4</b>	<b>1.34</b>	<b>- 1.1</b>	<b>- 0.44</b>	<b>2.2</b>	<b>0.89</b>
a. International price effects	10.0	- 0.4	- 0.04	- 1.1	- 0.11	- 1.5	- 0.15
<i>Of Which:</i>							
Chicken meat	3.0	1.7	0.05	- 5.3	- 0.16	- 3.6	- 0.11
Sugar	0.5	- 16.1	- 0.11	0.1	0.00	- 16.0	- 0.11
b. Domestic shocks	4.95	11.1	0.58	- 10.7	- 0.61	- 0.8	- 0.04
<i>Of Which:</i>							
Potato	0.9	17.0	0.17	- 19.6	- 0.22	- 6.0	- 0.06
Fresh and frozen fish	0.7	46.6	0.32	- 20.9	- 0.20	16.0	0.11
c. Meals outside the home	11.7	3.5	0.45	1.6	0.21	5.2	0.66
d. Other foodstuffs	11.1	3.1	0.35	0.5	0.06	3.6	0.41
<b>2. Fuels, urban fares and energy</b>	<b>14.3</b>	<b>2.8</b>	<b>0.39</b>	<b>1.7</b>	<b>0.25</b>	<b>4.6</b>	<b>0.65</b>
a. Fuels	2.8	4.6	0.14	1.3	0.04	6.0	0.18
b. Urban fares	8.5	1.2	0.10	2.3	0.19	3.5	0.30
c. Electricity	2.9	5.5	0.15	0.7	0.02	6.2	0.17
<b>3. Related to exchange rate</b>	<b>4.5</b>	<b>5.9</b>	<b>0.23</b>	<b>0.5</b>	<b>0.02</b>	<b>6.5</b>	<b>0.25</b>
<i>Of Which:</i>							
a. Purchases of vehicles	1.6	8.7	0.12	0.0	0.00	8.7	0.12
b. Housing rent	2.4	3.0	0.06	0.5	0.01	3.5	0.07
c. Airplane fare	0.4	12.5	0.04	2.6	0.01	15.4	0.05
<b>4. Education</b>	<b>9.85</b>	<b>4.5</b>	<b>0.46</b>	<b>0.1</b>	<b>0.01</b>	<b>4.6</b>	<b>0.47</b>
<b>5. Rest</b>	<b>33.6</b>	<b>1.0</b>	<b>0.33</b>	<b>0.8</b>	<b>0.26</b>	<b>1.9</b>	<b>0.60</b>

Source: INEI and BCRP.

**GRAPH 72**  
**INFLATION**  
(Average 2004-2013: 2.9%)



Source: INEI.



**a. Inflation Excluding Food and Energy**

The annual rate of inflation without food and energy increased from 1.91 to 2.97 percent between December 2012 and December 2013. The prices of goods increased from 1.6 percent in 2012 to 2.6 percent in 2013, while the prices of services increased from 2.1 to 3.2 percent in the same period.

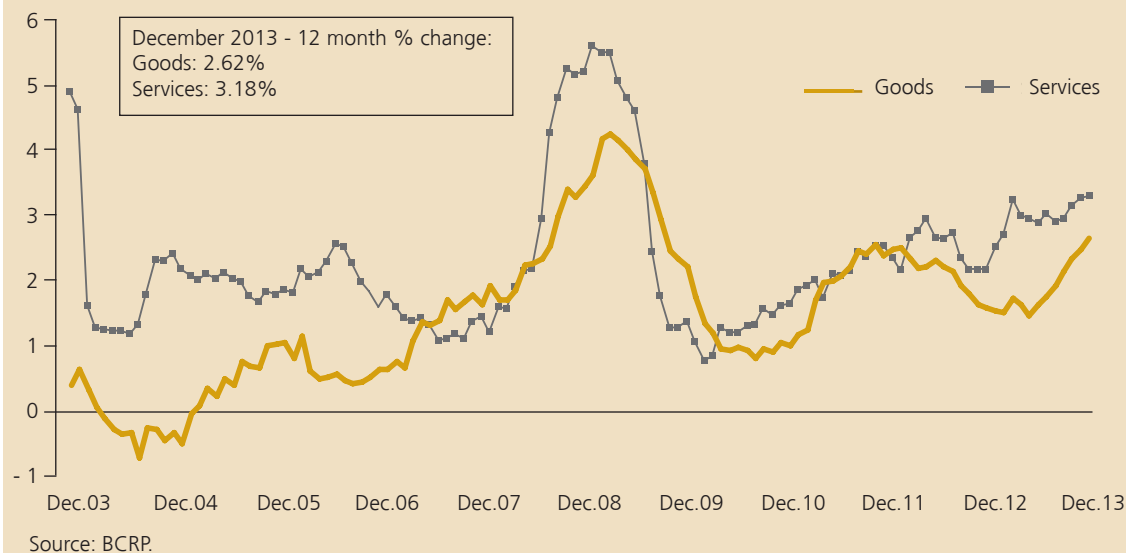
The evolution of the prices of goods was influenced by the rise registered in the foreign exchange rate during the year. The depreciation affected mainly the price of tradable goods, such as the price of vehicles, which rose 8.7 percent and the price of medicines, which rose 4.1 percent.

As for services, the largest increases were observed in education (4.8 percent), urban fares (3.5 percent), house rents (3.5 percent), and health (5.0 percent).

Growing at a similar rate to the one observed in 2012 (4.7 percent), education costs (tuition and fees) increased 4.8 percent, the highest increase being recorded at the beginning of the school year although some price adjustments were also observed throughout the year in the tuition charge of higher education institutes. The rise of urban fares (3.5 percent), associated mainly with the increase in the prices of fuel and, to a lesser extent, with the increase of road tolls, stands out in terms of transportation costs. On the other hand, house rents increased 3.5 percent after having shown negative variations that reflected in part the rise in the foreign exchange rate in the past four years.

The reduction in telephone rates (-2.9 percent) was associated with the application of the productivity factor, whereas on the other hand, the water supply rates increased 2.9 percent, in line with the rises approved by the Sunass. In addition to this, an increase of 1.7 percent was established in July to cover the costs of La Chira project.

**GRAPH 74**  
**CPI GOODS AND SERVICES WITHOUT FOOD AND ENERGY**  
 (Last 12 months % change)



**TABLE 61**  
**INFLATION**  
 (% change)

	Weight	2011	2012	2013	% change 2001-2013
<b>CPI</b>	<b>100.0</b>	<b>4.74</b>	<b>2.65</b>	<b>2.86</b>	<b>2.53</b>
<b>1. CPI without food and energy</b>	<b>56.4</b>	<b>2.42</b>	<b>1.91</b>	<b>2.97</b>	<b>1.95</b>
<b>a. Goods</b>	<b>21.7</b>	<b>2.37</b>	<b>1.60</b>	<b>2.62</b>	<b>1.56</b>
Textiles and footwear	5.5	4.73	3.05	2.30	2.26
Domestic appliances	1.3	-1.13	-2.44	-0.08	-0.95
Other industrial products	14.9	1.76	1.37	2.97	1.41
<b>b. Services</b>	<b>34.8</b>	<b>2.45</b>	<b>2.10</b>	<b>3.18</b>	<b>2.25</b>
<i>Of which:</i>					
Education	9.1	4.19	4.69	4.76	3.81
Rent	2.4	-0.70	-0.33	3.46	0.02
Health	1.1	1.91	2.63	4.99	2.60
Transportation	8.9	3.61	1.99	3.54	2.66
Telephone and water	5.4	0.02	-0.37	-0.39	0.29
<b>2. Food and energy</b>	<b>43.6</b>	<b>7.70</b>	<b>3.55</b>	<b>2.73</b>	<b>3.15</b>
<b>a. Food and beverages</b>	<b>37.8</b>	<b>7.97</b>	<b>4.06</b>	<b>2.24</b>	<b>3.19</b>
<i>Of which:</i>					
Chicken meat	3.0	16.52	9.28	-3.63	2.29
Bread	1.9	7.55	2.76	0.77	4.45
Rice	1.9	10.84	-1.84	0.50	1.53
Sugar	0.5	1.87	-11.82	-15.99	1.14
Noodles	0.5	5.32	2.19	3.70	2.19
Oils	0.5	22.22	-0.87	-1.02	3.72
Potato	0.9	2.44	19.85	-6.02	3.75
Fresh and frozen fish	0.7	-1.07	-13.22	15.96	4.06
Meals outside the home	11.7	6.77	5.96	5.23	3.45
<b>b. Fuels, electricity</b>	<b>5.7</b>	<b>6.01</b>	<b>0.22</b>	<b>6.09</b>	<b>2.70</b>
<b>Fuels</b>	<b>2.8</b>	<b>7.54</b>	<b>-1.48</b>	<b>5.95</b>	<b>3.62</b>
Oil and lubricants	1.3	14.34	-5.02	6.91	3.70
Gas	1.4	0.98	2.21	4.98	1.58
<b>Electricity</b>	<b>2.9</b>	<b>4.30</b>	<b>2.19</b>	<b>6.23</b>	<b>1.13</b>

Source: INEI and BCRP.

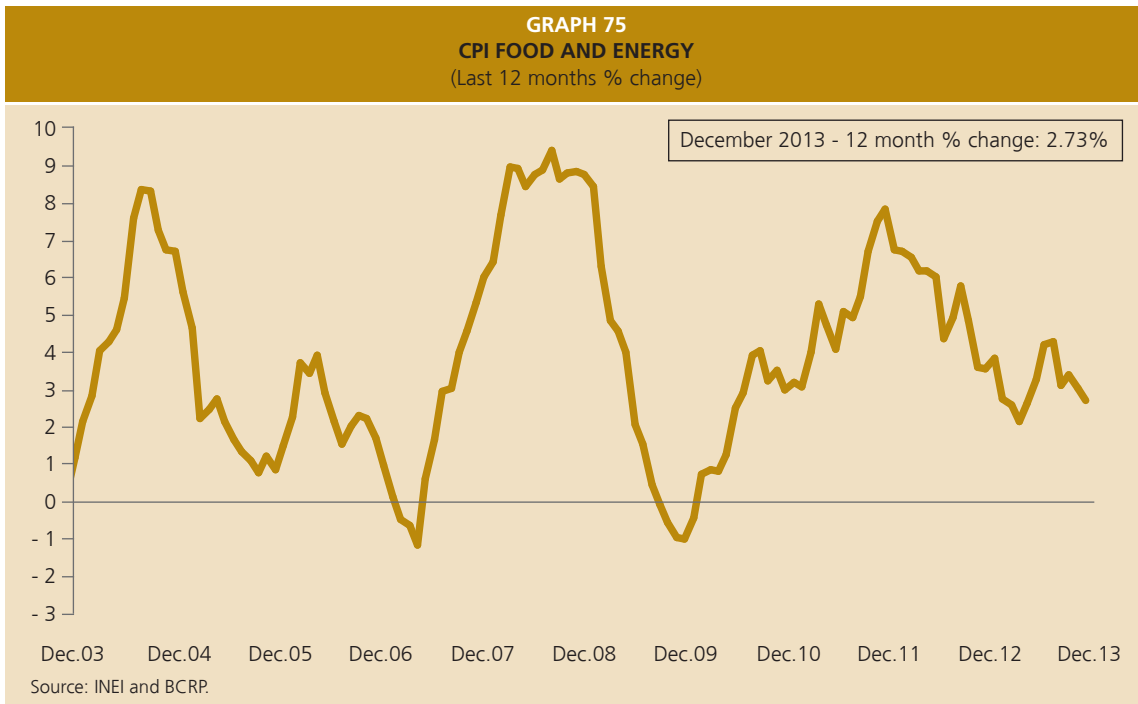




### b. Food, Energy and Fuel Prices

The rise in the prices of food and energy declined from 3.6 percent at the end of 2012 to 2.7 percent at December 2013, mainly as a result of a lower increase in the prices of food –down from 4.1 percent in 2012 to 2.2 percent in 2013–, which reflected declines in the prices of chicken, sugar, and potatoes.

On the other hand, fuel prices increased 6.0 percent while electricity rates increased 6.2 percent.



#### ***Impact of International Prices on Food Prices***

After remaining relatively stable in the first half of 2013, the international prices of grains, particularly soybean and maize, registered a fall in the second half of the year while wheat showed a decline especially since the last quarter of the year. In general terms, the decline in the prices of these grains resulted from an improvement in supply and an increase in the levels of global stocks.

The falls in the prices of corn and soybean influenced the prices of food products such as chicken (-4.5 percent) and oil (-1.0 percent).

**TABLE 62**  
**FOOD: INTERNATIONAL PRICES OF INPUTS**  
**AND CONSUMER PRICE**  
 (Annual % change)

	2011	2012	2013
Gutted chicken (S/. per kg)	17.2	9.5	- 4.5
Maize (US\$ per ton)	5.7	20.5	- 42.9
Soybean tart (US\$ per ton)	- 16.4	60.4	5.3
Bread (Pan francés) (S/. per kg)	5.8	2.7	1.0
Noodles (S/. per kg)	7.0	2.1	4.1
Wheat (US\$ per ton)	- 14.0	27.8	- 18.7
Bottled vegetable oil (S/. per liter)	22.2	- 0.9	- 1.0
Soybean oil (US\$ per ton)	- 2.9	- 6.2	- 20.2

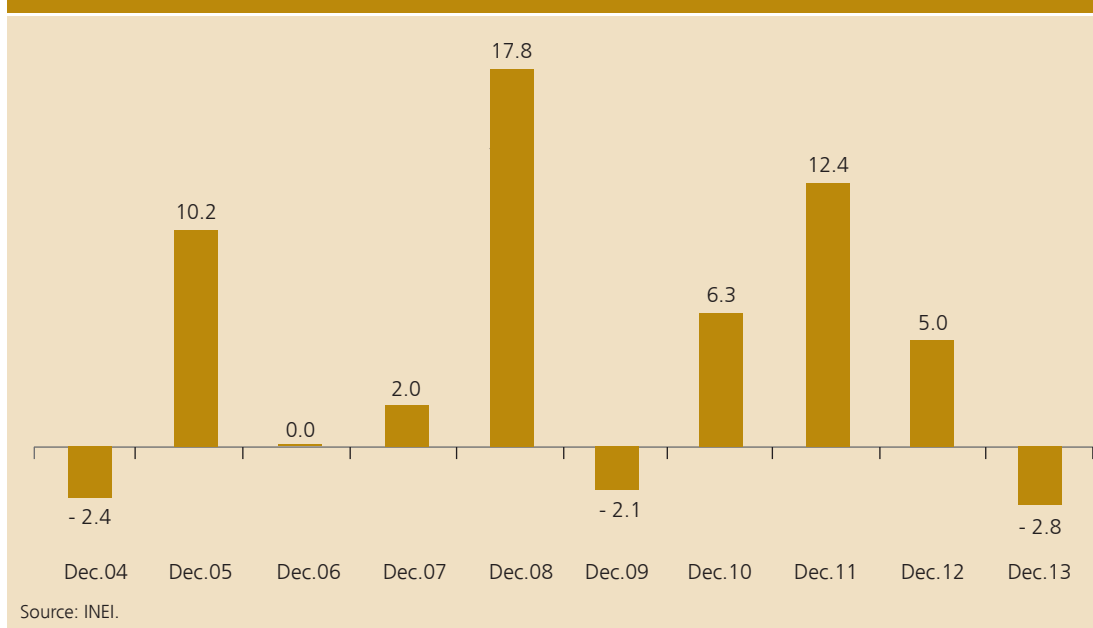
Source: INEI.

### ***Food Products Affected by Climate Anomalies***

Changes in weather conditions affected differently the evolution of perishable foodstuffs. For example, the availability of most fish species was affected by anomalous waves and variable weather conditions, which reduced the supply of these products and caused the price of fish to rise by 16 percent during the year.

On the other hand, the production of agricultural products was favored by the normalization of weather conditions in different producing areas and brought about a fall in the prices of farming foodstuffs of 2.8 percent on average. For example, the price of onions dropped 24 percent, while the price of potatoes fell 6 percent, corn fell 21 percent, and papaya fell 15 percent.

**GRAPH 76**  
**PRICES OF PERISHABLE AGRICULTURAL FOOD PRODUCTS**  
 (Annual % change)





## Energy

Electricity rates increased by 6.2 percent, a higher rate than in 2012 (2.2 percent), due mainly to the rate adjustments established by Osinergmin in order to update the costs of energy generation associated with higher fuel prices and a higher foreign exchange rate. A rise was also approved in the tolls of the electricity transmission system due to the onset of operation of new transmission lines.

## Fuels

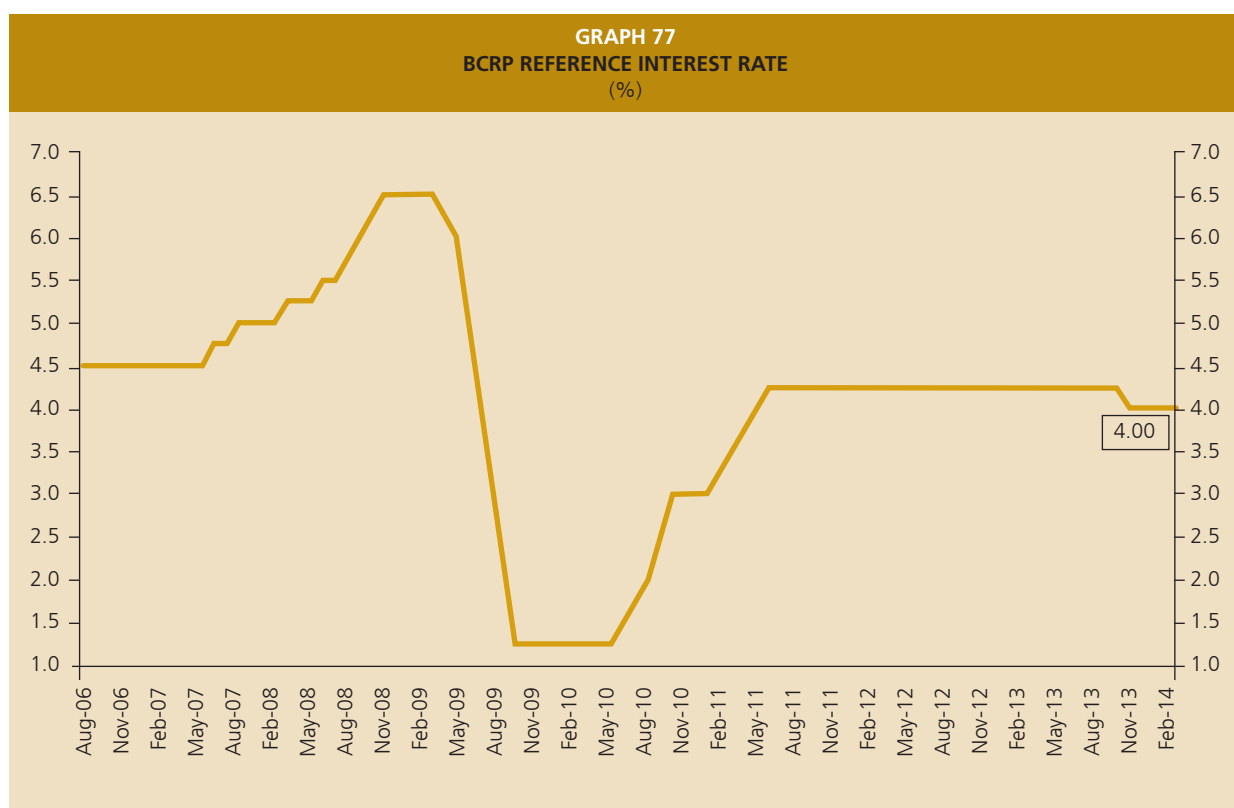
The prices of gasoline and lubricants increased 6.9 percent, reflecting the rise in the international price of crude. The conflicts in the Middle East resulted in increases in the price of WTI oil, which rose from US\$ 88.2 the barrel in December 2012 to US\$ 97.8 in December 2013, with a maximum price of US\$ 106.6 being recorded in August 2013.

<b>TABLE 63</b>				
<b>FUEL PRICES</b>				
(Annual % change)				
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>Average 2004-2013</b>
<b>Fuels</b>	<b>7.5</b>	<b>- 1.5</b>	<b>6.0</b>	<b>3.8</b>
Gasoline	14.3	- 5.0	6.9	3.6
Gas	1.0	2.2	5.0	1.9
Price of WTI oil, end of period 1/				
US Dollars	98.5	88.2	97.8	
Nuevos soles	265.6	226.4	272.5	
1/ West Texas Intermediate Source: INEI and Bloomberg.				

## V.

*Liquidity and Credit***1. Monetary Policy**

In 2013, the BCRP maintained its monetary policy rate at 4.25 percent until October and lowered it to 4.0 percent in November in order to ensure inflation's convergence to the tolerance range in a context of slowing economic activity, affected by the slower growth of our trading partners and lower export prices. The BCRP monetary policy continued to be preventive, especially vis-à-vis the possible impact of the international environment, and was aimed at ensuring that inflation expectations remain anchored within the inflation target range.





The evolution of the reference rate during the year was accompanied by changes in the regime of reserve requirements, which contributed to moderate the credit cycle and promote a rapid process of de-dollarization of credit. Reserve requirements induce financial institutions to maintain prudential liquidity positions, both in national currency and in foreign currency, reducing their vulnerability face potential scenarios of capital outflows. Reserve requirements can also be used to promote the de-dollarization of credit, because they make financial intermediation in foreign currency more expensive than financial intermediation in national currency.

Until April the BCRP increased successively the rate of mean reserve requirements on obligations in foreign currency to prevent that the inflows of capital would result in extremely loose monetary conditions and in a disorderly expansion of credit in foreign currency. The BCRP also established additional reserve requirements associated to the evolution of credit in foreign currency, which makes credit in this currency more expensive and contributes to the de-dollarization process.

After the FED announced that it would cut its asset purchase program, economic agents' expectations of appreciation –which characterized expectations before May– reversed quickly, generating a strong acceleration of credit in domestic currency and a greater preference for deposits in dollars. As a result of this, banks experienced a reduced availability of funding sources for credit in domestic currency. In May, the BCRP responded quickly to this change in the funding sources of credit by cutting the rate of marginal reserve requirements in domestic currency and imposing a ceiling on the mean required reserves in this currency. The latter was subsequently reduced to 15 percent in December in order to provide the financial system with the necessary liquidity to meet the demand for credit in domestic currency. About S/. 5.2 billion was injected into the financial system with these operations.

In the case of required reserves in foreign currency, the rate of marginal reserve requirements was lowered from 55 to 50 percent and a ceiling of 45 percent was imposed on the rate of mean required reserves in August 2013. Moreover, the rate of reserve requirements on short term external obligations was also lowered from 60 to 50 percent and the rate of reserve requirements on foreign credit lines for financing foreign trade operations was lowered from 25 to 20 percent in that month.

Additionally, in order to strengthen the process of de-dollarization of credit, in March 2013 the BCRP established an increase of 75 (150) bps to required reserves in dollars if a bank's balance of mortgage or car loans in this currency was 1.1 (1.2) times higher than such balance in February 2013 or an increase of 20 (25) percent to the regulatory capital at end-2012, the higher amount. In October it established an increase of 1.5, 3, or 5 percentage points to financial institutions whose average daily balance of total credits in foreign currency, excluding credit for foreign trade operations, exceeded 1.05 times, 1.1 times, or 1.15 times, respectively, the balance of such credits at the end of September 2013. This additional reserve requirement applies whenever the average daily balance of total credit in foreign currency, excluding loans for foreign trade operations, exceeds the bank's regulatory capital at December 2012.

**TABLE 64**  
**RESERVE REQUIREMENTS**

	Legal minimum reserve requirements	Domestic Currency			Foreign currency			Foreign liabilities
		Marginal reserve requirements on deposits	Increase in the mean reserve requirements	Maximum of mean reserve requirement	General regime			
					Marginal reserve requirements on deposits	Increase in the mean reserve requirements	Maximum of mean reserve requirement	
Dec.10	9%	25%			55%			75%
Jan.11	9%	25%			55%			60%
Feb.11	9%	25%	0.25%		55%	0.25%		60%
Mar.11	9%	25%	0.25%		55%	0.25%		60%
Apr.11	9%	25%	0.50%		55%	0.50%		60%
May.12	9%	30%	0.50%		55%	0.50%		60%
Jul.12	9%	30%	--		55%	--		60%
Sep.12	9%	30%	0.50%		55%	0.50%		60%
Oct.12	9%	30%	0.50%		55%	0.50%		60%
Nov.12	9%	30%	0.75%		55%	0.75%		60%
Jan.13	9%	30%	0.25%		55%	0.75%		60%
Feb.13	9%	30%	--		55%	1.00%		60%
Mar.13	9%	30%	--		55%	0.50%		60%
Apr.13	9%	30%	--		55%	0.25%		60%
Jun.13	9%	30%	--	20%	55%	--		60%
Aug.13	9%	25%	--	19%	50%	--	45%	50%
Sep.13	9%	20%	--	17%	50%	--	45%	50%
Oct.13	9%	16%	--	16%	50%	--	45%	50%
Dec.13	9%	15%	--	15%	50%	--	45%	50%

Source: BCRP.

## 2. Interest Rates

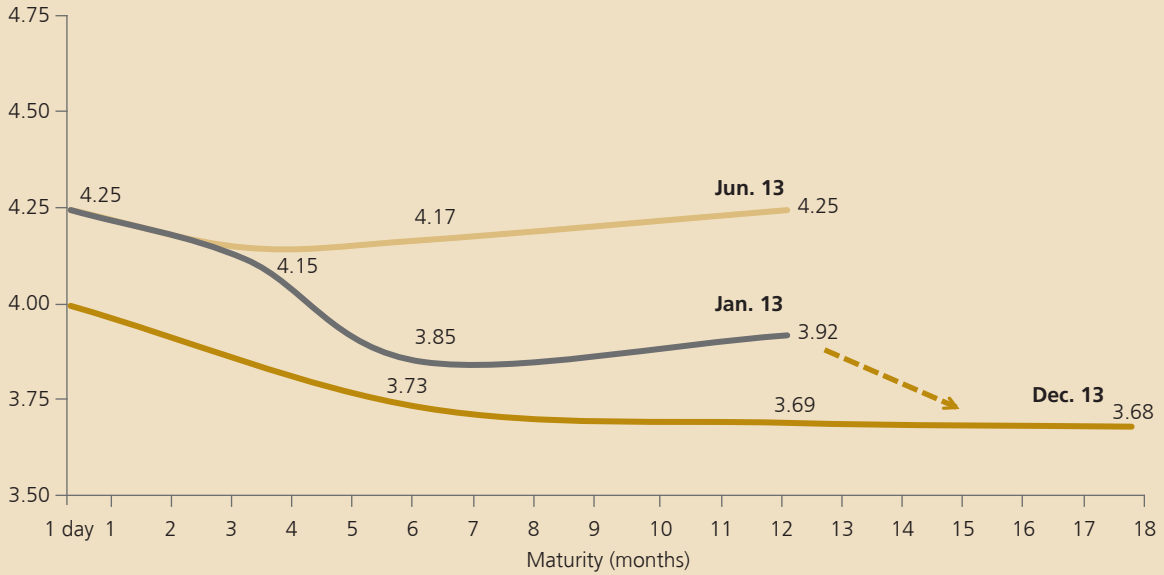
The stability of the reference rate was reflected in the almost flat yield curve of the BCRP securities in the first half of the year. Towards the end of the year, the reduction of the reference rate in November as well as expectations of lower future reference rates reflected in the six-to-eighteen-month segment of the yield curve.

The interest rate on corporate loans in nuevos soles showed a slight decreasing trend in 2013, in line with the behavior of the monetary policy rate.

On the other hand, the average rate for loans in domestic currency (FTAMN) rose from 19.1 percent in December 2012 to 20.1 percent in December 2013 as a result of the increased demand for credit in this currency. Moreover, the interest rates on deposits showed a mixed conduct. Thus, while the interest rate on up to 30-day-deposits increased from 3.5 to 3.7 percent, the interest rate on more than 180-day deposits dropped from 4.2 to 3.5 percent.

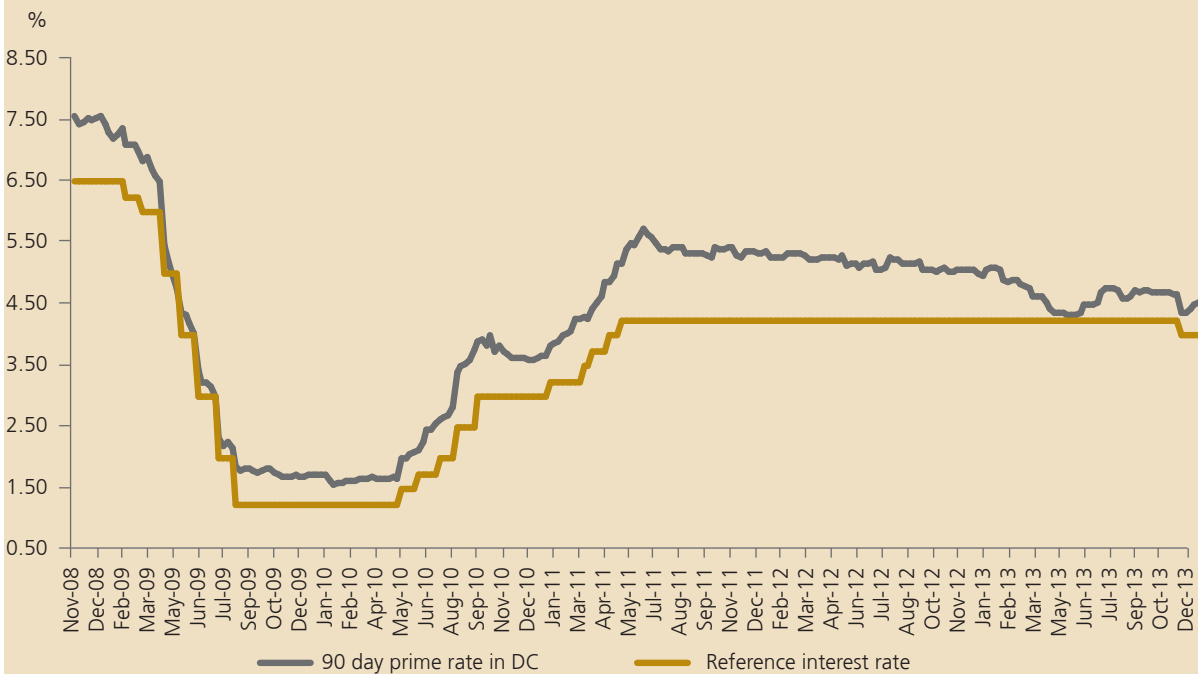


**GRAPH 78**  
**YIELD CURVE OF BCRP SECURITIES 1/**



1/ Yield rates of CDBCRP at the period end. One day rate corresponds to the reference rate.  
Source: BCRP.

**GRAPH 79**  
**REFERENCE INTEREST RATE AND CORPORATE PRIME RATE IN DOMESTIC CURRENCY**



Source: BCRP.

**TABLE 65**  
**INTEREST RATES ON OPERATIONS IN NUEVOS SOLES**  
 (%)

	2010	2011	2012	Jun.2013	Dec.2013
1. Interbank rate	3.0	4.2	4.3	4.3	4.2
2. Deposits up to 30 days	2.2	3.9	3.5	3.4	3.7
3. 181-day to 360-day term deposits	3.8	4.7	4.2	3.5	3.5
4. Corporate prime rate	3.6	5.4	5.1	4.5	4.5
5. FTAMN 1/	22.8	21.3	19.1	22.6	20.1

1/ Average market lending rate of the operations carried out in the last 30 business days.  
 Source: BCRP and SBS.

The interest rates on operations in foreign currency showed a declining trend, reflecting the low interest rates seen in the international market and banks' excess liquidity in foreign currency. This trend intensified since May 2013 with the faster pace of growth of deposits in dollars in the domestic financial system which was associated with increased expectations of a depreciation of the nuevo sol. Because of this greater preference for saving in dollars, particularly in the case of companies, and because of the rapid slowdown in the demand for credit, banks increased their overnight deposits at the BCRP and reduced their short-term external liabilities. As a result, the corporate prime lending rate in dollars fell 330 basis points in 2013 (from 4.2 to 0.9 percent), while the rate for up to 30-day deposits fell from 1.4 to 0.1 percent.

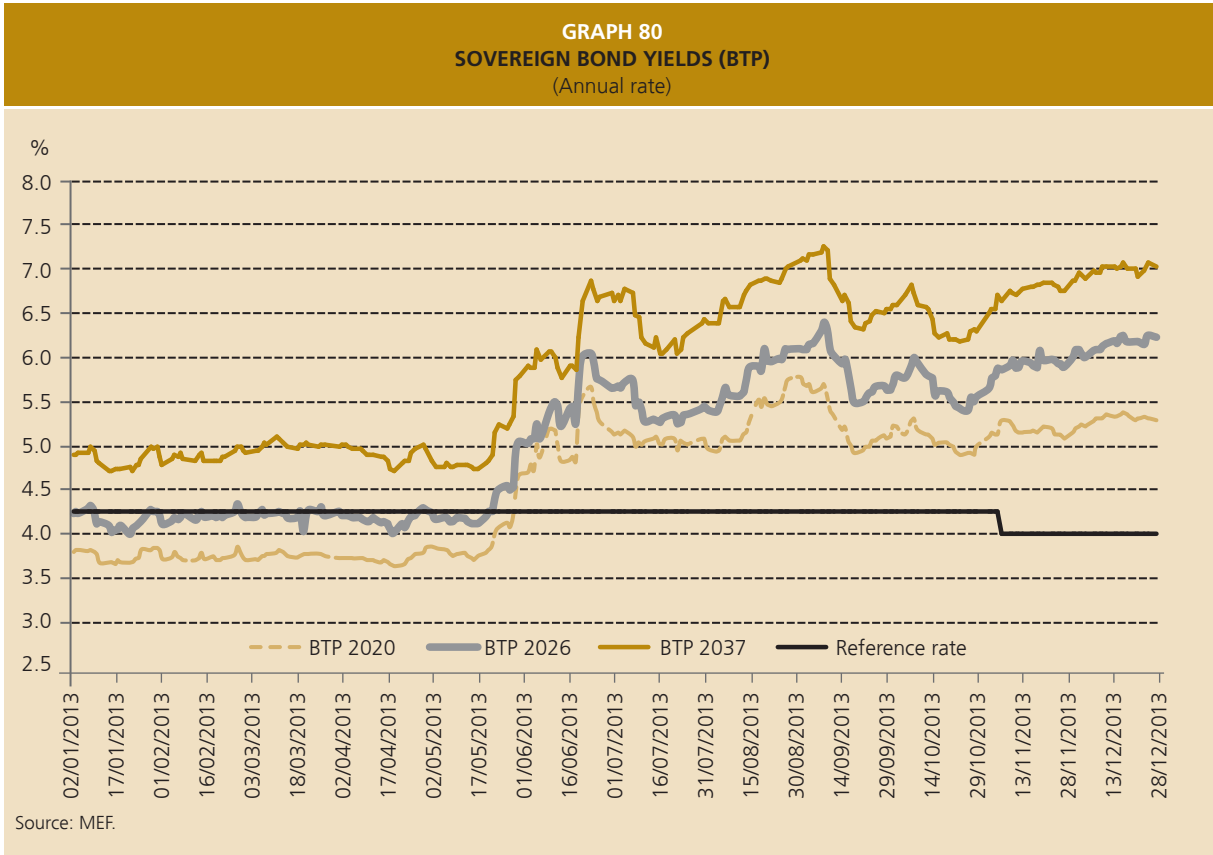
**TABLE 66**  
**INTEREST RATES ON OPERATIONS IN US DOLLARS**  
 (%)

	2010	2011	2012	Jun.2013	Dec.2013
1. 3-month libor rate	0.3	0.6	0.3	0.3	0.2
2. Interbank rate	1.1	0.3	1.1	0.3	0.3
3. Deposits up to 30 days	0.9	0.7	1.4	0.3	0.1
4. 181-day to 360-day term deposits	1.7	1.6	1.7	1.6	0.9
5. Corporate prime rate	2.1	2.4	4.2	2.5	0.9
6. FTAMEX 1/	7.9	6.8	8.2	8.1	7.3

1/ Average market lending rate of the operation carried out in the last 30 business days.  
 Source: BCRP and SBS.

The long-term interest rates showed high volatility in 2013. Until April, the strong inflow of capital and the high preference of non-resident investors for low-risk fixed income securities led the interest rates of Peru's Treasury Bonds (BTPs) to drop strongly, even below the monetary policy rate. Then, a significant correction in the prices of these securities was observed in May with the U.S. Federal Reserve announcement of the likely beginning of the withdrawal of its asset purchase program, which was reflected in an upward shift in the yield curve of PTPs in domestic currency of 200 bps on average for the entire curve. These higher interest rates were also reflected in the market of corporate bonds in domestic currency, which uses the yield curve of the BTPs as benchmark.



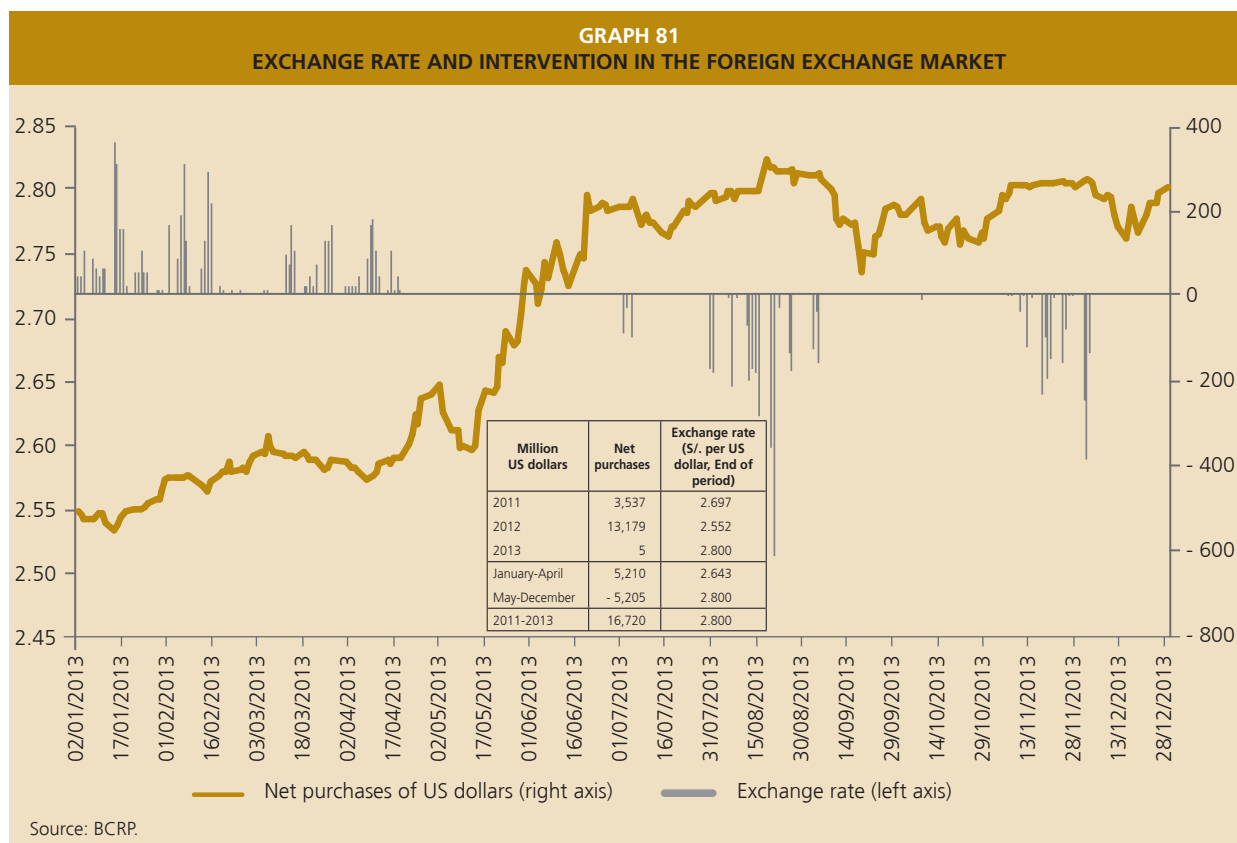


### 3. Foreign Exchange Rate

Like the market of long-term bonds, the nuevo sol showed high volatility during the year. The latter was strongly marked by changes in the international environment associated both with the beginning of the FED's withdrawal of its asset purchase program and with the evolution of China's economy and the recovery of the world economy. Thus, in 2013 the nuevo sol depreciated 9.6 percent against the dollar in nominal terms (from S/. 2.55 to S/. 2.80 per dollar). The exchange rate showed a differentiated conduct over the year, with a period of lower volatility between January and April during which the nuevo sol depreciated 3.7 percent, influenced mainly by monetary policy actions. Thus, the BCRP raised the average rate of reserve requirements in dollars by up to 250 bps and reduced the limit of AFPs' investment abroad. Moreover, the government announced the purchase of foreign currency for up to US\$ 4 billion for the purpose of making a prepayment of the external debt during the second quarter of the year, among other operations.

In May, the depreciation of the nuevo sol exceeded 3 percent. This level of depreciation was influenced by both resident and non-resident economic agents' greater demand for dollars associated with increased expectations of a depreciation of the nuevo sol as a result of the FED's announcement that it would start reducing the amount of its purchases of assets, which increased risk aversion and led investors to restructure their portfolios and increase their investment in assets of developed economies like the United States.

It should be pointed out that the magnitude of the depreciation of the local currency during the year has been similar to the one affecting the currencies of other economies in the region, like Colombia, Chile, and Mexico. In addition to this, in the case of Peru, the turbulence in the international market has not produced significant capital outflows, but rather a restructuring of agents' portfolio mainly.



The BCRP intervention in the foreign exchange market was aimed at reducing the volatility of the exchange rate, which allowed the real exchange rate to return to levels of equilibrium towards the end of the year. Thus, in the first four months of the year the BCRP bought dollars in the foreign exchange market for a total of US\$ 5.2 billion, in a context of currency appreciation in the region as a result of monetary stimulus policies in the world. In the second half of the year, the BCRP sold a similar amount of dollars in the exchange market.

The supply of foreign currency in the exchange market came mainly from local private agents and non-residents, who provided US\$ 3.34 billion and US\$ 1.53 billion, respectively. On the other hand, pension funds generated a net demand for US\$ 4.25 billion, which reflected mainly the demand for US\$ 3.57 billion in the spot market. Moreover, Banco de la Nación and financial companies recorded a demand for a total of US\$ 878 million while local banks showed a demand for a total of US\$ 850 million to increase their foreign exchange position. In this context, the BCRP offered US\$ 1.11 billion in the foreign exchange market mainly through the net placement of CDR-BCRP, which amounted to US\$ 1.11 billion.



**TABLE 67**  
**FLOWS IN THE FOREIGN EXCHANGE MARKET 1/**  
 (Million US\$)

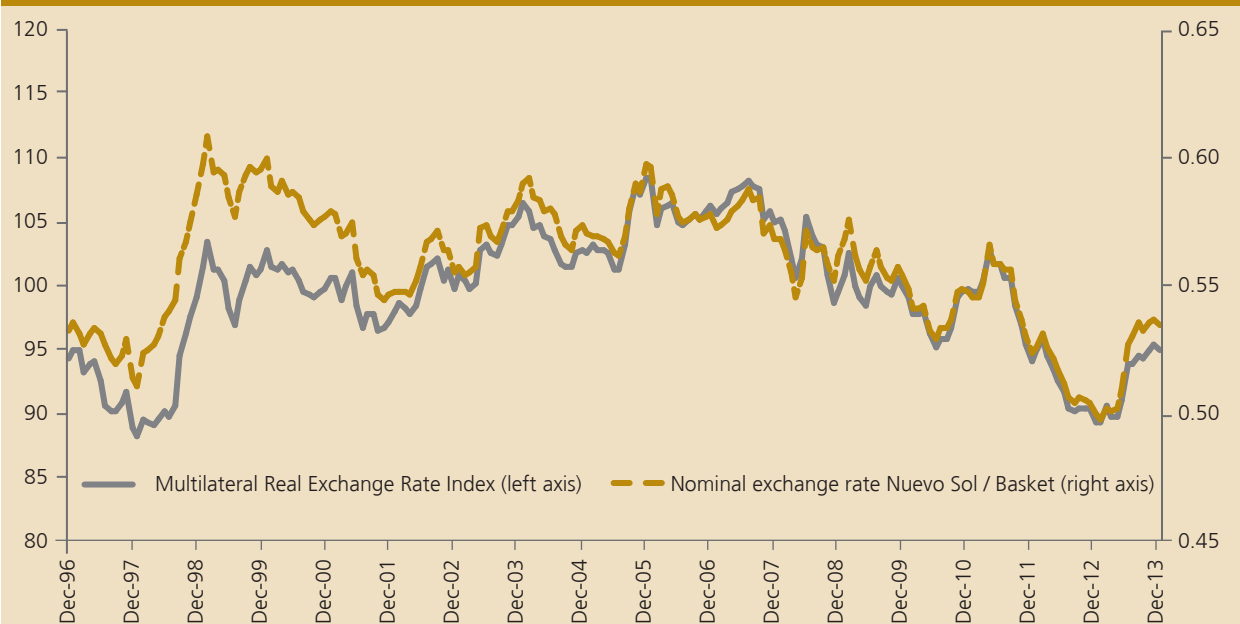
	2011	2012	2013
<b>Pension funds</b>	<b>2,840</b>	<b>201</b>	<b>4,254</b>
<i>Spot</i>	2,108	2,915	3,565
<i>Forward</i>	732	- 2,714	688
<b>Non-residents</b>	<b>1,425</b>	<b>361</b>	<b>- 1,534</b>
<i>Spot</i>	- 317	- 1,465	- 562
<i>Forward</i>	1,742	1,826	- 972
<b>Banco de la Nación and financial companies</b>	<b>614</b>	<b>1,017</b>	<b>878</b>
<i>Spot</i>	519	693	756
<i>Forward</i>	95	325	121
<b>Private</b>	<b>- 8,565</b>	<b>- 14,431</b>	<b>- 3,340</b>
<b>Bank's international position</b>	<b>311</b>	<b>- 328</b>	<b>850</b>
<b>BCRP intervention</b>	<b>3,374</b>	<b>13,179</b>	<b>- 1,108</b>

1/ Positive sign indicates demand and negative supply.  
 Source: BCRP.

In 2013, the BCRP accumulated international reserves for a total of US\$ 1.67 billion, thus increasing the balance of reserves from US\$ 63.99 billion in December 2012 to US\$ 65.66 billion at end-2013. This level of international reserves is equivalent to 32 percent of GDP and to 8 times the total of the country's short-term external liabilities, which makes the Peruvian economy one of the least vulnerable economies face sudden capital outflows.

In real terms, the multilateral real exchange rate index depreciated 6.0 percent, from a level of 89.5 in December 2012 to 94.9 in December 2013. The real depreciation was lower than the nominal depreciation given that local inflation was higher than external inflation.

**GRAPH 82**  
**NOMINAL AND MULTILATERAL REAL EXCHANGE RATE**

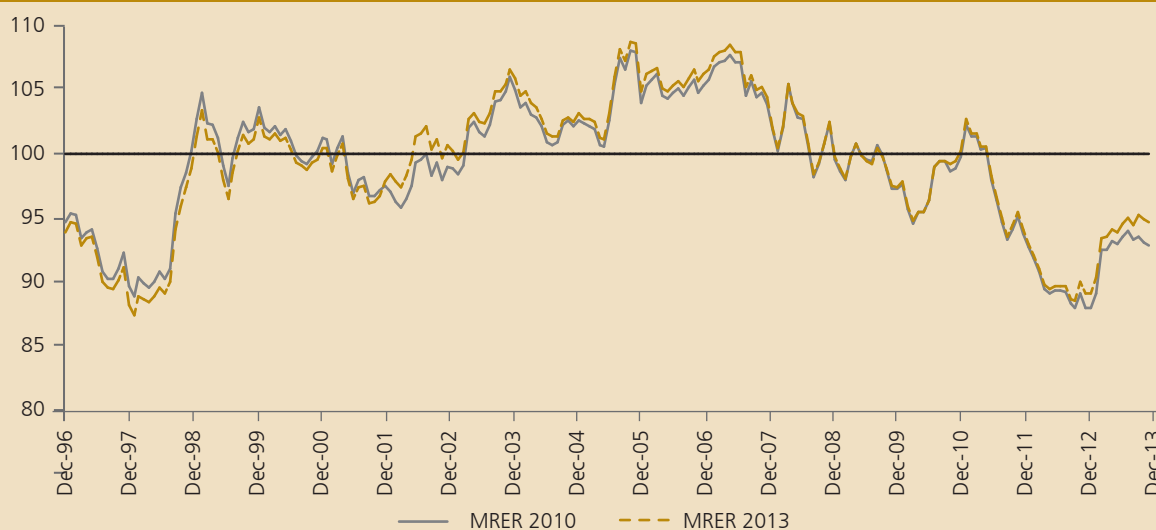


Source: BCRP.

**Box 3****UPDATING THE WEIGHT STRUCTURE OF THE MULTILATERAL REAL EXCHANGE RATE**

In order to estimate the multilateral real exchange rate index (MREER), we build an external price index using the price indices of Peru's major trading partners. The new MREER series includes the update of the former weights used. Until our previous Annual Report, the participation of 20 of Peru's major trade partners in 2010 (exports plus imports) were used as weights. As from this Annual Report, the weights are updated based on the trade structure of 2013 and the MREER includes the following countries: United States, China, Brazil, Japan, Canada, Switzerland, South Korea, Chile, Ecuador, Germany, Mexico, Spain, Colombia, Italy, India, Netherlands, Belgium, United Kingdom, Thailand, and Taiwan.

The new series considers the use of the updated weight structure for the whole period and 2009 is set as the base year in order to be consistent with the consumer price index.

**MULTILATERAL REAL EXCHANGE RATE**

Source: BCRP.

## 4. Monetary and Credit Aggregates

The annual growth rates of liquidity and credit have continued to slow down between 2012 and 2013, which would be associated with the decline observed in the growth of economic activity.

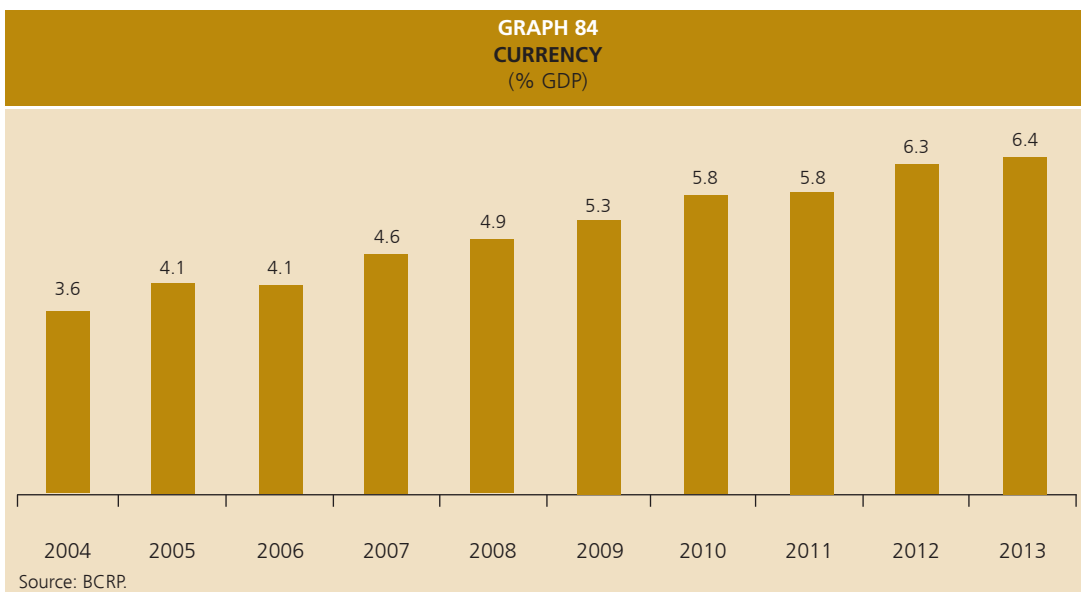
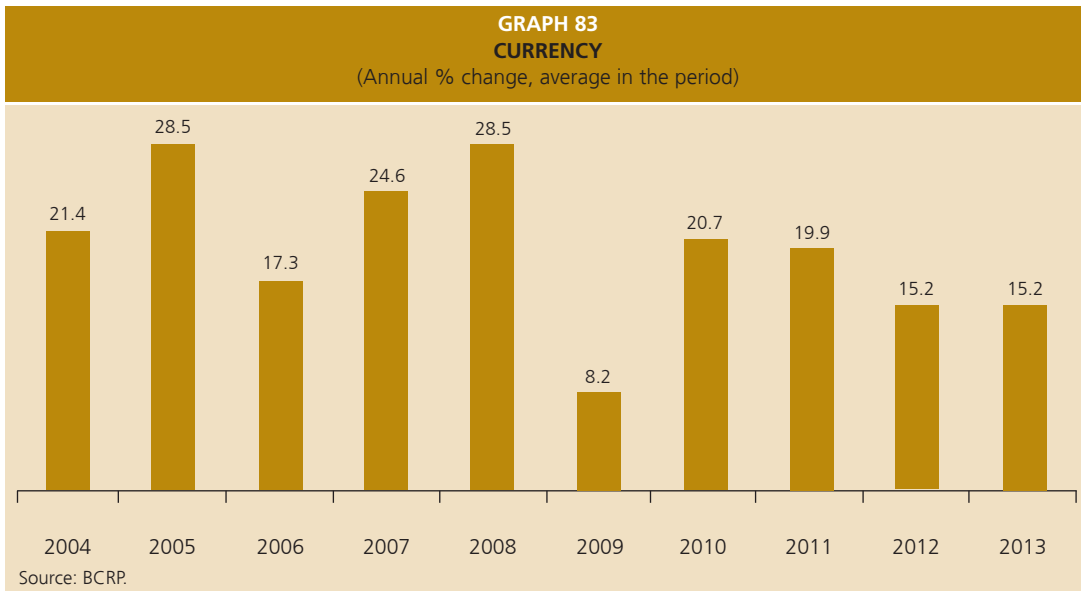
Total liquidity grew 11.3 percent. Liquidity in domestic currency grew 10.8 percent, while liquidity in foreign currency grew 12.4 percent. Thus, the ratio of dollarization of liquidity increased from 30.7 percent in December 2012 to 33.0 percent in December 2013.



Total credit to the private sector grew 13.2 percent. Credit in domestic currency grew 22.5 percent while credit in foreign currency grew 2.0 percent. The ratio of dollarization of credit decreased from 43.0 percent in December 2012 to 40.8 percent in December 2013.

#### 4.1. Currency in Circulation

In 2013 the daily average balance of currency was S/. 31.77 billion, which represents a growth rate of 15.2 percent in annual terms, a similar rate to the one recorded in 2012. In GDP terms, currency grew 0.2 percentage points relative to 2012 and recorded a rate of 6.4 percent. This rate is consistent with the growth of economic activity.



The balance of currency in circulation at December 2013 was S/. 35.24 billion, an amount S/. 2.99 billion (9.3 percent) higher than in December 2012. The BCRP operations, which were aimed at meeting the public's increased demand for liquidity and ensuring the flow of transactions in the monetary market, were consistent with the sterilizing effect generated by the the central bank's greater sales of dollars in the foreign exchange market compared with the previous year, offset in part by a lower balance of public sector deposits in soles at the BCRP.

The public sector deposits in nuevos soles declined by S/. 3.29 billion –which reduced the need for injecting liquidity through open market operations–, while the net balance of the BCRP foreign exchange operations showed a negative value of S/. 12.68 billion (which is equivalent to net sales amounting to US\$ 4.27 billion). A reduction of required reserves deposits in nuevos soles of S/. 3.79 billion was also recorded in the year after the rate of reserve requirements in domestic currency was reduced since June. In this scenario, the temporary purchases of securities made in this period amounted to a total of S/. 950 million.

A reduction of dollars of US\$ 4.27 billion was generated as a result of the flow of foreign exchange operations, including net purchases of foreign currency (US\$ 5 million), sales of dollars to the public sector (US\$ 4.30 billion), and other purchases of foreign currency (US\$ 24 million).

Direct purchases of foreign currency in the first four months of the year amounted to US\$ 5.21 billion. Since July 2013, the BCRP sold dollars for a total of US\$ 5.21 billion in the foreign exchange market.

In response to the depreciatory pressures on the nuevo sol during the second half of the year, the sale of foreign currency was accompanied by auctions of certificates of deposit indexed to the exchange rate (CDR-BCRP), the balance of which increased to S/. 3.11 billion at the end of 2013.

On the other hand, the lower volume of monetary sterilization during the year was mainly aimed at maintaining adequate levels of liquidity and guaranteeing the flow of operations in the money market, in a context of banks' lower availability of liquidity in domestic currency as a result of their higher purchases of dollars during the second half of the year.

The flow of net placements of certificates of deposit (CD-BCRP) dropped by S/. 1.81 billion in 2013 and a null balance of term deposits (DP-BCRP) was recorded at year-end.



**TABLE 68**  
**OPERATIONS OF THE BCRP**  
(Million nuevos soles)

	2011	2012	2013
<b>I. EXCHANGE OPERATIONS</b>	<b>669</b>	<b>31,172</b>	<b>- 12,681</b>
(Million US\$)	329	11,837	- 4,270
1. Over the counter trading	3,537	13,179	5
2. Public sector	- 3,039	- 1,353	- 4,298
3. Others	- 169	11	24
<b>II. NET DOMESTIC ASSETS</b>	<b>2,461</b>	<b>- 26,188</b>	<b>15,675</b>
1. Public sector deposits	- 5,214	- 7,999	3,293
2. Repos	0	0	950
3. CD BCRP (Certificates of deposit)	- 13,550	- 7,225	1 812
4. CDR BCRP (Certificates of deposit indexed to the exchange rate)	0	0	- 3 111
5. CDLD BCRP (Certificates of deposit payable in dollars)	450	0	0
6. CDV BCRP (Certificates of deposit indexed to the reference rate)	3,196	0	0
7. Term deposits (DP BCRP)	17,151	- 5,611	9 248
8. Overnight deposits	559	- 375	- 2 602
9. Reserve requirements in domestic currency	- 2,630	- 7,784	3,793
10. Rest	2,499	2,805	2 292
<b>III. CURRENCY</b>	<b>3,130</b>	<b>4,984</b>	<b>2,994</b>
Memo: Balance at end of period			
- Currency	27,261	32,244	35,239
- CD BCRP	13,580	20,805	18,992
- CDR BCRP	0	0	3,111
- CDLD BCRP	0	0	0
- Term deposits (DP BCRP)	3,637	9,248	0
- Public sector deposits	31,940	39,939	36,646
Memo:			
CD BCRP: Certificate of deposit.			
CDR BCRP: Certificate of deposit indexed to the exchange rate.			
CDLD BCRP: Certificate of deposit payable in dollars.			
Source: BCRP.			

#### Box 4

### EQUITY POSITION OF CENTRAL BANKS

Central banks require an adequate level of capital to achieve their objectives because this gives them more flexibility to modify the composition and structure of their balance sheet and, therefore, they can implement monetary policy actions more effectively. Several reasons explain why it is important that central banks have a good equity position, including the following:

- a. A good equity position provides a central bank with sufficient backup to take policy actions that are justified from the point of view of its macroeconomic objectives.
- b. It generates confidence and credibility on the central bank's institutional capacity to mitigate risks that could affect the economy.
- c. It serves as a backup to absorb losses associated with all kinds of operations and risks inherent to central banking activities.

- d. It allows a central bank to absorb various shocks that represent losses without having to resort immediately to the government in order to replenish the lost capital.
- e. A good equity position strengthens the central bank's financial independence and management vis-à-vis the government and third parties.

Fukui (2003)<sup>9</sup> says that a negative equity position can compromise the independence of the central bank and credibility in the currency. Vaez-Zadeh (1991)<sup>10</sup> maintains that a central bank can be perceived as weak in general if it shows a negative net worth, whereas a central bank with a good level of capital and reserves is seen as an entity capable of mitigating the risks the central bank may be exposed to. Moreover, a negative equity position would have expansionary effects on the money supply, which may affect the bank's effectiveness. Based on empirical estimates, Adler, Castro and Tovar (2012)<sup>11</sup> have recently argued that central banks with low levels of capital tend to implement more-than-recommended expansionary monetary policies – interest rates below optimal levels– than central banks with greater financial strength. Klüh and Stella (2008)<sup>12</sup> also found a negative relationship between the financial strength of a country's central bank and inflation.

Moreover, Stella (2005)<sup>13</sup> argues that it is hard to believe that a central bank will maintain its institutional independence when it depends on the goodwill of the Treasury to generate new capital that will enable it to continue its activities. In this regard, and according to Jácome and Vázquez (2005)<sup>14</sup>, the existence of a mechanism whereby the State automatically compensates the central bank for the losses in which it may incur in the performance of its duties is one of the key indicators of the component of financial autonomy that defines the degree of independence of a central bank.

In the case of the Central Reserve Bank of Peru (BCRP), the mechanisms whereby the BCRP maintains an adequate equity position are established in article 93 of its Organic Law. When it occurs, within thirty days after its balance sheet has been approved, the Treasury issues and delivers negotiable debt securities to the Bank which earn interest for the amount not covered by the Bank' capital reserves. In the region, the rule governing the Central Bank of Brazil establishes that losses will be covered by the federal government the year following the approval of the financial balance. In Colombia, the losses for the year are covered by the State in cash in the first quarter of each year, provided that they have not been covered using the reserves accumulated in previous years.

The BCRP has been transferring profits to the Treasury until 2010. However, in a context of low international interest rates, this year the Public Treasury will give the Central Reserve Bank of Peru bonds for a total of S/. 205 million in order that the Bank will maintain a sound equity position, as provided for in article 93 of the BCRP Organic Law.

9 Fukui, Toshihiko; "Challenges for Monetary Policy in Japan"; speech by Mr Toshihiko Fukui, Governor of the Bank of Japan, at the Spring Meeting of the Japanese Society of Monetary Economics; June 2003.

10 Vaez-Zadeh, Reza; "Implications and Remedies of Central Bank Losses"; IMF, Central Banking Department; November 1991.

11 Adler, Castro, and Tovar; "Does Central Bank Capital Matter for Monetary Policy?"; IMF Working Paper, WP/12/60; February 2012.

12 Klüh and Stella; "Central Bank Financial Strength and Policy Performance: An Econometric Evaluation"; IMF Working Paper; WP/08/176; July 2008.

13 Stella, Peter; "Central Bank Financial Strength, Transparency, and Policy Credibility"; IMF Staff Papers; 2005.

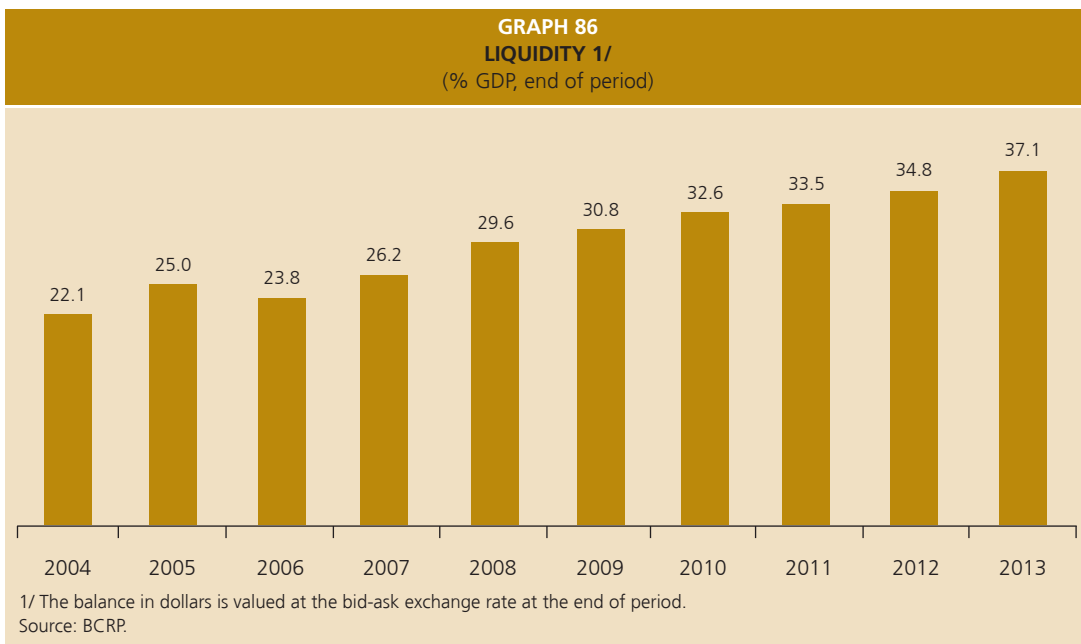
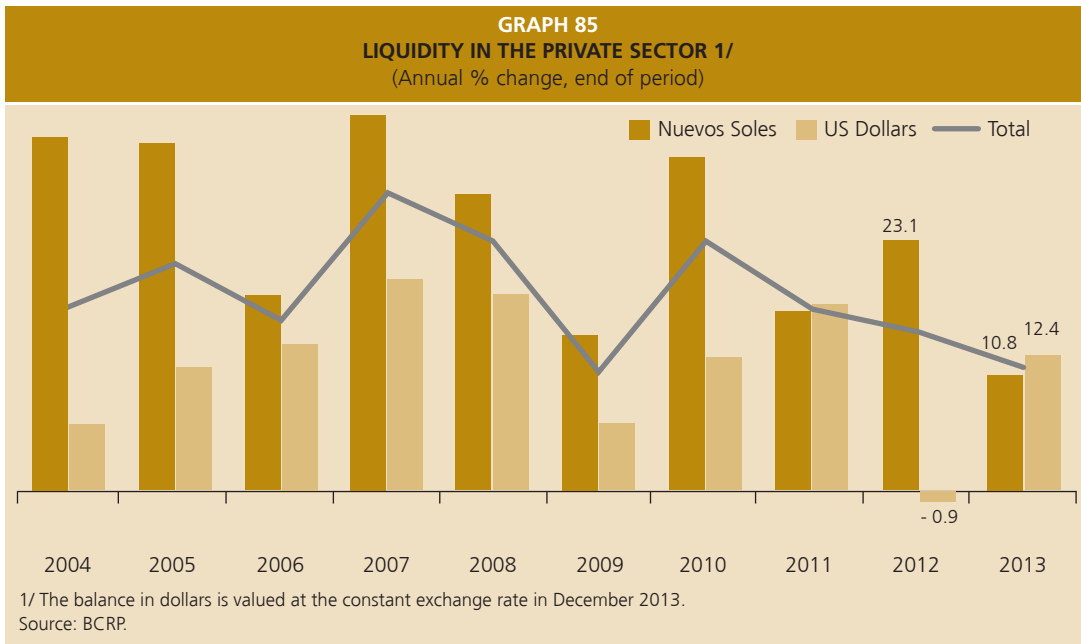
14 Jácome, Luis y Vázquez, Francisco; "Any Link Between Legal Central Bank Independence and Inflation? Evidence from Latin America and the Caribbean"; IMF Working Paper; April 2005.





## 4.2. Liquidity

Liquidity in the private sector continued to grow, but at a lower rate than in the previous year due to the moderation in the growth of economic activity. Liquidity showed a growth rate of 11.3 percent, 2.8 percentage points lower than in 2012 (14.1 percent). On the other hand, the decline in the growth rate of deposits –which excludes currency in circulation– was 1.6 percentage points, from 13.0 percent in 2012 to 11.4 percent in 2013.



**TABLE 69**  
**MAIN MONETARY AGGREGATES**

	Balance in million nuevos soles			Grow rates (%)	
	2011	2012	2013	2012	2013
Currency	27,261	32,244	35,239	18.3	9.3
Money	48,766	57,488	61,822	17.9	7.5
Total deposits 1/	130,791	147,760	164,566	13.0	11.4
In nuevos soles	70,778	88,252	97,797	24.7	10.8
In dollars (Million US\$)	21,433	21,253	23,846	- 0.8	12.2
Liquidity 1/	159,605	182,044	202,595	14.1	11.3
In nuevos soles	99,520	122,476	135,644	23.1	10.8
In dollars (Million US\$)	21,459	21,274	23,911	- 0.9	12.4

1/ The balance in dollars is valued at the constant exchange rate in December 2013.  
Source: BCRP.

By type of depositor, the deposits of natural persons grew at a higher rate (16.9 percent) than the deposits of legal entities (2.3 percent) in 2013. In terms of currencies, natural persons showed a greater preference for assets in nuevos soles while legal persons showed a greater preference for assets in dollars.

**TABLE 70**  
**DEPOSITS BY TYPE OF DEPOSITOR**

	Balance in million nuevos soles			Growth rates (%)	
	2011	2012	2013	2012	2013
<b>Individuals 1/</b>	<b>79,751</b>	<b>91,868</b>	<b>107,384</b>	<b>15.2</b>	<b>16.9</b>
In nuevos soles	48,908	60,517	71,246	23.7	17.7
In US dollars (Million US\$)	11,015	11,197	12,906	1.6	15.3
<b>Businesses 1/</b>	<b>51,039</b>	<b>55,892</b>	<b>57,182</b>	<b>9.5</b>	<b>2.3</b>
In nuevos soles	21,870	27,735	26,550	26.8	- 4.3
In US dollars (Million US\$)	10,418	10,056	10,940	- 3.5	8.8
<b>Total 1/</b>	<b>130,791</b>	<b>147,760</b>	<b>164,566</b>	<b>13.0</b>	<b>11.4</b>
In nuevos soles	70,778	88,252	97,797	24.7	10.8
In US dollars (Million US\$)	21,433	21,253	23,846	- 0.8	12.2

1/ The balance in dollars is valued at the constant exchange rate in December 2013.  
Source: BCRP.

The slowdown in liquidity, which is consistent with the evolution of credit to the private sector, affected mostly the segment of liquidity in domestic currency whose annual growth rate dropped from 23.1 percent in 2012 to 10.8 percent in 2013. This slowdown was influenced by expectations of a depreciation of the nuevo sol against the dollar, which generated a re-composition of currencies in private sector deposits. Moreover, a greater decline was observed in the segment of term deposits (down from 34.3 percent in 2012 to 11.6 percent in 2013).



**TABLE 71**  
**LIQUIDITY IN DOMESTIC CURRENCY IN THE PRIVATE SECTOR**

	Balance in million nuevos soles			Growth rates (%)	
	2011	2012	2013	2012	2013
Currency	27,261	32,244	35,239	18.3	9.3
Deposits	70,778	88,252	97,797	24.7	10.8
Demand deposits	21,505	25,244	26,584	17.4	5.3
Savings deposits	22,409	26,935	30,958	20.2	14.9
Term Deposits	26,863	36,073	40,255	34.3	11.6
Securities and other instruments	1,481	1,979	2,609	33.6	31.8
<b>TOTAL</b>	<b>99,520</b>	<b>122,476</b>	<b>135,644</b>	<b>23.1</b>	<b>10.8</b>

Source: BCRP.

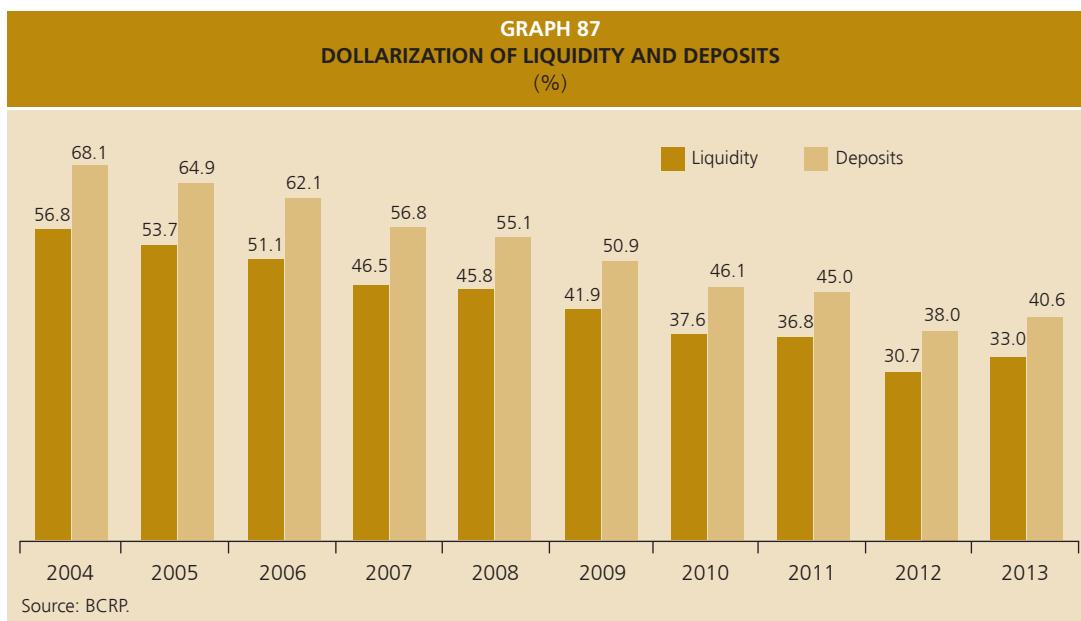
On the other hand, liquidity in foreign currency showed a faster pace of growth than in the previous year, rising from -0.9 percent to 12.4 percent. Much of this increase took place during the second half of the year as a result of the expectations about a depreciation of the sol against the dollar. The most dynamic growth rates were observed in value assets (savings and term deposits), which grew substantially compared to the previous year. It is worth pointing out that the annual rate of term deposits grew from -7.9 percent in 2012 to 13.9 percent in 2013.

**TABLE 72**  
**LIQUIDITY IN FOREIGN CURRENCY IN THE PRIVATE SECTOR**

	Balance in million US\$			Growth rates (%)	
	2011	2012	2013	2012	2013
Deposits	21,433	21,253	23,846	- 0.8	12.2
Demand deposits	6,981	7,552	8,483	8.2	12.3
Savings deposits	5,411	5,369	5,873	- 0.8	9.4
Term Deposits	9,042	8,331	9,491	- 7.9	13.9
Securities and other instruments	26	21	65	- 17.4	202.8
<b>TOTAL</b>	<b>21,459</b>	<b>21,274</b>	<b>23,911</b>	<b>- 0.9</b>	<b>12.4</b>

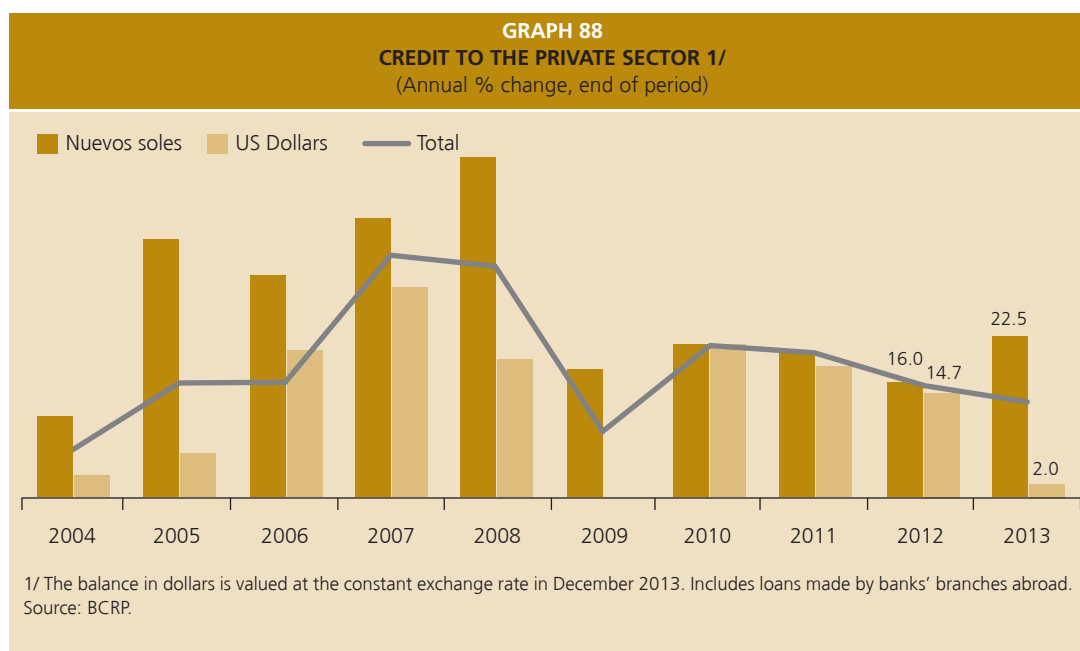
Source: BCRP.

In this scenario, the ratio of dollarization of liquidity increased 2.3 percentage points over the year (from 30.7 percent in December 2012 to 33.0 percent in December 2013), after having shown a de-dollarization trend over the last decade. Furthermore, the ratio of dollarization of deposits increased from 38.0 percent in December 2012 to 40.6 percent in December 2013.



### 4.3. Credit to the Private Sector

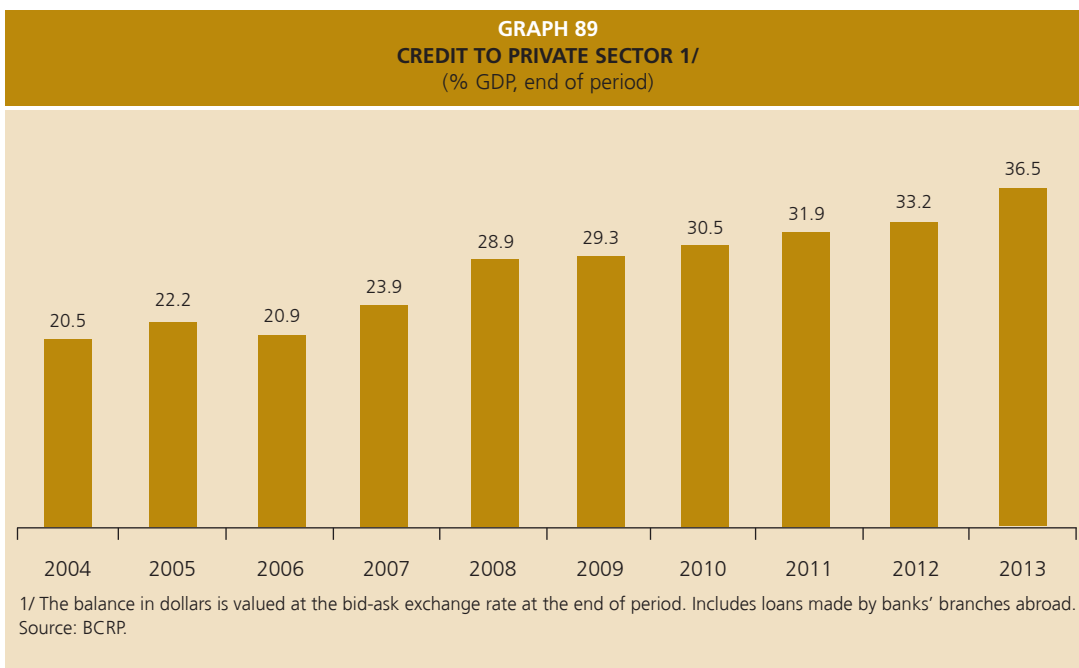
The growth rate of total credit to the private sector shrank for the third consecutive year, declining from 15.4 percent in 2012 to 13.2 percent in 2013. It should be pointed out that the balance of total credit includes the loans that local banks transfer to their branches abroad, which are accounted for as loans granted by these branches.





Credit to the private sector showed a gradual slowdown over the year. Credit to the private sector in domestic currency was the most dynamic component of credit with a growth rate of 22.5 percent (16.0 percent in 2012), while credit in foreign currency grew only 2.0 percent (14.7 percent in 2012) given the strengthening of the dollar against the nuevo sol.

Thus, the ratio of dollarization of credit to the private sector continued showing a downward trend (down from 43.0 percent in December 2012 to 40.8 percent in December 2013).



**TABLE 73**  
**TOTAL CREDIT TO THE PRIVATE SECTOR 1/**

	Balance in million nuevos soles			Growth rates (%)	
	2011	2012	2013	2012	2013
<b>Businesses</b>	<b>100,098</b>	<b>113,451</b>	<b>128,374</b>	<b>13.3</b>	<b>13.2</b>
Corporate and large companies	46,811	50,811	61,798	8.5	21.6
Medium-sized enterprises	26,004	30,792	33,982	18.4	10.4
Small businesses	27,283	31,847	32,594	16.7	2.3
<b>Individuals</b>	<b>52,452</b>	<b>62,620</b>	<b>71,004</b>	<b>19.4</b>	<b>13.4</b>
<b>Consumer</b>	<b>31,897</b>	<b>36,786</b>	<b>40,983</b>	<b>15.3</b>	<b>11.4</b>
Car loans	1,543	1,931	2,211	25.2	14.5
Credit cards	10,793	12,237	13,243	13.4	8.2
Others	19,561	22,618	25,529	15.6	12.9
<b>Mortgage</b>	<b>20,555</b>	<b>25,834</b>	<b>30,021</b>	<b>25.7</b>	<b>16.2</b>
<b>TOTAL</b>	<b>152,550</b>	<b>176,070</b>	<b>199,378</b>	<b>15.4</b>	<b>13.2</b>

1/ The balance in dollars is valued at the constant exchange rate in December 2013. Includes loans made by banks' branches abroad.  
Source: BCRP.

By type of borrower, both segments registered a slowdown. In the segment of corporate credit, credit slowed down from 13.3 percent in 2012 to 13.2 percent in 2013. In the segment of personal loans, credit slowed from 19.4 percent to 13.4 percent, mainly as a result of the lower dynamism of mortgage loans.

By economic sector and considering credit to businesses only, the highest increase in the demand for loans was observed in the sectors of trade (S/. 3.70 billion), manufacturing (S/. 3.12 billion), and mining (S/. 2.03 billion). These three sectors concentrated 59 percent of the demand for business loans during the year.

**TABLE 74**  
**TOTAL CREDIT BY ECONOMIC SECTOR 1/**

	Balance in million nuevos soles			Growth rates (%)	
	2011	2012	2013	2012	2013
Agriculture and livestock	4,560	5,388	5,904	18.2	9.6
Fishing	1,636	1,512	1,625	-7.6	7.5
Mining	5,086	4,700	6,731	-7.6	43.2
Manufacturing Industry	23,073	24,269	27,387	5.2	12.8
Electricity, Gas and Water	5,505	6,683	6,085	21.4	-9.0
Construction	3,008	3,847	4,194	27.9	9.0
Commerce	25,160	29,498	33,187	17.2	12.5
Hotels and Restaurants	2,412	2,914	2,977	20.8	2.2
Transportation and Communications	8,548	9,374	10,375	9.7	10.7
Real Estate and Business	10,435	12,713	13,635	21.8	7.3
Rest	10,673	12,551	16,273	17.6	29.7
<b>TOTAL</b>	<b>100,098</b>	<b>113,451</b>	<b>128,374</b>	<b>13.3</b>	<b>13.2</b>

1/ The balance in dollars is valued at the constant exchange rate in December 2013. Includes loans made by banks' branches abroad.  
Source: SBS.

In terms of credit in domestic currency, the increase of 22.5 percent recorded in credit to the private sector (annual flow of S/. 21.68 billion) is explained mainly by increased credit to businesses, since the latter grew 25.8 percent (S/. 12.84 billion) and accounted for 59 percent of the increase observed in credit in nuevos soles. On the other hand, credit to individuals grew 19.0 percent (S/. 8.84 billion), with consumer loans with a growth rate of 12.3 percent (S/. 4.04 billion) and mortgage loans with a rate of 35.1 percent (S/. 4.8 billion) standing out.

Influenced mainly by expectations of a depreciation of the nuevo sol against the dollar due to expectations that international interest rates would rise, credit to the private sector in foreign currency expanded 2.0 percent (annual flow of US\$ 583 million).

By type of borrower, the segment of corporate loans in dollars grew 3.3 percent (US\$ 745 million), while the segment of credit to individuals dropped 2.8 percent (negative flow of US\$ 162 million), due mainly to the decline of mortgage loans which fell 5.0 percent.



**TABLE 75**  
**CREDIT TO THE PRIVATE SECTOR IN DOMESTIC CURRENCY**

	Balance in million nuevos soles			Growth rates (%)	
	2011	2012	2013	2012	2013
<b>Businesses</b>	<b>44,116</b>	<b>49,774</b>	<b>62,610</b>	<b>12.8</b>	<b>25.8</b>
Corporate and large companies	13,390	13,089	21,206	- 2.3	62.0
Medium-sized enterprises	8,115	9,861	12,795	21.5	29.8
Small businesses	22,611	26,824	28,609	18.6	6.7
<b>Individuals</b>	<b>38,917</b>	<b>46,572</b>	<b>55,412</b>	<b>19.7</b>	<b>19.0</b>
<b>Consumer</b>	<b>28,656</b>	<b>32,910</b>	<b>36,950</b>	<b>14.8</b>	<b>12.3</b>
Car loans	456	422	558	- 7.4	32.0
Credit cards	10,087	11,382	12,337	12.8	8.4
Others	18,113	21,106	24,056	16.5	14.0
<b>Mortgage</b>	<b>10,261</b>	<b>13,662</b>	<b>18,462</b>	<b>33.2</b>	<b>35.1</b>
<b>TOTAL</b>	<b>83,034</b>	<b>96,346</b>	<b>118,022</b>	<b>16.0</b>	<b>22.5</b>

Source: BCRP.

**TABLE 76**  
**CREDIT TO THE PRIVATE SECTOR IN FOREIGN CURRENCY 1/**

	Balance in million US\$			Growth rates (%)	
	2011	2012	2013	2012	2013
<b>Businesses</b>	<b>19,993</b>	<b>22,742</b>	<b>23,487</b>	<b>13.7</b>	<b>3.3</b>
Corporate and large companies	11,936	13,472	14,497	12.9	7.6
Medium-sized enterprises	6,389	7,476	7,567	17.0	1.2
Small businesses	1,669	1,794	1,423	7.5	- 20.7
<b>Individuals</b>	<b>4,834</b>	<b>5,731</b>	<b>5,569</b>	<b>18.6</b>	<b>- 2.8</b>
<b>Consumer</b>	<b>1,157</b>	<b>1,384</b>	<b>1,440</b>	<b>19.6</b>	<b>4.0</b>
Car loans	388	539	591	38.9	9.6
Credit cards	252	305	324	21.1	6.0
Others	517	540	526	4.4	- 2.6
<b>Mortgage</b>	<b>3,677</b>	<b>4,347</b>	<b>4,128</b>	<b>18.2</b>	<b>- 5.0</b>
<b>TOTAL</b>	<b>24,827</b>	<b>28,473</b>	<b>29,056</b>	<b>14.7</b>	<b>2.0</b>

1/ Includes loans made by banks' branches abroad.  
Source: BCRP.

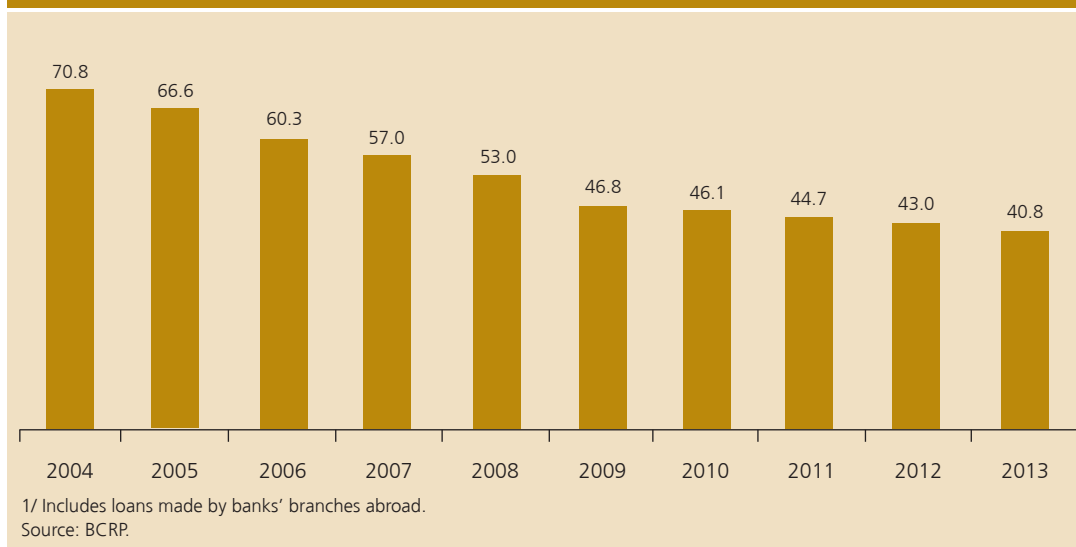
Credit to the private sector continued to show lower levels of dollarization in all its types in 2013. The ratio of dollarization of credit to the private sector declined 2.2 percentage points, from 43.0 percent in December 2012 to 40.8 percent in December 2013.

Credit to businesses registered a dollarization ratio of 51.2 percent, 2.6 percentage points lower than in the previous year (53.8 percent), while the ratio of dollarization of credit to individuals showed a lower decrease as it fell from 23.9 percent in 2012 to 22.0 percent in 2013. On the other hand, however, the de-dollarization of mortgage loans stand out since its ratio of dollarization decreased from 44.8 percent in 2012 to 38.5 percent in 2013.

**TABLE 77**  
**DOLLARIZATION RATIO OF CREDIT TO THE PRIVATE SECTOR 1/**

	2011	2012	2013
<b>Businesses</b>	<b>55.0</b>	<b>53.8</b>	<b>51.2</b>
Corporate and large companies	70.6	72.4	65.7
Medium-sized enterprises	68.0	65.9	62.3
Small businesses	16.6	14.6	12.2
<b>Individuals</b>	<b>25.1</b>	<b>23.9</b>	<b>22.0</b>
<b>Consumer</b>	<b>9.8</b>	<b>9.7</b>	<b>9.8</b>
Car loans	69.7	76.5	74.8
Credit cards	6.3	6.4	6.8
Others	7.2	6.1	5.8
<b>Mortgage</b>	<b>49.2</b>	<b>44.8</b>	<b>38.5</b>
<b>TOTAL</b>	<b>44.7</b>	<b>43.0</b>	<b>40.8</b>
Memo:			
Dollarization of credit at constant exchange rate	45.6	45.3	40.8
1/ Includes loans made by banks' branches abroad. Source: BCRP.			

**GRAPH 90**  
**DOLLARIZATION RATIO OF CREDIT TO THE PRIVATE SECTOR 1/**  
(%)



## 5. Funding to the Private Sector

Total funding to the private sector grew 14.6 percent in 2013, 4.2 percentage points less than in 2012. This concept provides a wider overview of the funding sources obtained by private non-financial companies besides the credit obtained through the credit channel of depository institutions, because it includes funding through other financial institutions such as mutual funds, insurance companies, and private pension funds, as well as direct loans obtained by companies abroad.





As previously mentioned, during 2013 the annual growth of credit to the private sector through depository institutions showed a slower pace declining from 15.4 percent in 2012 to 13.2 percent in 2013. A reduction was also observed in the funding obtained from institutional investors, whose holdings of securities of private enterprises decreased 1.7 percent in 2013.

Finally, the direct funding obtained by Peruvian companies abroad in 2013 showed a lower dynamism than in the previous year. Private companies' external debt grew 27.8 percent (US\$ 4.67 billion), a rate lower than in 2012 (30.9 percent). Most of this funding was medium- and long-term debts, which grew 42.7 percent in the year (US\$ 5.08 billion). Direct short-term loans, on the other hand, decreased 8.5 percent affected by the international context.

**TABLE 78**  
**FINANCING TO THE PRIVATE SECTOR 1/**

	Balance in million nuevos soles			Growth rates (%)	
	2011	2012	2013	2012	2013
<b>I. CREDIT OF DEPOSITORY CORPORATIONS 2/</b>	<b>152,550</b>	<b>176,070</b>	<b>199,378</b>	<b>15.4</b>	<b>13.2</b>
Domestic currency	83,034	96,346	118,022	16.0	22.5
Foreign currency (Million US\$)	24,827	28,473	29,056	14.7	2.0
<i>Dollarization (%)</i>	<i>44,7</i>	<i>43,0</i>	<i>40,8</i>		
<b>II. CREDIT OF OTHER FINANCIAL CORPORATIONS 3/</b>	<b>18,972</b>	<b>23,358</b>	<b>22,968</b>	<b>23.1</b>	<b>- 1.7</b>
Domestic currency	9,402	11,078	11,568	17.8	4.4
Foreign currency (Million US\$)	3,418	4,386	4,071	28.3	- 7.2
<i>Dollarization (%)</i>	<i>49,5</i>	<i>50,2</i>	<i>49,6</i>		
<i>Of which:</i>					
AFP's loans	7,615	8,991	8,765	18.1	- 2.5
Loans of mutual funds	952	956	622	0.4	- 35.0
Loans of insurances	2,589	3,405	3,719	31.5	9.2
<b>III. EXTERNAL PRIVATE INDEBTNESS</b>	<b>35,898</b>	<b>46,991</b>	<b>60,061</b>	<b>30.9</b>	<b>27.8</b>
<b>(Million US\$)</b>	<b>12,821</b>	<b>16,782</b>	<b>21,450</b>	<b>30.9</b>	<b>27.8</b>
Short-term (Million US\$)	4,523	4,881	4,468	7.9	- 8.5
Medium- and long-term (Million US\$)	8,298	11,902	16,982	43.4	42.7
<b>IV. TOTAL</b>	<b>207,420</b>	<b>246,419</b>	<b>282,407</b>	<b>18.8</b>	<b>14.6</b>
Domestic currency	92,436	107,424	129,590	16.2	20.6
Foreign currency (Million US\$)	41,066	49,641	54,578	20.9	9.9
<i>Dollarization (%)</i>	<i>54,5</i>	<i>54,1</i>	<i>54,1</i>		

1/ The balance in dollars is valued at the constant exchange rate in December 2013.  
2/ Includes loans made by banks' branches abroad.  
3/ Includes loans and investments in fixed-income bonds of institutional investors.  
Source: BCRP.

A decline was observed in mid-2013 in the placements of private non-financial companies abroad, which sprang up in 2011 in a context of favorable conditions of access to funds to repay bank debts or invest in future projects, due to market expectations that international interest rates would rise and due to the strengthening of the dollar. The flow of bonds placed by private non-financial companies abroad amounted to US\$ 3.87 billion in 2013 (vs. US\$ 1.66 billion in 2012). Thus, 83 percent of the flow of Peruvian companies' borrowing from abroad in 2013 was bond placements in the international market.

## 6. Financial Indicators

Banks' financial indicators deteriorated in 2013 compared to the previous year. The ratio of non-performing loans increased to 2.1 percent, a rate 0.3 percent higher than in the previous year, and the ratio of high-risk loans in the total portfolio rose from 2.8 to 3.1 percent in the same period. The coverage level in the high-risk portfolio dropped from 142.5 percent to 131.6 percent. Moreover, the return on equity (ROE) and the return on assets (ROA) declined from 22.4 percent to 21.2 percent and from 2.2 to 2.0 percent, respectively.

TABLE 79 FINANCIAL INDICATORS ON COMMERCIAL BANKS (%)			
	2011	2012	2013
Overdue loans / gross placements 1/	1.5	1.8	2.1
High risk portfolio / gross placements 2/	2.5	2.8	3.1
Allowance for loans / high-risk portfolio	149.8	142.5	131.6
Return on equity (ROE)	24.5	22.4	21.2
Return on assets (ROA)	2.3	2.2	2.0

1/ Credits due and in judicial collection processes.  
2/ The high-risk portfolio is equal to the most backward refinanced and restructured portfolio.  
Source: SBS.

By size of debtor, the rates of non performing corporate loans and non performing loans to large companies remained stable and at low levels (zero percent and 0.4 percent, respectively). But in the segments of medium-, small- and micro-enterprises arrears increased considerably, reaching an average level of 7.3 percent (2 percentage points more than in December 2012) in the case of small enterprises. There was a slight increase of arrears in the segments of loans to households, especially in consumer loans, whose ratio increased from 3.0 to 3.4 percent between 2012 and 2013, while in the segment of mortgage loans the ratio increased from 0.8 to 1.0 percent.

TABLE 80 BANKS: DELINQUENCY RATES BY TYPE AND SIZE OF DEBTOR 1/ (%)			
	2011	2012	2013
Corporate loans	0.0	0.0	0.0
Loans to large companies	0.2	0.4	0.4
Loans to medium-sized companies	2.1	2.5	3.7
Loans to small companies	4.7	5.3	7.3
Loans to microbusiness	2.4	2.7	3.6
Consumer loans	2.6	3.0	3.4
Mortgage loans	0.9	0.8	1.0
<b>TOTAL</b>	<b>1.5</b>	<b>1.8</b>	<b>2.1</b>

1/ Overdue loans / gross placements.  
Source: SBS.



The indicators of non-banking financial companies also showed some deterioration, an increase in delinquency rates and a reduction in the coverage ratios of the high risk portfolio being observed. Rural savings banks showed the highest rates of delinquency (7.0 percent at December 2013) and the lowest ratios of coverage of high-risk portfolio (84.7 percent at December 2013). As for the profitability indices, measured through the return on equity ratio (ROE), all of these institutions reduced their profitability in 2013, especially rural deposit banks whose ratio fell from 7.1 percent at the end of 2012 to 1.2 percent.

**TABLE 81**  
**FINANCIAL INDICATORS OF NON-BANK COMPANIES**  
(%)

	2011	2012	2013
<b>Overdue loans / gross placements 1/</b>			
Financial Firms	3.5	4.5	5.0
Municipal savings banks	4.9	5.2	5.8
Rural savings banks	4.3	5.4	7.0
Edpymes	5.0	4.8	4.8
<b>Provision for loans / high-risk portfolio 2/</b>			
Financial Firms	149.2	132.2	122.5
Municipal savings banks	111.2	108.0	105.5
Rural savings banks	105.0	84.4	84.7
Edpymes	114.4	120.0	115.2
<b>Ratio or equity (ROE)</b>			
Financial Firms	20.0	21.6	13.5
Municipal savings banks	17.8	14.6	12.8
Rural savings banks	8.1	7.1	1.2
Edpymes	3.3	5.7	5.0

1/ Overdue loans and loans in judicial collection processes.  
2/ The high-risk portfolio is equal to the non performing loans plus the refinanced and restructured portfolio.  
Source: SBS.

## 7. Net International Reserves

The international reserves (NIRs) of the BCRP increased by US\$ 1.67 billion during 2013, reaching a balance of US\$ 65.66 billion at the end of the year. This accumulation of reserves was mainly due to both banks' higher deposits in foreign currency (US\$ 4.32 billion) and public sector deposits (US\$ 2.56 billion) at the BCRP, offset in part by net sales of foreign currency (US\$ 4.27 billion).

On the other hand, the foreign exchange position of the BCRP which decreased by US\$ 4.97 billion, showed a balance of US\$ 41.10 billion at the end of 2013. The ratio of the foreign exchange position-to-NIRs decreased by 9 percentage points, from 72 to 63 percent between 2012 and 2013. The other funding sources that explain the composition of NIRs are banks' deposits in foreign currency at the BCRP (22 percent) and public sector deposits at the BCRP (16 percent).



## 7.1. Management of International Reserves

Gross international reserves –also called international reserve assets– showed a balance of US\$ 65.71 billion at the end of 2012. This level of reserves is higher by US\$ 1.66 billion than the balance recorded last year.

This increase in international reserves has allowed the Peruvian economy to maintain adequate international liquidity indicators: at end 2013, net international reserves were equivalent to 18.7 months of imports, to 7.9 times the country's short term external liabilities, and to 3.5 times the monetary base.

<b>TABLE 82</b> <b>HIGH LEVEL OF INTERNATIONAL RESERVES STRENGTHENS PERU'S INTERNATIONAL LIQUIDITY POSITION</b>	
US\$ 65.7 billion in NIRs	<ul style="list-style-type: none"> <li>• 7.9 times one-year debt liabilities (short-term external liabilities plus amortization of long-term debt)</li> <li>• 3.5 times the monetary base</li> <li>• 18.7 months of imports</li> </ul>
Source: BCRP.	

In 2013, the GDP growth rate of the United States was 1.9 percent, while the GDP growth rate in the Eurozone registered a contraction of 0.4 percent, showing different rates in the countries of the union. Thus, for example, GDP in Italy and Spain dropped 1.8 and 1.2 percent, respectively, while in Germany it grew 0.5 percent<sup>15</sup>. In the United States, the Federal Reserve kept its reference rate within the range of

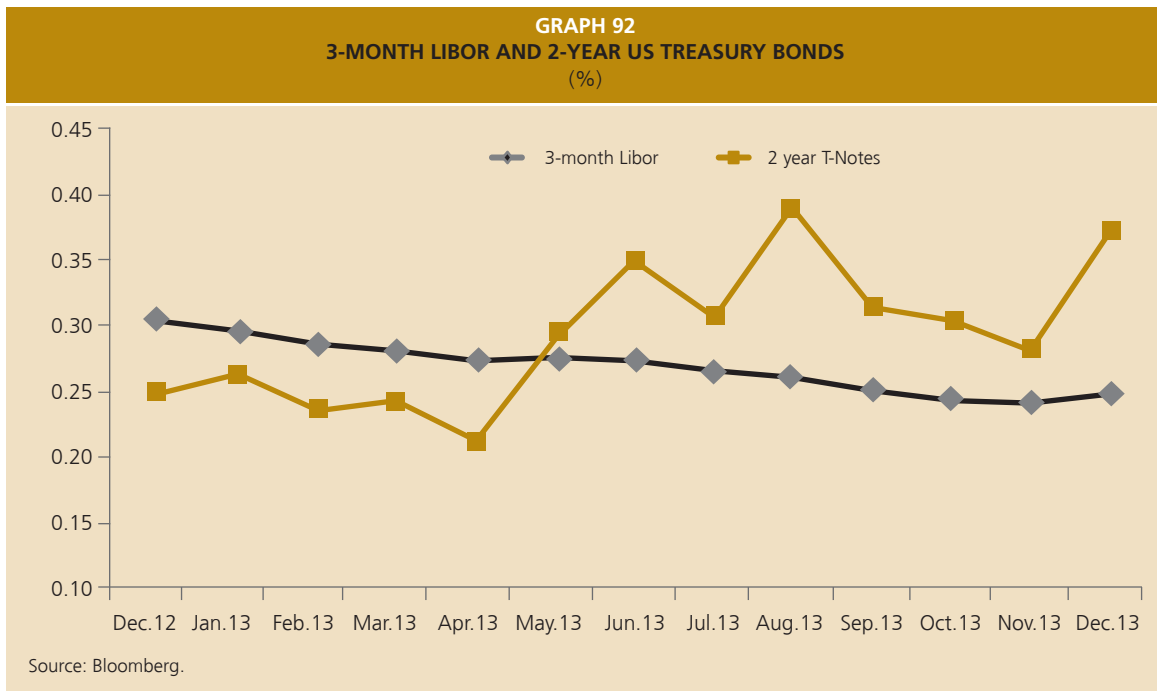
15 World Economic Outlook (WEO), January 21, 2014.



0 to 0.25 percent during the year and continued implementing its Quantitative Easing (QE) program. At its meeting of December 18, the Fed announced that it would gradually reduce the level of its QE asset purchase program as from January 2014.

On the other hand, the European Central Bank (ECB) cut its benchmark interest rate on two occasions during 2013: on May 2, from 0.75 to 0.50 percent, and on November 7, from 0.50 to 0.25 percent. Like the American monetary authorities did, the ECB gave signals to market expectations announcing that it would maintain low interest rates for a relatively long period of time. In November the ECB announced that it would continue with its operations to refinance the banking system and that it would provide fixed rate loans for the total of the amounts required at least until July 2015.

In 2013, the yield curve of the U.S. Treasury bonds steepened given that medium- and long-term yields increased by over 100 basis points for bonds with 5 year- or longer maturities. The yield of the 2-year T-Note remained within the range of 0.21 and 0.40 percent<sup>16</sup>, indicating that expectations of inflation in the USA would have been contained in 2013. On the other hand, the 3-month Libor in dollars fell by 6 basis points, reflecting greater liquidity in the market. Moreover, in Europe, the yield curve also steepened, with higher yields being observed along the entire curve.



In this context, the BCRP investment of reserves was carried out with a conservative approach, using strict criteria to determine the placement of deposits in low-risk banks abroad and diversifying investments in securities with the highest credit quality. As regards the portfolio duration, a primarily neutral positioning

<sup>16</sup> Measured on the basis of monthly data.

was held in terms of the benchmark given the considerable degree of volatility observed in the market. Some operations were also carried out as part of a strategy of tactical deviations designed to take advantage of the opportunities offered by the market and thus achieve a greater portfolio yield.

It is worth mentioning that a priority in the BCRP policy of investment of international reserves is to preserve capital and ensure the liquidity of these reserves. In general, the management of these assets is closely related to the characteristics of the sources of such resources in terms of value, currency, maturity, and volatility. In this way, the BCRP seeks to minimize the market risks that could affect the value and availability of these assets.

## 7.2. Composition of International Reserve Assets (IRA)

At end-2013, 80 percent of the international reserve assets was invested in liquid securities of high credit quality, 15 percent in first-class banks overseas, and the remaining 5 percent in gold and other assets. The portfolio consists of debt securities issued by sovereign issuers, supranational organizations and foreign government entities with credit ratings of A+ or higher.

In fiscal year 2013, international reserve assets generated a yield of S/. 1.73 billion. This yield was lower than in the previous year because of the low international interest rates observed during the year.

TABLE 83 INTERNATIONAL RESERVE ASSETS (Million US\$)				
Item	December 2012		December 2013	
	Amount	%	Amount	%
Deposits abroad	11,011	17.2	10,046	15.3
Securities	49,118	76.7	52,215	79.5
Gold	1,867	2.9	1,339	2.0
Others 1/	2,054	3.2	2,111	3.2
<b>TOTAL</b>	<b>64,049</b>	<b>100.0</b>	<b>65,710</b>	<b>100.0</b>
1/ Includes contribution to the FLAR and balance of assets associated with international agreements. Source: BCRP.				

The balance of liquid IRA<sup>17</sup> at the end of 2013 was US\$ 63.75 billion. As regards the quality of the portfolio, 60 percent of IRA was held in entities with a long-term credit rating of AAA and the rest mostly in entities with credit ratings between AA+ and AA-. On the other hand, in 2013 the mean duration of the investment portfolio was 1.20 years.

<sup>17</sup> Easily tradable assets in international financial markets. Therefore, the capital contributions to international organizations, such as the FLAR and BIS, the contributions and funds to the IMF, the active balances associated with international conventions, and the gold held in the vaults of the BCRP are excluded from the international reserve assets.



**TABLE 84**  
**COMPOSITION OF LIQUID INTERNATIONAL ASSETS**  
(% structure)

	December 2012	December 2013
<b>By maturity term</b>	<b>100</b>	<b>100</b>
0-3 months	39	33
3-12 months	16	21
> 1 year	45	46
<b>By long-term rating</b>	<b>100</b>	<b>100</b>
AAA	68	60
AA+/AA/AA-	25	26
A+/A/A-	7	14

Source: BCRP.

The effective exposure of the BCRP foreign exchange position to the U.S. dollar remained at 67 percent, and the Bank continued developing its policy of diversification of currencies.

**TABLE 85**  
**INTERNATIONAL POSITION: EFFECTIVE EXPOSURE**  
(% structure)

	December 2012	December 2013
US\$	67	67
Other currencies	29	30
Gold	4	3
<b>Total</b>	<b>100</b>	<b>100</b>

Source: BCRP.

## 8. Financial Savings and Capital Market

Financial savings includes all of the assets that the enterprises and households in the financial system hold in the form of savings deposits, term deposits, securities, holdings of life insurance, mutual funds and contributions to private pension funds.

During 2013, the average balance of financial savings increased 10.1 percent compared to 2012 (44.3 percent of GDP). Growth slowed down relative to 2012 (15.0 percent) due to the slower pace registered in attracting both deposits from the public and the contributions to private pensions and mutual funds.

By currencies, financial savings in nuevos soles grew 6.9 percent (24.4 percent in 2012) while financial savings in dollars grew 8.2 percent (1.3 percent in 2012). The higher growth of the aggregate in dollars was due to the growth of deposits in this currency, influenced by expectations of a depreciation of the nuevo sol. In GDP terms, the share of financial savings in nuevos soles increased from 29.4 to 31.9 percent while the share of savings in dollars rose from 12.2 to 12.3 percent.

**TABLE 86**  
**FINANCIAL SAVINGS**  
(Average balance in the period, as % GDP)

	Domestic currency	Foreign currency	Total
2004	13.4	14.3	27.7
2005	15.4	13.3	28.7
2006	17.1	13.1	30.2
2007	23.1	13.4	36.5
2008	23.9	13.0	36.9
2009	24.0	14.6	38.6
2010	26.6	13.3	39.9
2011	27.4	13.3	40.7
2012	29.4	12.2	41.6
2013	31.9	12.3	44.3

Source: BCRP.

## 8.1. Fixed-Income Market

At the end of 2013 the balance of securities issued by companies in the private sector through public offering was S/. 17.78 billion, a figure 1.4 percent lower than the balance in December 2012 (S/. 18.04 billion).<sup>18</sup>

The flow of securities placed during the year (valued at a constant exchange rate) amounted to S/. 3.49 billion (vs. S/. 3.06 billion in 2012). In addition to this, Peruvian companies placed securities in the international market for a total of US\$ 6.06 billion, of which US\$ 3.90 billion was bonds issued by non-financial companies. In 2012 these placements amounted to US\$ 4.28 billion and US\$ 1.81 billion, respectively.

**TABLE 87**  
**FIXED-INCOME SECURITIES ISSUED BY PRIVATE COMPANIES**

	Amounts			Growth rate (%)	
	2011	2012	2013	2012	2013
<b>Balance at the end of period</b>					
<b>(Million nuevos soles) 1/</b>	<b>17,652</b>	<b>18,044</b>	<b>17,783</b>	<b>2.2</b>	<b>- 1.4</b>
Non-financial sector	11,483	10,881	10,216	- 5.2	- 6.1
Financial sector 2/	6,169	7,163	7,567	16.1	5.6
<b>Composition by currency (%)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>		
Soles	45.6	52.3	49.9		
VAC	9.9	11.4	11.6		
US dollars	44.5	36.3	37.4		
Others	-	-	1.1		
<b>Balance as % GDP</b>	<b>3.7</b>	<b>3.4</b>	<b>3.3</b>		

1/ The balance in dollars is valued at the constant exchange rate in December 2013.

2/ Securities issued or originated by a financial organization.

Source: SMV.

<sup>18</sup> Including short-term bonds and instruments placed through public offering in the domestic market. The effect of exchange rate variations is isolated for comparison purposes.





By type of issuer, bonds issued in the domestic market included the bond issuances of non-financial companies which amounted to a total equivalent to S/. 2.25 billion (vs. S/. 1.12 billion in 2012). Even though the amount of bonds issued by non-financial companies in 2013 was higher, the balance of current bonds dropped 6.1 percent compared to the previous year. On the other hand, financial entities placed bonds for a total of S/. 1.24 billion (vs. S/. 1.94 billion in 2012), but their balance increased by 5.6 percent because their amount of amortizations was lower.

The largest bond issuers in the domestic market during the year were oil company Hunt Oil del Peru (with bonds worth US\$ 328 million, or S/. 918 million), Banco de Crédito del Perú (issuance equivalent to S/. 500 million), the concessionaire Abengoa Transmisión Norte ATN (US\$ 110 million, or S/. 308 million), and Interbank (issuance equivalent to S/. 290 million). On the other hand, the largest bond issuers in the international market were Transportadora de Gas del Peru (TGP) with bonds worth US\$ 850 million, Fondo MiVivienda with bonds worth US\$ 500 million, and Consorcio Transmantaro and Alicorp, with bonds issuances for a total US\$ 450 million each.

By maturity terms, the average term of domestic bond issuances in soles was 10.3 years (8.7 years in 2012) while the average term of issuances in dollars was 6.4 years (9.1 years in 2012). The longer maturity term of bonds was 30 years and corresponded to the securities issued by COFIDE (bonds worth S/. 100 million were placed in April); 26 years, the bonds issued by Abengoa Transmisión Norte ATN (US\$ 45 million placed in November), and 25 years (Edelnor placed securities for a total of S/. 60 million in November) and Banco de Comercio (S/. 35 million placed in August).

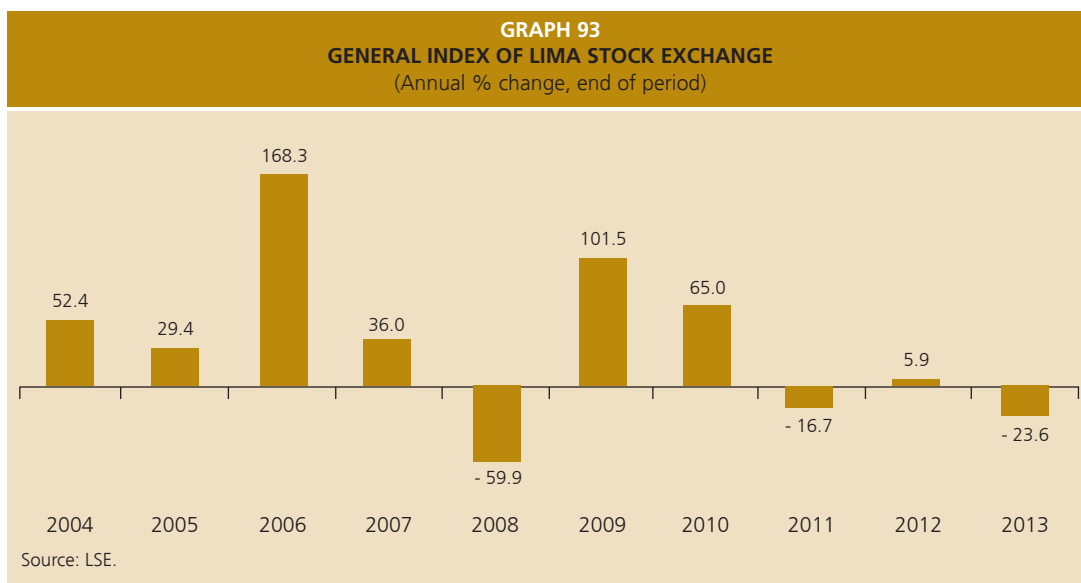
By currencies, the same structure of 2012 was in general observed in 2013. At the end of the year, bonds in nuevos soles accounted for 61.5 percent of the balance of existing public offering –the same rate as in the previous year–, while bonds in dollars accounted for 13.4 percent (13.7 percent in 2012). Bonds at fixed-rates in nuevos soles represented 49.9 percent of the balance (50.5 percent in 2012), while inflation-indexed bonds (VAC) represented 11.6 percent (11.0 percent in 2012).

## 8.2. Stock Exchange

During the year the Lima Stock Exchange (LSE) was influenced by the slow recovery of industrialized countries, the slowdown of China's economy, and expectations that the Federal Reserve would reduce its monetary stimulus by reducing its asset-purchase program. The latter factor generated a restructuring of investors' portfolio that implied a shift towards positions in dollars. Thus, between December 2012 and December 2013 the General Index and the Selective index of the LSE fell 23.6 and 26.2 percent, respectively, while the value of market capitalization fell 13.8 percent.

By economic sectors, agriculture and mining stocks registered the biggest losses. The former dropped 44.1 percent, while the latter fell 42.2 percent as a result of the decline observed in the prices of gold and silver. On their side, industrial shares fell 9.8 percent. On the other hand, the profitability of the shares of service companies increased by 21.8 percent in the year.

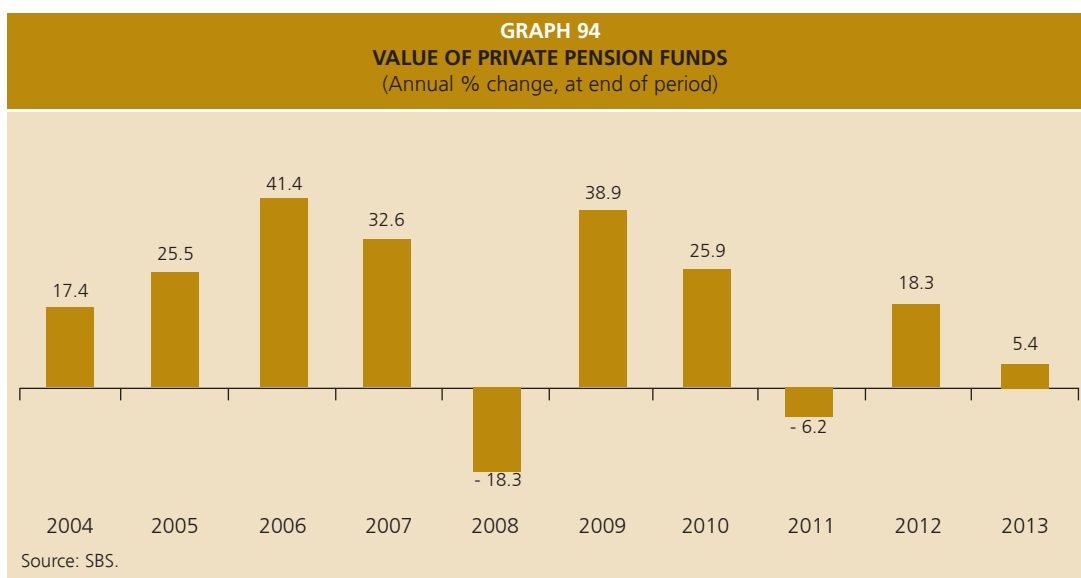
The traded volumes decreased 19.2 percent compared to 2012. By segments, the volume of shares traded fell 31.7 percent relative to 2012, while the volume of debt instruments traded increased 84.4 percent and repos transactions grew 3.1 percent. It should be pointed out, however, that the latter segments represent only 32 percent of the total securities traded.



Moreover, dematerialized shares –that is, the amount of shares recorded electronically in CAVALI– amounted to S/. 155.74 billion, which is equivalent to 46.2 percent of the value of market capitalization (S/. 337.23 billion). The share of non-resident investors in terms of the total of dematerialized shares increased from 25.9 percent in December 2012 to 42.8 percent in December 2013.

### 8.3 Private Pension System

Affected by the decline of the LSE indices, the net worth of private pension funds increased 5.4 percent during the year. At December, the assets of these funds amounted to S/. 101.11 billion. The number of members of the private pension system grew 4.0 percent to over 5.4 million people.





Private pension funds had a negative profitability in real terms due to the performance of local stocks and the increase of the discount rates applicable to the valuation of fixed-income securities. The three types of pension funds had negative returns: Fund type 1, which does not invest in shares, had a return of -6.7 percent, while Fund type 2 registered a return of -2.8 percent and Fund type 3 a return of -2.5 percent.

The composition of the investment portfolio reflected investors' adjustment to market conditions. Investments in dollars and particularly, investments abroad, increased from 29.4 to 35.2 percent during the year. Moreover, the BCRP raised the legal limit for these investments abroad from 30 percent –the limit in force in December 2012– to 36 percent in December 2013. The dollarization ratio of the AFP investment portfolio increased from 51.7 percent in December 2012 to 62.8 percent in December 2013.

In the domestic market, the ratio of investments in more liquid assets, and particularly in deposits in dollars, increased, while the ratio of investments in shares decreased. The participation of deposits increased from 3.9 percent to 12.9 percent of the fund value and the participation of deposits in dollars increased from 1.9 to 10.7 percent. Moreover, the participation of shares fell from 25.9 percent in 2012 to 16.3 percent in 2013, while the participation of fixed-income securities declined from 31.6 percent to 26.1 percent.

**TABLE 88**  
**COMPOSITION OF THE PRIVATE PENSION SYSTEM PORTFOLIO**

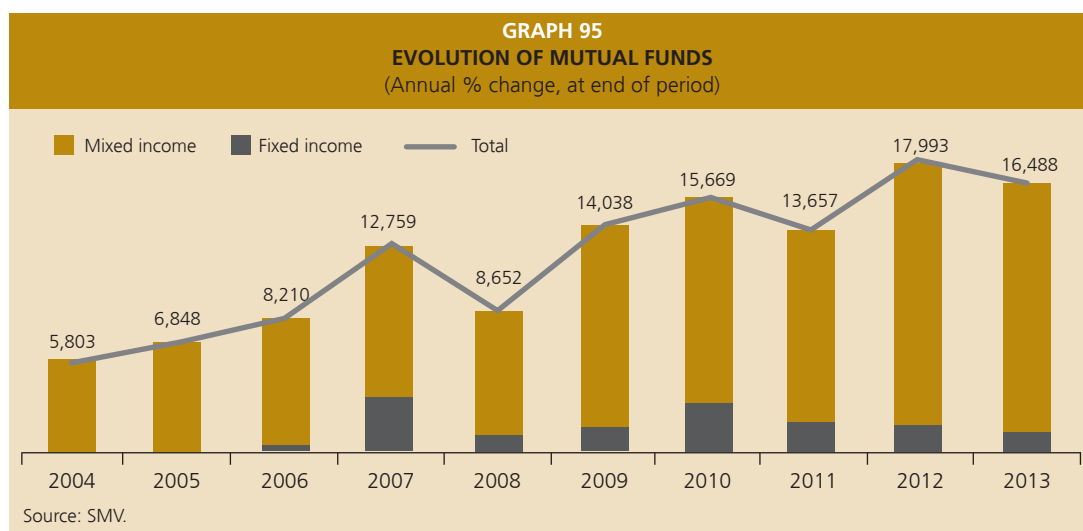
	2011	2012	2013
<b>I. DOMESTIC INVESTMENTS</b>	71.4	70.6	64.8
<u>Deposits</u>	4.5	3.9	12.9
In nuevos soles	3.8	2.0	2.2
In US dollars	0.7	1.9	10.7
<u>Bonds and fixed income</u>	31.3	31.6	26.1
Central Bank securities	1.1	2.9	2.1
Sovereign bonds	15.9	14.6	11.3
Values issued by the private sector	14.3	14.1	12.6
<u>Stocks and variable income</u>	35.6	35.0	25.9
Shares	27.4	25.9	16.3
Investment funds	8.2	9.0	9.6
<b>II. FOREIGN INVESTMENTS</b>	<b>28.6</b>	<b>29.4</b>	<b>35.2</b>
<b>III. TOTAL (I + II)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Million nuevos soles	81,881	96,853	102,077
% GDP	17.4	19.1	18.7

Source: SBS.

## 8.4 Mutual Funds

Mutual funds' joint net worth declined 8.4 percent relative to the previous year recording a balance of S/. 16.49 billion (3.0 percent of GDP) at year-end. The fixed income assets of mutual funds decreased by 6.8 percent compared to 2012 while the mixed-income assets and variable income assets decreased 23.5 percent.

Like pension funds, mutual funds responded to the market conditions increasing their liquid assets and especially their assets in dollars. Investment abroad increased from 7.7 to 9.0 percent. In the domestic market, investments in deposits increased from 53.2 percent to 63.3 percent. This was particularly noteworthy in deposits in dollars where the participation ratio increased from 22.9 to 34.1 percent. The participation of bonds and fixed-income securities fell from 33.6 to 23.6 percent while the participation of shares decreased from 4.7 to 3.7 percent.



**TABLE 89**  
**COMPOSITION OF MUTUAL FUND'S INVESTMENT**

	%		
	2011	2012	2013
<b>I. DOMESTIC INVESTMENTS</b>	<b>94.9</b>	<b>92.3</b>	<b>91.2</b>
<u>Deposits</u>	<u>49.9</u>	<u>53.0</u>	<u>62.2</u>
In nuevos soles	25.5	30.1	28.7
In US dollars	24.4	22.8	33.4
<u>Bonds and fixed income</u>	<u>37.4</u>	<u>33.4</u>	<u>23.1</u>
Central Bank securities	6.3	11.4	6.3
Sovereign bonds	11.3	7.3	5.4
Values issued by the private sector	19.7	14.7	11.4
<u>Stocks and variable income</u>	<u>6.9</u>	<u>4.7</u>	<u>3.6</u>
<b>II. FOREIGN INVESTMENTS</b>	<b>5.1</b>	<b>7.7</b>	<b>8.8</b>
<b>III. TOTAL (I + II)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Million nuevos soles	13,657	17,993	16,488
% GDP	2.9	3.5	3.0

Source: SMV.



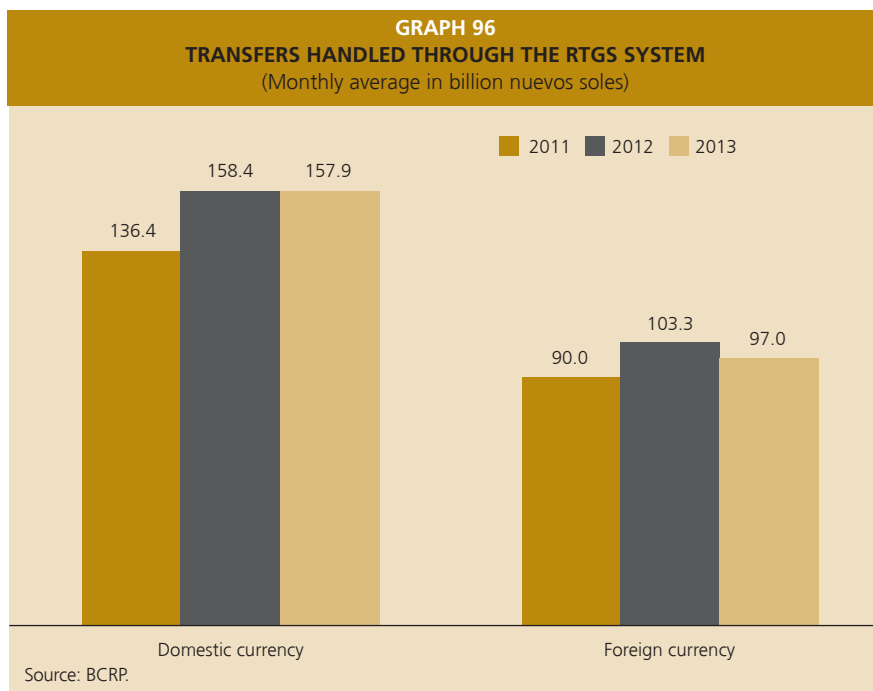
## 9. Payment Systems

The value of the transactions made through payment systems declined 2 percent in 2013 whereas the number of operations made through these systems increased by 9 percent. The total value of funds transferred through the payment systems was equivalent to 6 times the value of annual GDP, lower than the one recorded in 2011 (6.5 times the value of annual GDP).

### Real Time Gross Settlement System (RTGS)

The RTGS system is mainly used to make high-value transfers among the entities integrating the financial system as well as to make transfers on behalf of their clients. The transfers made through the RTGS system account for 92.1 percent of the total value transferred through the payment systems.

In 2013, the value of transfers channeled through the RTGS system fell 2.6 percent, whereas the number of transactions increased 6.4 percent. By currencies, the value of payments in dollars decreased 6.0 percent due to the decline of foreign exchange operations and interbank loans in this currency, while the value of payments in domestic currency decreased 0.3 percent.



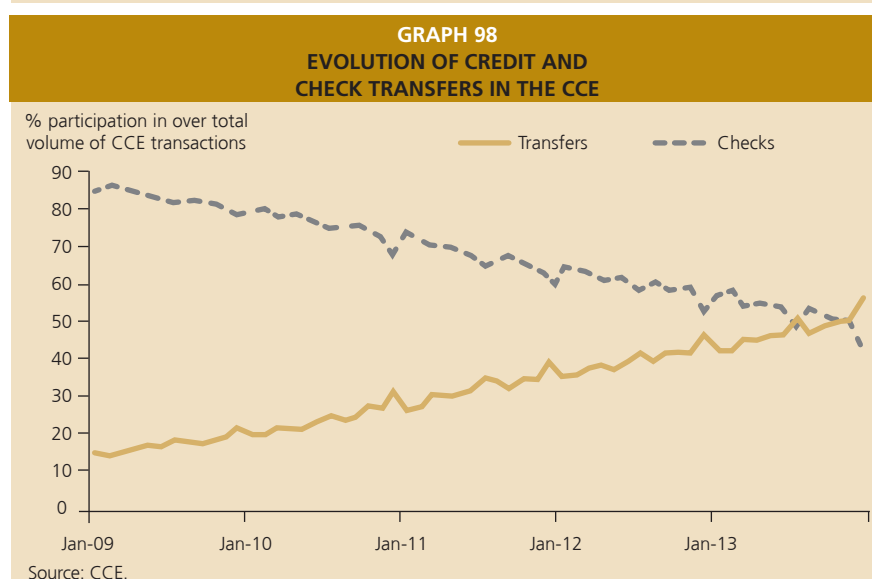
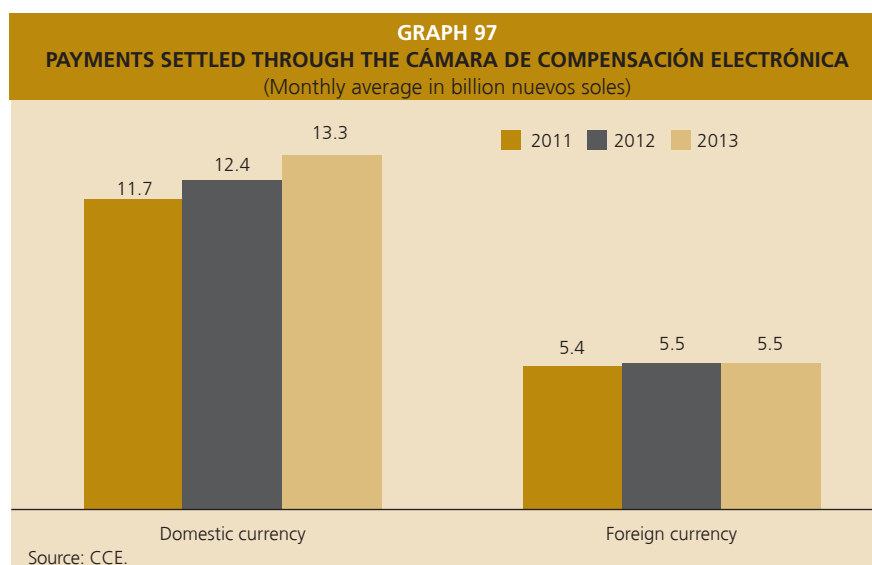
During the year, non-banking financial entities were encouraged to make their transfers in real time and participate in the RTGS system via the *Web Client* interconnection. In 2013, Caja Municipal de Ahorro y Crédito de Trujillo and Financiera Edyficar established an interconnection with this system.

## 9.2. Electronic Clearing House (Cámara de Compensación Electrónica - CCE)

The CCE is a payment system used to settle checks and credit transfers among the clients of the various financial entities that participate in this system. The value of such transactions is low, but the number of operations represents 94.1 percent of total transactions carried out through payment systems.

In 2013, the number of transactions handled by the CCE grew 10.1 percent, with credit transfers increasing by 31.4 percent as a result of the greater use of electronic payments. On the other hand, the volume of checks processed through the CEE decreased by 4.1 percent, reflecting the downward trend of the participation of checks in the total of instruments processed by the CCE (down from 60 percent to 52.2 percent in the last 12 months).

Furthermore, the value of the transactions processed in the CCE grew 5.7 percent in the year. The value of credit transfers increased 32.3 percent while the value of checks decreased by 2.3 percent.





### **9.3 Multibank Securities Settlement System (MSSS)**

The payments for transfers of stock exchange securities and Treasury bonds are processed through the MSSS. In 2013, the value of payments in this system fell 9.6 percent, while the volume of payments declined by 23.6 percent. Moreover, the payments for stock exchange operations declined 32 percent in value and 24.7 percent in volume, while fund transfers for government securities traded in the secondary market fell 1.2 percent in terms of value and 9.1 percent in terms of volume.

In July, the Ministry of Economy started its program of issuance of short-term treasury bills. As part of this program, 90-day and 360-day bills for a total of S/. 322.6 million have been issued in 2013. These securities are settled through Cavali, which is the organization that manages the MSSS.

### **9.4 Regulations**

The regulations of Law 29985 establishing the basic characteristics of electronic money as an instrument for financial inclusion were published in May 2013. Supreme Decree 090-2013-EF specifies the concept of electronic money, the scope of electronic money accounts, and the terms and restrictions on operations with electronic money.

The Superintendency of Banks, Insurance Companies and AFPs published complementary regulations that define the legal framework for the use of electronic money: Regulations for operations with electronic money (SBS Resolution 6283), Regulations for issuers of electronic money (SBS Resolution 6284), and Regulations for establishing, transferring or closing branch offices, ATMs and agent tellers (SBS Resolution 6285).

Furthermore, OSIPTEL (Organismo Supervisor de Inversión Privada en Telecomunicaciones) published Resolution 126-2013-CD –“Aprobación de las Normas Relativas al Acceso de los Emisores de Dinero Electrónico a los Servicios de Telecomunicaciones”– establishing the technical, economic, and procedure standards governing the contracts between issuers of electronic money and the companies that have the concession of public telecommunication services to have access to these services.

# INSTITUTIONAL ACTIVITIES

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## 1. Board of Directors

On December 31, 2013, the Board of Directors of BCRP was integrated by Julio Velarde Flores (Governor), Luis Alberto Arias Minaya, José Gallardo Ku, Jaime Serida Nishimura, Francisco González García, Drago Kusic Wagner, and Gustavo Yamada Fukusaki. The latter three directors were appointed to the Board of BCRP by the Congress of Peru in December 2013.

The Board held 60 meetings in 2013.

## 2. Transparency and Social Responsibility

Efficiency and transparency characterize the BCRP in all of its actions. The monetary policy of BCRP is based on inflation targeting since 2002. To reinforce the effectiveness of monetary policy actions, policy decisions and measures are disseminated to the public through various media.

### 2.1 Transparency

The Board of the BCRP informs the public about monetary policy decisions through the **Informative Notes on the Monetary Program** released each month. These communiqués, which provide information regarding policy decisions about the reference interest rate, the interest rates on rediscount operations, and the interest rates on overnight deposits, are published on the BCRP website ([www.bcrp.gob.pe](http://www.bcrp.gob.pe)), disseminated through press releases, and emailed to subscribers. Teleconferences are also held with the media to inform the public about monetary policy decisions.

In 2013 the **Inflation Report** was published in March, June, September, and December. This report discusses the BCRP monetary policy actions and offers an analysis of economic developments, explains the evolution of inflation, and provides forecasts on inflation and the main macroeconomic variables. It is published on the Central Bank's website and disseminated through meetings and conferences with representatives of the financial system, with economic analysts, scholars, representatives of the media and business, and authorities both in Lima and in the interior of the country.





In 2013 Governor Julio Velarde met with Congress representatives on several occasions. On June 5 he spoke before the Congressional Committee of Economy, Banking, Finance, and Financial Intelligence on "The International Context and Prospects for the Peruvian Economy in 2013". On September 18 he offered a dissertation on the "Current Situation and Prospects of the Peruvian Economy" to the Commission of Economy, and on September 30 he discussed the country's economic outlook 2014 before the members of the Budget and General Account Committee.

The indicators of the BCRP administrative and budget management as well as the BCRP Financial Statements, audited by internationally renowned auditing firms, are published in the Transparency section of the Bank's website ([www.bcrp.gob.pe](http://www.bcrp.gob.pe)).

In compliance with the Transparency and Access to Public Information Act, in 2013 the BCRP answered 33 information requests submitted by different citizens.

## 2.2 Dissemination of Economic Information

In accordance with its constitutional mandate and its Organic Law, in 2013 the BCRP continued informing the public periodically about the state of national finances through the publication and dissemination of macroeconomic reports and statistical data. Printed publications, which are also published on the Bank's website, include the *Inflation Report*, the *Weekly Economic Report*, the *Annual Report*, the *Financial Stability Report*, *Revista de Estudios Económicos*, and *Revista Moneda*. The *Weekly Economic Report*, *Notas de Estudio*, the *Working Papers*, and the *Reports of the Regional Branches* are disseminated in electronic version. Informative Notes on the evolution of the main economic variables and the main institutional events were also sent to the media.

The BCRP organized seminars, conferences, institutional talks and events in Lima and in other cities of the country to discuss several topics of economic interest. Talks on the mission and roles of the Central Bank and on the security features of banknotes and coins were also offered. A total of 6,953 university students participated in the 81 lectures and talks offered by the BCRP in 2013 (the number of participants who took part in these activities was 5 percent higher than in 2012).

## 2.3 Social Responsibility

In 2013 the BCRP continued contributing to education and culture in our country by offering courses, organizing contests, and providing free access to its museums and library, among other activities and services.

### 2.3.1 Courses

- **Extension Course for Economists**

Thirty-five students of economics of various public and private universities of Lima and other cities of the country participated in the 60th Extension Course for Economists offered by the Central Bank. Through this course, the BCRP contributes to disseminate new knowledge in the field of economics each year, improving in this way the professional level of participants. The best students of the course are invited to integrate the Bank's technical staff.

- **Extension Course of Advanced Finances**  
Thirty students from different universities and different academic fields interested in specializing in financial themes were selected to participate in this finance course. The best students were also incorporated to the BCRP staff.
- **Refresher Course in Economics**  
Students of economics from different universities of the country learned about the latest trends in the fields of macroeconomics, microeconomics, econometrics, and mathematics. The best students were invited to take part in the 61st Extension Course for Economists – 2014.
- **Course for Economics Faculty**  
The BCRP offers this course with the aim of improving the standards of education in the field of economics in the universities of the country by training faculty members. Twenty-five professors from different universities of the interior of the country and five professors from universities located in Lima participated in this course in 2013.

### 2.3.2 Contests

- **Research Contest for Junior Economists**  
The winner of the 2012-2013 Research Contest for Junior Economists “Luis Felipe de las Casas Grieve” was Mr Guillermo Jopen Sánchez of Pontificia Universidad Católica del Perú for his paper “Concentración de mercados en la industria bancaria peruana”. Mr. Rodrigo Mendoza Yllanes, of Universidad Peruana de Ciencias Aplicadas, obtained the second prize for his paper “Midiendo la eficiencia financiera en el manejo de los portafolios de inversión de las AFPs”.
- **BCRP Contest for School Students 2013**  
The first prize of the VIIIth BCRP School Contest was awarded to the paper entitled “Menores intereses, mayores proyectos, mejor economía para los peruanos”, submitted by students of school Eliseo Alcides Bernal of the city of Paita, Piura. The second prize was awarded to the students of Colegio Juan Croniqueur, located in the district of El Agustino, in Lima, for the paper “Entusiasmo sí, triunfalismo no... a cumplir los retos pendientes del Perú”, and the third prize was awarded to students of school Nuestra Señora del Carmen (Carmelitas), located in the district of Miraflores in Lima, for their paper “Un recorrido por la historia del Sol: cambios y permanencias”.
- **Short Novel Contest “Julio Ramón Ribeyro”**  
Selected among 69 literary works, “El amor empieza en la carne” by Juan Ochoa was awarded the first prize of the BCRP short novel contest in 2013. The judges included Abelardo Oquendo, Alonso Cueto, Mirko Lauer, Marcel Velásquez, and Francesca Denegri.
- **Fifth National Painting Contest**  
The winner of the BCRP National Painting Contest in 2013 was artist Paloma Álvarez Castro with her work “Mamachay”. The second prize was awarded to Ignacio Noguero García for his work “Parihuana”. The judges gave honorable mentions to Graciela Arias for her work “La coleccionista de amores”, Juan Carlos Zeballos for his work “Pedagogía de paisaje fragmentado”, and Giancarlo León for his work “Cometa: Batalla por las antípodas”. A group of paintings selected among the works that participated in the contest was exhibited at Centro Cultural Garcilaso de la Vega from November 14 to December 2.

The panel of judges was integrated by Moico Yaker, Christian Bendayán, Angela Delgado, Fernando Torres, and Carlo Trivelli.



## Publications

In 2013 the BCRP published the following books: *"Ilusiones de la transición. El altiplano peruano, 1780-1930"*, by Nils Jacobs, co-published with IEP; *"Historia de las ideas en el Perú contemporáneo. ¿Existe una filosofía de nuestra América?"*, by Augusto Salazar Bondy, co-published with Fondo Editorial del Congreso del Perú; *"El amor empieza en la carne"*, the short novel written by Juan Ochoa that won the 2012 Short Novel Contest, and *"Campesinos en haciendas. Coacción y consentimiento entre los productores de algodón en el valle de Pisco"*, by Vicent C. Peloso, co-published with IEP.

### 2.3.4 Museum

The different museums of BCRP were visited by 135,147 people in 2013. The BCRP Museum participated in exhibitions in Peru as well as in several other countries. The exhibition *"Retrospectiva de José Sabogal"*, organized by the Museo de Arte de Lima (MALI) and shown from July 10 to November 3, stands out among the former.

The BCRP Museum also participated in the following international exhibitions: *"El Imperio Inca revelado: Un siglo después del descubrimiento de Machu Picchu"*, shown in different cities of Japan between March 10, 2012, and February 29, 2013, thanks to the coordination of Tokyo Broadcasting System Television; *"Luminescence: The silver of Peru"*, organized by the Museum of Anthropology (MOA) and the University of Toronto Art Centre, in Toronto, Canada, from January 15 to March 9; *"Chavín: De la llegada de los dioses a los Andes"*, shown at the Rietberg Museum of Zurich, Switzerland, from November 24, 2012, to March 10, 2013, and *"Peru: Kingdoms of the Sun and the Moon"*, displayed at The Montreal Museum of Fine Arts from January 28 to September 15, 2013, and at the Seattle Art Museum of Washington from October 17, 2013, to January 15, 2014.

The BCRP Museum also organized the VIIIth Numismatics Seminar *"La evolución de las unidades monetarias del Perú"*, which was held on October 23.

The Museum also participated in the XIth Fair *"Los Museos a tu alcance"*, held at Parque de la Exposición on May 18-19; the XVIIIth International Book Fair of Lima, carried out at Parque Los Próceres in Jesús María, from July 19 to August 4; the Vth International Book Fair of Arequipa, from September 26 to October 8, and the XXXIVth Book Fair Ricardo Palma, held at Larcomar in Miraflores from October 25 to November 5.

As part of its social responsibility program, the Museum showed 29 theater plays, as well as 46 films in its film club, between January and December. Moreover, the Museum participated in the XVIIth Film Festival of Lima and the XXVth Festival of European Films, and carried out 21 social responsibility activities with school children who live in conditions of extreme poverty.

Several craft workshops were also carried out at the Museum facilities, including 15 workshops celebrating the 31st Anniversary of the BCRP Museum in January, 10 workshops commemorating the Artisan's Day in March, 18 workshops celebrating the International Museum Month and two workshops as part of the activities developed in the Vth Noche de los Museos de Lima in May, as well as 12 workshops celebrating the National Identity Week in June, 24 workshops in July for the celebrations of Peru's Independence Day, 2 workshops on how to prepare the traditional organic bread of Colca, 20 workshops celebrating

the diversity of race month in September, 15 workshops celebrating the arrival of Spring in October, 19 Christmas workshops at the III Feria Navidad en Manos Artesanas between November and December, and 2 workshops in the frame of the VIth Museum Night in December.

The Museum provided support for the Conference of Latin Americanist Geographers, organized by the International Geographical Union and the Peruvian National Committee, which took place from April 8 to 12; for the seminar Patrimonio Educativo y Educación Patrimonial, organized by the International Council of Museums and the Museum Network, on April 18, and for the II Conversatorio sobre Perspectivas y Avances de las Bibliotecas de Museos y Centros Culturales, hosted by the National Library of Peru and Red de Museos del Centro Histórico de Lima on December 12 and 13.

### 2.3.5 Library

During 2013, the Library of the BCRP –one of the most important libraries of the country specialized in economics and finance– managed 8,216 reading requests and lent a total of 58,469 books and periodical publications.

As part of its modernization program, in 2013 the Library also bought two new databases specialized in economics and finance: the Bank's Cross-National Time-Series Data Archive of Databank International, which contains economic and social indicators, and the Springer database, which has full text articles of 99 journals. In addition to this, the Library bought subscriptions to 6 new journals with digital access to complete text and thus has now access to a total of 75 publications with online access and 6 specialized databases.

## 3. Meetings and Events

In 2013 the BCRP authorities and officials participated in various international and national meetings. The main events included the following:

### 3.1 International Meetings

- Bimonthly Meeting of Governors of BIS Member Central Banks and Seminar "Sovereign Risk – A World Without Risk-Free Assets?", organized by the BIS in Basel, Switzerland, January 6 - 9.
- "Reunión FRBA – SGT – MIAP sobre viabilidad de una interconexión de los sistemas de pagos", organized by Centro de Estudios Monetarios Latinoamericanos (CEMLA), in Mexico D.F., January 23.
- "Peru Road Show USA 2013", organized by Asociación inPERU, in New York, Chicago, and San Francisco, January 28 - 31.
- "Annual Meeting of Emerging Market Deputy Governors", organized by the BIS, in Basel, Switzerland, January 21 - 22.
- Seminar on Central Bank Finances, co-sponsored by CEMLA, BIS, and the Central Bank of Chile, in Santiago, Chile, March 4 - 5.
- "2013 IIF Annual Meeting of Latin America Chief Executives", organized by the Institute of International Finance (IIF) and the Central Bank of Chile, in Santiago, Chile, March 5 - 7.



- Meetings of communication strategy, organized by the Central Bank of Paraguay, in Asunción, Paraguay, March 6 - 7.
- "First IMF Annual Financial Stability and Systemic Risk Forum", organized by the International Monetary Fund (IMF), in Washington D.C., USA, March 8.
- Bimonthly Meeting of BIS, held in Zurich, Switzerland, on March 10 and 11.
- "Integración y Fragmentación Financiera Internacional: Desarrollos y respuestas de política", organized by the Bank of Spain and the Reinventing Bretton Woods Committee and held in Madrid, Spain, on March 12.
- Meeting of the Working Group on the effects of foreign exchange operations in Latin America, organized by the BIS Consultative Council for the Americas, held in Mexico D.F., March 11 - 15.
- Annual Meetings of the Assembly of Governors of the International Development Bank (IDB) and the Inter-American Investment Corporation, held in Panama, March 14 - 17.
- LXX Ordinary Meeting of the Board of Fondo Latinoamericano de Reservas (FLAR), held in Bogotá, Colombia, on March 18.
- Forum "The path of economic growth", organized by The International Economic Forum of the Americas, held in Palm Beach, USA, April 8 - 9 .
- XXV Meeting of Governors of Central Banks of South America, organized by the Central Bank of Brazil, held in Rio de Janeiro, April 11 - 12.
- Annual Meetings of the IMF and the World Bank, held in Washington D.C., USA, April 15 to 22.
- "Global Seminar for Central Bank Internal Auditors", organized by the BIS, held in Basel, Switzerland, April 17 to 19.
- XIII Meeting of SICAP/ALADI Technicians, organized by ALADI, held in Buenos Aires, Argentina, April 23 to 25.
- Fourth Conference: "Estabilidad Financiera, Política Macropudencial y Tipos de Cambio", organized by the BIS, in Santiago, Chile, April 25 - 26.
- "2013 Economic Modelling Workshop", organized by the IMF, held in Washington D.C., USA, April 25 to 27.
- "International Workshop on Macropudencial Policies", organized by the IMF and the Bank of Thailand, in Bangkok, Thailand, April 26 to 28.
- Plenary Meeting of the Working Party on Financial Integration, organized by the Union of South American Nations (UNASUR), held in Buenos Aires, Argentina, on April 29.
- Bi-Monthly Meeting of Governors of the BIS, held in Basel, Switzerland, May 12 – 13.

- XCV Meeting of Governors of Central Banks of CEMLA, held in Washington D.C., USA, May 15 to 16.
- XV Annual Seminar of the Banco Central do Brazil, in Rio de Janeiro, Brazil, May 16 - 17.
- IX Meeting of Monetary Policy Managers, co-sponsored by CEMLA and the Central Bank of Argentina, in Buenos Aires, Argentina, May 23 - 24.
- "Road Shows Europe Arab Emirates 2013", organized Asociación inPERU, held in Abu Dhabi, Dubai; Frankfurt, Germany; and London, England, from May 25 to 31.
- Meeting on Central Bank Accounting Aspects, organized by CEMLA, in Mexico D.F., May 30 - 31.
- Conference "Investor Briefing on Peru's Economic Outlook", organized by el Peruvian American Business Council, held in New York, USA, June 10 - 11.
- Seminar "Implementing Effective Operational Risk Management Frameworks in Central Banks", sponsored by the Bank of Italy, in Rome, Italy, June 12 to 14.
- Conference on Macroeconomic Policies, co-sponsored by CEMLA, the World Bank, and la Banca d'Italia, in Mexico D.F., June 20 - 21.
- "83th Annual General Meeting of the BIS", in Basel, Switzerland, June 22 - 23.
- LXXI Extraordinary Meeting of the Board of Fondo Latinoamericano de Reservas (FLAR) and VIII FLAR-CAF International Conference of Economic Studies, held in Cartagena, Colombia, July 7 to 9.
- II Seminario de Abogados de Bancos Centrales y Entidades Multilaterales de América Latina, organized by the FLAR, in Bogota, Colombia, August 29 - 30.
- Seminar "Crecimiento y Productividad", organized by the Central Bank of Nicaragua, in Managua, Nicaragua, September 5 - 6.
- VI Meeting of Central Bank Heads of Security, organized by CEMLA, en Bogota, Colombia, September 5 - 6.
- Annual Meeting of BIS Governors, held in Basel, Switzerland, September 8 - 9.
- LXXII Ordinary Meeting of the Board of the FLAR, in Bogota, Colombia, September 23.
- IV International Seminar on Strategic Planning for Central Banks, organized by CEMLA, in Bogota, Colombia, September 25 to 27.
- XII Meeting on Central Bank Internal Audit, organized by el CEMLA, in Asunción, Paraguay, September 25 to 27.
- "17th Annual Working Party on Monetary Policy in Latin America", organized by the BIS y Banco Central de Chile, in Santiago, Chile, September 26 to 27.



- Meeting of "Central Bank Legal Experts", organized by the BIS, in Basel, Switzerland, October 1 to 3.
- Annual Meetings of the IMF, the World Bank, G-24, and the IDB, held in Washington D.C., USA, October 8 to 15.
- III Workshop on Payment Systems Oversight, organized by CEMLA and the Bank of Guatemala, in Guatemala, October 16 to 18.
- "Fourth Meeting on Reserve Management in the Americas", organized by el BIS, in Santiago, Chile, October 17 to 18.
- XXVI Meeting of Governors of Central Banks of South America, organized by the Central Bank of Bolivia, in Santa Cruz, Bolivia, October 17 to 18.
- XI Meeting of Central Bank Legal Advisors, co-sponsored by CEMLA and the Central Bank of Chile, in Santiago, Chile, October 23 to 25.
- Annual Meeting 2013, organized by the Research Network for the Americas of the BIS, in Mexico D.F., October 28 to 29.
- Sixth Latin American Forum for Communications Heads and Spokespersons of the Ministries of Finance and Central Banks, co-organised by the World Bank, Banco de la República and the Ministerio de Hacienda y Crédito, in Cartagena, Colombia, October 31 to November 1.
- Annual LACEA Meeting, organized by Latin American and Caribbean Economic Association, in Mexico D.F., October 31 to November 2.
- Bi-Monthly Meeting of BIS Governors, held in Zurich, Switzerland, November 10 - 11.
- XVIII Annual Meeting of the Network of Central Bank Researchers, organized by CEMLA and held in Mexico DF., November 11 - 12.
- XVII Annual Conference "Liquidez Global, consecuencias para mercados emergentes y respuestas de política económica", organized by Banco Central de Chile, in Santiago, Chile, November 14 to 15.
- "Central Banks 17th Annual Conference" and "5th Banks Summit Meeting on Inflation Targeting", organized by Banco Central de Chile, in Santiago, Chile, November 14 to 16.
- Plenary Meeting of the Working Party on Financial Integration, organized by UNASUR, held in Buenos Aires, Argentina, November 20 - 21.
- XXVII Meeting of Central Banks and Government Institutions, organized by the FLAR, in Cartagena, Colombia, November 20 - 22.
- "Meeting of Directors of Financial Stability", co-organized by the BIS and the Central Bank of Brazil, held in Rio de Janeiro, Brazil, on December 3.

- X International Seminar on Central Banking, organized by the Bank of Spain and held in Madrid, Spain, December 9 to 13.
- "V Road Show of Alianza del Pacífico", organized by Asociación inPERU, and held in Santiago, Bogota, and Mexico D.F., December 9 to 13.

### 3.2 National Meetings

- Central Banking "Rodrigo Gómez 2012" Award Ceremony: the 2012 Rodrigo Gómez award was delivered by the Director General of the CEMLA.
- Course "Topics of Macroeconomics", offered by Professor Lawrence Christiano.
- Lecture on "Planes de contingencia y continuidad del negocio en situaciones extremas", organized by the CEMLA.
- Meeting of the International Monetary Law Committee MOCOMILA.
- "The Role of Incentives in the World Financial Crisis", lecture by Dr. Robert Aumann, Nobel Prize in Economics 2005.
- "El uso de modelos DSGE en la formulación de políticas", course organized by the IMF and CEMLA.
- Encuentro Económico in the Tacna Region.
- Seminar "Las Asociaciones Público Privadas (APP) como alternativa de inversión en infraestructura pública".
- Book presentation of "Historia de las ideas en el Perú contemporáneo. ¿Existe un filosofía de nuestra América?", by Augusto Salazar Bondy, co-published by the BCRP and the Congress of Peru.
- Lecture "El Mercado de Repos".
- Seminar "The Great Experimentation with Unconventional Monetary and Financial Policy", co-sponsored by the Reinventing Bretton Woods Committee and the BCRP.
- Presentation of the winning novel of the XVth Short Novel Contest Julio Ramón Ribeyro "El amor empieza en la carne" by Juan Ochoa López.
- Encuentro Económico in the Junín Region.
- Course "Interacción entre Política Monetaria y Fiscal", co-organized with CEMLA.
- Course "Macroeconomía de Volatilidad Estocástica y Markow Switching y SVARs con Restricciones de Signo", offered by Professor Juan Rubio, Duke University, co-organized with SECO.
- Seminar on "Inflation Targeting in Latin American and Caribbean Countries", organized with the IDB.
- VII Seminar of Numismatics: "La evolución de las unidades monetarias del Perú".
- Presentation of the 2014 World Development Report: "Gestión de Riesgo para el Desarrollo".





- XXXI Encuentro de Economistas.
- Forum on Industrial Estate Development.
- III Meeting on Financial Stability, co-organized with CEMLA.
- VIIIth BCRP Contest for School Students 2013.
- LV Meeting of ALADI's Advisory Committee on Financial and Monetary Affairs.
- Forum on "Educación Técnica en el Perú: Lecciones aprendidas y retos en un país en crecimiento".
- Lecture on "Manejando Spillovers de política en economías desarrolladas, flujos de capitales y retos de política para las economías emergentes", co-organized with SECO.
- Forum on "Dinamizando la Inversión Pública".
- Encuentro Económico in La Libertad Region.

#### 4. Branch Offices

The BCRP has branch offices in the cities of Arequipa, Cusco, Huancayo, Iquitos, Piura, Puno, and Trujillo. The main role of the BCRP branches is to develop and disseminate studies and reports on the economy of the country's departments and ensure that each area has the appropriate supply of banknotes and coins required by the financial system and the population in general.

The BCRP Branches publish the document *Síntesis Económica* on the web page of the BCRP each month, providing in this way information about both the economic development of the areas under their jurisdiction as well as about their economic characteristics and main tourist attractions. As part of their activities, the BCRP Branch Offices organize lectures and talks on the economy of the region and the country, disseminate the information contained in the Inflation Report, and organize talks on the security features of banknotes and coins.

Three regional meetings –Encuentros Económicos Regionales– were carried out in 2013: the "Encuentro Económico Región Tacna" was carried out in April in the city of Tacna, the "Encuentro Económico Región Junín" was held in the city of Huancayo in August, and the "Encuentro Económico Región La Libertad" was carried out in the city of Trujillo in December. In general, the main topics discussed in these meetings are the challenges and possibilities of the regions as well as specific issues relevant to the reality of each region.

In 2013, BCRP officials made a presentation of the Inflation Report at the Universidad de Lambayeque in the frame of the National Congress of Students of Economics and also lectured on "Perspectivas de desarrollo de Piura y factores para su inserción exitosa en los mercados nacionales y globales" in the city of Piura.

Moreover, lectures on "Las perspectivas económicas del Perú en un contexto de alta volatilidad de la economía global", "Panorama actual y proyección macroeconómica 2013-2015", and the "Impacto de la minería en el crecimiento y desarrollo económico y social de la región" were provided at the Branch Office

of Trujillo. Additionally, the international seminar “La gran experimentación de las políticas monetarias no convencionales”, co-organized by the BCRP and the Reinventing Bretton Woods Committee was held at the city of Cusco.

It should also be pointed out that the BCRP Branch Office of Arequipa participated in the Fifth International Book Fair held in this city and in the “Convención minera Arequipa 2013”.

In 2013 the BCRP branch offices continued providing training to the personnel of financial entities and the general public on the security features of banknotes and coins. A total of 19,622 people attended the 582 talks delivered over the year.

The museums of the branch offices of Trujillo, Arequipa, and Piura were visited by 37,717 visitors, that is, by 14 percent more visitors than in 2012. It is worth pointing out that the museum of the BCRP branch office in Trujillo was visited by 27,577 people, which represents 73 percent of the total number of visitors who visited the BCRP museums during the year.

## 5. Currency Management

The Central Bank continued issuing the coins of its Numismatic Series “Wealth and Pride of Peru” (Riqueza y orgullo del Perú series), which was started in March 2010 with the aim of promoting the rich cultural heritage of our country through a means of payment of massive use as well as with the aim of encouraging numismatic culture. Thus, 4 coins of 1 nuevo sol (with 10 million units of each one) were issued in 2013: the coin reproducing the “Temple of Huaytará” (Huancavelica) was issued in March; the coin with the design of the “Temple of Kotosh” (Huánuco), in May; the coin reproducing a design of Paracas textiles in honor of “Paracas Textile Art” (Ica), in September, and the coin reproducing part of “Tunanmarca” (Junín), in November. A total of 15 coins of this series had been issued by December 2013.



In July 2013, the Central Bank put into circulation a new series of coins called “Natural Resources of Peru”, which consists of 3 coins of S/.1 (with 10 million units of each coin) with the motifs of the “Anchovy”, “Cocoa” and “Quinoa”. These coins are legal tender and circulate simultaneously with the coins of the Wealth and Pride of Peru series and the rest of S/. 1 sol coins.





Commemorating the Sesquicentennial of the Creation of the Sol as monetary unit, in July 2013 the Central Bank issued commemorative silver coins. The reverse of these coins reproduces the design of the 1863 coin with the motif of the "Seated Liberty" surrounded by the phrase FIRME Y FELIZ POR LA UNIÓN. The period commemorated (1863-2013) and the inscription UN SOL appear at the bottom.



In December, the Central Bank issued banknotes in the denomination of S/. 100 with a recently developed new security feature. A color-changing ink which changes from green to blue is now used to print the number 100 in the center of the obverse of the banknote, but in addition to the color change, this ink has a beam of light that goes through the denomination of 100. These notes circulate simultaneously with the previous banknotes of 100 nuevos soles.



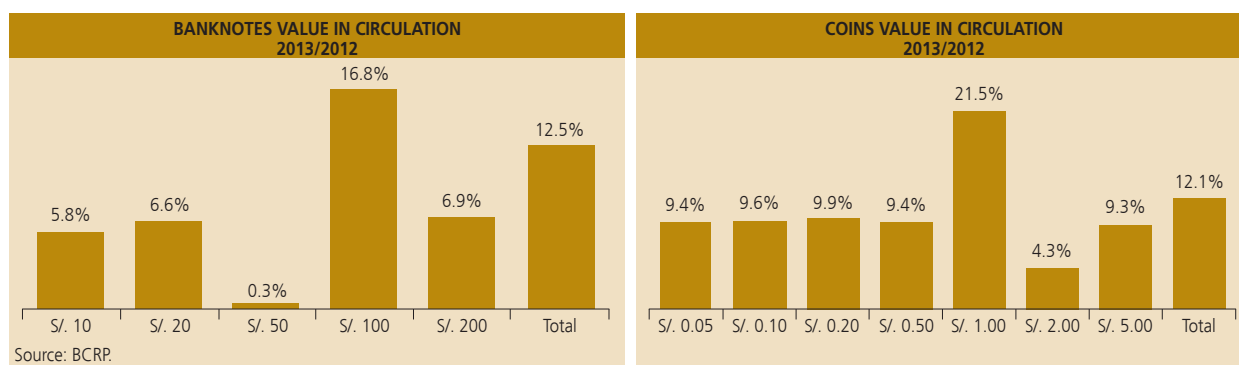
The regulation for the exchange of banknotes and coins held by banks and financial entities, which includes a section on the replacement of damaged banknotes due to the authorized use of anti-theft devices, was published in January (Circular N° 002-2013-BCRP).

The BCRP intensified the information campaigns on the security features of banknotes during the year. The number of lectures offered by the BCRP nationwide were 1,296 increased by 40 percent to 37,467 people. Moreover, instructors of different banks were trained in order that they in turn train the staff they work with about these security features in cities where the BCRP does not have branch offices. In addition to this, an intense information campaign on the security features was carried out through radio and television interviews and through newspaper ads published nationwide.

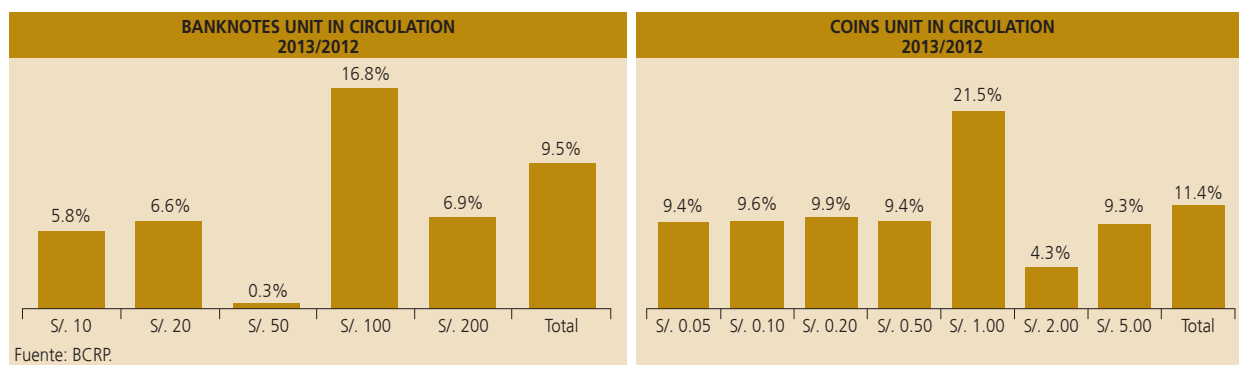
## 5.1 Banknotes and Coins in Circulation

In line with the dynamism of economic activity, in 2013 currency in circulation was higher than in 2012, both in terms of value and in terms of units in circulation.

The balance of the value of banknotes in circulation at December 2013 was S/. 40.73 billion (12.5 percent higher than at end 2012), while the balance of the value of coins in circulation was S/. 1.79 billion (12.1 percent higher than at end 2012).



Moreover, in terms of units of banknotes and coins, the balance of units of banknotes in circulation at the end of 2013 was 637.5 million banknotes (9.5 percent higher than at the end of 2012) and the balance of coins was 2.93 billion coins (11.4 percent higher than at the end of the previous year).



Both in terms of value and in term of the number of units, the use of banknotes in the denomination of S/. 100 stands out, as reflected in the fact that they are widely used in automatic teller machines (ATM), while in the case of coins the demand for 1 sol coins stands out, reflecting in part the public's significant interest in keeping and collecting the coins of the two numismatic series that are in circulation.

## 5.2 Coin Minting

The National Mint produced 310 million coins in 2013, 3 percent more than in 2012. The largest production of coins was coins in the denominations of ten cents (S/. 0.10) and one Nuevo Sol (S/. 1), which together represented 68 percent of the total of coins produced (vs. 61 percent in 2012).



## PRODUCTION OF COINS

Denomination	Alloy	Quantity (Million units)	Monetary value (Million nuevos soles)
S/. 0.05	Aluminun	24	1.2
S/. 0.10	Brass	117	11.7
S/. 0.20	Brass	29	5.8
S/. 0.50	Nickel-silver	34	17.0
S/. 1.00	Nickel-silver	93	93.0
S/. 2.00	Bi-metal	6	12.0
S/. 5.00	Bi-metal	7	35.0
<b>Total</b>		<b>310</b>	<b>175.7</b>

Source: BCRP.

## 5.3 Destruction of Banknotes and Coin Melting

A total of 197.1 million banknotes with a monetary value equivalent to S/. 6.97 billion was destroyed in 2013. In terms of units, 65 percent of the banknotes destroyed was banknotes of ten soles and twenty soles (S/. 10 and S/. 20).

## DESTRUCTION OF BANKNOTES

Denomination	Quantity (Million units)	Monetary value (Million nuevos soles)
S/. 10.00	68.6	685.5
S/. 20.00	59.3	1,185.2
S/. 50.00	38.2	1,911.1
S/. 100.00	30.3	3,025.8
S/. 200.00	0.8	165.8
<b>Total</b>	<b>197.1</b>	<b>6,973.5</b>

Source: BCRP.

In terms of units of coins, a total of 8.9 million coins in the denominations of 50 cents and 1 nuevo sol was melted in 2013.

## MELTING OF COINS

Denomination	Quantity (Million units)	Monetary value (Million nuevos soles)
S/. 0.05		
S/. 0.10		
S/. 0.20		
S/. 0.50	4.2	2.1
S/. 1.00	4.7	4.7
S/. 2.00		
S/. 5.00		
<b>Total</b>	<b>8.9</b>	<b>6.8</b>

Source: BCRP.

## 6. Circulars

During 2013 the BCRP issued fifty-three circulars: nineteen circulars about regulations on reserve requirements, five about first-class banks, eight about banknotes and coins, five about monetary instruments, twelve about the daily adjustment index established in article 240 of Law 26702, General Law for the Financial and Insurance Systems and the Organic Law of the Superintendence of Banks and Insurance Companies, and four about the maximum investment limits for the Administrators of Pension Funds. The circulars issued in 2013 were the following:

- **Monetary Instruments**

Circular 048-2013-BCRP (27/12/2013)  
 Circular 049-2013-BCRP (27/12/2013)  
 Circular 050-2013-BCRP (27/12/2013)  
 Circular 051-2013-BCRP (27/12/2013)  
 Circular 052-2013-BCRP (27/12/2013)

- **Reserve Requirements**

Circular 004-2013-BCRP (29/01/2013)  
 Circular 005-2013-BCRP (29/01/2013)  
 Circular 009-2013-BCRP (27/02/2013)  
 Circular 010-2013-BCRP (27/02/2013)  
 Circular 013-2013-BCRP (26/03/2013)  
 Circular 016-2013-BCRP (29/04/2013)  
 Circular 017-2013-BCRP (29/04/2013)  
 Circular 020-2013-BCRP (28/05/2013)  
 Circular 023-2013-BCRP (25/06/2013)  
 Circular 024-2013-BCRP (25/06/2013)  
 Circular 027-2013-BCRP (19/07/2013)  
 Circular 028-2013-BCRP (19/07/2013)  
 Circular 031-2013-BCRP (23/08/2013)  
 Circular 032-2013-BCRP (23/08/2013)  
 Circular 037-2013-BCRP (27/09/2013)  
 Circular 038-2013-BCRP (27/09/2013)  
 Circular 043-2013-BCRP (27/11/2013)  
 Circular 046-2013-BCRP (23/12/2013)  
 Circular 047-2013-BCRP (23/12/2013)

- **First-Class Banks**

Circular 007-2013-BCRP (04/02/2013)  
 Circular 033-2013-BCRP (23/08/2013)  
 Circular 036-2013-BCRP (19/09/2013)  
 Circular 041-2013-BCRP (18/11/2013)  
 Circular 053-2013-BCRP (30/12/2013)



- **Banknotes and Coins**

Circular 002-2013-BCRP (15/01/2013)  
Circular 012-2013-BCRP (15/03/2013)  
Circular 019-2013-BCRP (26/05/2013)  
Circular 022-2013-BCRP (26/06/2013)  
Circular 025-2013-BCRP (27/06/2013)  
Circular 029-2013-BCRP (23/07/2013)  
Circular 035-2013-BCRP (10/09/2013)  
Circular 042-2013-BCRP (21/11/2013)

- **Investment Limit for the AFPs**

Circular 003-2013-BCRP (21/01/2013).  
Circular 008-2013-BCRP (14/02/2013).  
Circular 015-2013-BCRP (05/04/2013).  
Circular 045-2013-BCRP (13/12/2013).

2013	
Since December 15	36.5%
2014	
Since January 15	37.0%
Since February 15	37.5%
Since March 15	38.0%
Since April 15	38.5%
Since May 15	39.0%
Since June 15	39.5%
Since July 15	40.0%

- **Daily Adjustment Index**

Circular 001-2013-BCRP (January)  
Circular 006-2013-BCRP (February)  
Circular 011-2013-BCRP (March)  
Circular 014-2013-BCRP (April)  
Circular 018-2013-BCRP (May)  
Circular 021-2013-BCRP (June)  
Circular 026-2013-BCRP (July)  
Circular 030-2013-BCRP (August)  
Circular 034-2013-BCRP (September)  
Circular 039-2013-BCRP (October)  
Circular 040-2013-BCRP (November)  
Circular 044-2013-BCRP (December)





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**FINANCIAL  
STATEMENTS**







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## Independent Auditors' Report

To the Directors of Banco Central de Reserva del Perú

We have audited the accompanying financial statements of **Banco Central de Reserva del Perú**, which comprises the statements of financial position as of December 31, 2013, and the statements of profit and loss and other comprehensive income, changes in net equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's responsibility for the financial statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting policies described in Note 2 to the accompanying financial statements, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Auditing Standards, approved for their application in Peru by the Peruvian Board of Deans of the Institutes of Certified Public Accountants (Consejo Directivo de la Junta de Decanos de Colegios de Contadores Públicos del Perú). Those standards require us to comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the risks assessment for material misstatements in the financial statements, whether due to fraud or error. In making such risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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## Independent Auditors' Report

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all materials respects, the financial position of **Banco Central de Reserva del Perú** as of December 31, 2013, its financial performance and cash flows for the year then ended in accordance with accounting principles described in Note 2 to the accompanying financial statements.

### *Emphasis on a matter*

As described in Note 1 to the accompanying financial statements, the Management of Banco Central de Reserva del Perú considers that the equity balance as at December 31, 2013 and results for year 2013 do not affect the Central Bank's capacity to fulfill its objectives.


### *Other matters*

The financial statements of **Banco Central de Reserva del Perú** for the year ended December 31, 2012 are solely presented for comparative purposes and were examined by other independent auditors whose report, dated February 26, 2013, expressed an unqualified audit opinion over the financial statements.

The translation of this report has been made solely for the convenience of the readers.

Countersigned by:

*Beltrán, Gris y Asociados S. Civil de R.L.*



(Partner)

Eduardo Gris Percovich  
CPC Registration No. 12159

February 24 2014





**STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2013 AND 2012  
In thousands of S/.**

	<u>Notes</u>	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>			
GROSS INTERNATIONAL RESERVES:			
Cash in foreign currency		139,991	127,596
Deposits in foreign banks	<b>4</b>	28,067,222	28,066,147
Deposits in international institutions	<b>5</b>	2,312,234	2,086,416
Securities from international entities	<b>6</b>	145,887,796	125,200,625
Gold	<b>7</b>	3,741,042	4,757,621
Contributions to international organizations	<b>8</b>	2,627,554	2,295,510
Other available assets	<b>21 (a) and (d)</b>	818,708	726,572
		<u>183,594,547</u>	<u>163,260,487</u>
OTHER ASSETS ABROAD:			
Contributions in local currency to International Monetary Fund	<b>8 (a)</b>	1,740,865	1,676,343
Other assets abroad	<b>12 (b)</b>	55,880	50,980
		<u>1,796,745</u>	<u>1,727,323</u>
DOMESTIC CREDIT	<b>9</b>	2,540,640	829,451
BUILDINGS, FURNITURE AND EQUIPMENT, NET	<b>10</b>	155,628	142,416
OTHER ASSETS	<b>11</b>	1,558,390	1,474,967
		<u>189,645,950</u>	<u>167,434,644</u>
<b>TOTAL</b>		<b>189,645,950</b>	<b>167,434,644</b>
OFF-BALANCE SHEET ACCOUNTS	<b>21</b>	49,323,117	42,568,466
		<u>49,323,117</u>	<u>42,568,466</u>

The accompanying notes are an integral part of these financial statements.

	<u>Notes</u>	<u>2013</u>	<u>2012</u>
<b><u>LIABILITIES AND EQUITY NET</u></b>			
RESERVE LIABILITIES	<b>2.2 (p)</b>	131,855	146,303
OTHER LIABILITIES ABROAD:			
Equivalent of the contribution in local currency to International Monetary Fund	<b>8 (a)</b>	1,740,865	1,676,343
Other liabilities abroad	<b>12</b>	2,673,423	2,441,516
		<u>4,414,288</u>	<u>4,117,859</u>
STERILIZED STOCK:			
Outstanding securities issues	<b>13</b>	21,803,081	20,351,758
Deposits in local currency	<b>14</b>	40,495,268	50,210,968
		<u>62,298,349</u>	<u>70,562,726</u>
MONETARY BASE:			
Currency in circulation	<b>15</b>	42,530,188	37,823,821
Deposits in local currency		9,406,345	14,911,131
		<u>51,936,533</u>	<u>52,734,952</u>
DEPOSITS IN FOREIGN CURRENCY	<b>16</b>	70,246,854	46,559,264
OTHER LIABILITIES	<b>17</b>	1,762,420	1,701,168
Total liabilities		<u>190,790,299</u>	<u>175,822,272</u>
NET EQUITY:			
Capital	<b>18</b>	1,182,750	1,182,750
Legal reserve		--	979,327
Special statutory reserve		687,851	871,449
Fair value reserve		(1,645,076)	(227,554)
Retained earnings		(892,954)	(1,162,925)
		<u>(667,429)</u>	<u>1,643,047</u>
CAPITAL, RESERVES AND PROFIT/LOSS		(667,429)	1,643,047
Valuation readjustments in article N° 89 - Organic Law	<b>18 (e)</b>	(476,920)	(10,030,675)
Total equity		<u>(1,144,349)</u>	<u>(8,387,628)</u>
<b>TOTAL</b>		<b><u>189,645,950</u></b>	<b><u>167,434,644</u></b>
OFF-BALANCE SHEET ACCOUNTS	<b>21</b>	49,323,117	42,568,466



**STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**  
In thousands of S/.

	<u>Notes</u>	<u>2013</u>	<u>2012</u>
FINANCIAL INCOME			
Interest from deposits in foreign banks	<b>4 (b)</b>	112,048	99,824
Net yield of securities	<b>6 (c)</b>	1,598,907	1,486,754
Interests on international agreements and deposits in International Monetary Fund		3,338	3,772
Earnings and dividends received from international organizations		<u>17,302</u>	<u>14,691</u>
Yields on gross international reserves		1,731,595	1,605,041
Interests on domestic credit operations	<b>9 (b)</b>	105,238	14,665
Other financial income		<u>22,666</u>	<u>10,420</u>
Total		<u>1,859,499</u>	<u>1,630,126</u>
NON-FINANCIAL INCOME		<u>21,548</u>	<u>6,289</u>
FINANCIAL EXPENSES			
Interests on other liabilities abroad	<b>12 (c)</b>	(2,060)	(2,708)
Interests and readjustment net from outstanding issued securities	<b>13 (b)</b>	(886,363)	(762,083)
Interests from deposits in local currency	<b>14 (b)</b>	(1,484,564)	(1,666,364)
Interests from deposits in foreign currency	<b>16 (c)</b>	(61,869)	(55,066)
Other financial expenses		<u>(7,851)</u>	<u>(6,407)</u>
Total		<u>(2,442,707)</u>	<u>(2,492,628)</u>
OPERATING EXPENSES	<b>22</b>	(248,723)	(229,333)
EXPENSES AND COSTS OF ISSUANCE	<b>23</b>	<u>(82,571)</u>	<u>(77,379)</u>
NET LOSS		(892,954)	(1,162,925)
OTHER COMPREHENSIVE INCOME	<b>6 (c) y 9 (a)</b>	<u>(1,417,522)</u>	<u>(82,328)</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><b>(2,310,476)</b></u>	<u><b>(1,245,253)</b></u>

The accompanying notes are an integral part of these financial statements.

**STATEMENTS OF CHANGES IN NET EQUITY  
FOR THE YEARS ENDED AT DECEMBER 31, 2013 AND 2012  
In thousands of S/.**

	Capital	Legal reserve	Special statutory reserve	Fair value reserve	Retained earnings	Capital, reserves and profit/loss	Valuation readjustments section N° 89 Organic Law	Net equity
BALANCES AS OF JANUARY 1, 2012	1,182,750	1,182,750	871,449	(145,226)	(203,423)	2,888,300	(5,277,819)	(2,389,519)
Net loss	--	--	--	--	(1,162,925)	(1,162,925)	--	(1,162,925)
Other comprehensive income	--	--	--	(82,328)	--	(82,328)	--	(82,328)
Total comprehensive income	--	--	--	(82,328)	(1,162,925)	(1,245,253)	--	(1,245,253)
Loss coverage article N° 93 - Organic Law, note 18 (b) and (c)	--	(203,423)	--	--	203,423	--	--	--
Valuation readjustment for the year, note 18 (d)	--	--	--	--	--	--	(4,752,856)	(4,752,856)
BALANCES AS OF DECEMBER 31, 2012	1,182,750	979,327	871,449	(227,554)	(1,162,925)	1,643,047	(10,030,675)	(8,387,628)
Net loss	--	--	--	--	(892,954)	(892,954)	--	(892,954)
Other comprehensive income	--	--	--	(1,417,522)	--	(1,417,522)	--	(1,417,522)
Total comprehensive income	--	--	--	(1,417,522)	(892,954)	(2,310,476)	--	(2,310,476)
Loss coverage article N° 93 - Organic Law, note 18 (b)	--	(1,162,925)	--	--	1,162,925	--	--	--
Transfer of statutory legal reserve	--	183,598	(183,598)	--	--	--	--	--
Valuation readjustment for the year, note 18 (d)	--	--	--	--	--	--	9,553,755	9,553,755
<b>BALANCES AS OF DECEMBER 31, 2013</b>	<b>1,182,750</b>	<b>--</b>	<b>687,851</b>	<b>(1,645,076)</b>	<b>(892,954)</b>	<b>(667,429)</b>	<b>(476,920)</b>	<b>(1,144,349)</b>

The accompanying notes are an integral part of these financial statements.



**STATEMENT OF CASH FLOW  
FOR THE YEARS ENDED AT DECEMBER 31, 2013 AND 2012  
In thousands of S/.**

	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>OPERATING ACTIVITIES:</b>		
Net loss	(892,954)	(1,62,925)
<b>ADJUSTMENT TO RECONCILE NET LOSS WITH CASH AND CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES:</b>		
Depreciation of buildings, furniture and equipment	10,988	8,987
Intangible amortization	3,111	2,049
Fixed asset disposal	1,149	--
Provision recovery	(16,925)	
Others, net	--	2,343
<b>NET CHANGES IN ASSETS, LIABILITIES AND EQUITY ACCOUNTS</b>		
Domestic credit increase	(1,711,189)	(829,442)
(Increase) decrease of other assets abroad	(69,421)	14,635
Increase of other assets	(86,535)	(247,308)
(Decrease) increase of reserve liabilities	(14,448)	31,193
Increase (decrease) of other liabilities abroad	296,429	(266,974)
Increase of outstanding issued securities	1,451,323	6,955,840
(Decrease) increase of deposits in local currency	(9,715,700)	13,978,640
(Decrease) increase in deposits of banking, financial and other companies	(5,504,785)	7,244,448
Increase of deposits in foreign currency	23,687,589	4,705,553
Increase of other liabilities	61,253	347,546
Decrease of fair value reserve	(1,417,522)	(82,328)
Increase (decrease) of valuation readjustment article N° 89 - Organic Law	9,553,756	(4,752,856)
<b>CASH AND CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES</b>	<b><u>15,636,119</u></b>	<b><u>26,077,401</u></b>
<b>INVESTING ACTIVITIES:</b>		
Purchase of buildings, furniture and equipment	(8,612)	(14,264)
Sale of vehicles	186	--
<b>CASH AND CASH EQUIVALENT USED IN INVESTING ACTIVITIES</b>	<b><u>(8,426)</u></b>	<b><u>(14,264)</u></b>
Net increase of cash and cash equivalent	15,627,693	26,063,137
Cash and cash equivalent at the beginning of the year	125,436,666	99,373,529
<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b>	<b><u>141,064,359</u></b>	<b><u>125,436,666</u></b>

The accompanying notes are an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

### 1. OPERATIONS, APPROVAL OF THE FINANCIAL STATEMENTS AND NET EQUITY

#### (a) Operations

Banco Central de Reserva del Perú (Central Reserve Bank of Peru, hereinafter “the Central Bank”) is an autonomous legal entity of public law incorporated in March 9, 1922, in order to preserve monetary stability in Peru. Today, its activities are ruled by article N° 84 of the *Constitución Política del Perú* (Political Constitution of Peru) of December 29, 1993, and by its *Ley Orgánica* (Organic Law) approved by Law Decree N° 26123 on December 24, 1992 (hereinafter “the Organic Law”). The Organic Law establishes functions of the Central Bank, such as regulating the amount of money, manage international reserves, issue bills and coins, and report on the finances of Perú.

The legal address and main headquarter of the Central Bank is Jr. Antonio Miró Quesada 441-445, Lima. It has branches in seven cities of the country. As of December 31, 2013 and 2012, the number of employees hired by the Central Bank to develop its activity was of 968 and 1,006, respectively.

The Central Bank represents Peru for purposes established in constitutive agreements of the International Monetary Fund (hereinafter “IMF”) and the Latin-American Reserves Fund (hereinafter “FLAR”), and is in charge of all transactions, operations and official relations with these institutions. Additionally, the Central Bank may act as a Peruvian Government agent in its relations with multi-lateral credit organizations and foreign government financial agencies. Furthermore, the Central Bank has undersigned shares of the Bank of International Settlements (hereinafter “BIS”).

#### (b) Approval of financial statements

The financial statements for the year ended on December 31, 2013, were authorized for issuance by the Central Bank’s Management, these financial statements will be approved by the Board of Directors’ session to be held within terms established by the Organic Law. Management believes that such financial statements shall be approved without modifications. The financial statements for the year ended on December 31, 2012 have been approved by Board of Directors at the session held on March 7, 2013.

#### (c) Net equity and net loss

According to article N° 84 of the Political Constitution of Peru, the Central Bank aims to preserve monetary stability. Its functions are regulating currency and credit of the financial system, managing international reserves under its charge, and other functions established by its Organic Law.

Additionally, according to article N° 93 of the Organic Law, in the event that the Central Bank incurred in losses, these shall be covered by the accounting reserve constituted from previous periods’ earnings. If such reserves were insufficient, the Public Treasure, within thirty days from the approval of the statement of financial position, issues and delivers to the Central Bank negotiable debt securities that accrue interests, for the uncovered amount.





Profit or loss for the year is mainly associated to the exceptional circumstances of low international interest rates and holdings of international reserves necessary to face negative external scenarios. On the other hand, the loss-making equity situation presented by the Central Bank is a result of effects of the weakening of the U.S. dollar on the valuation of its assets and liabilities for 2011 and 2012. It is important to remark that, given the level and quality of the Central Bank's assets, mainly international reserves, and support received from the Public Treasury to its equity position, according to effective legal standards, the Central Bank management believes that current equity situation does not affect its capacity to comply with its objectives.

*(d) Financial Statements for the year ended December 31, 2012*

The financial statements of the Central Bank for the year ended December 31, 2012, solely presented for comparative purposes, were examined by other independent auditors whose report, dated February 26, 2013, expressed an unqualified audit opinion.

The Central Bank reclassified from the statement of income as at December 31, 2012, an amount of S/.30 million from "Other financial income" to "Interests and readjustment net from outstanding issued securities" in order for them to be comparable with the current year's presentation. Management believes said reclassification to be immaterial, considering the financial statements as a whole as of that date.

## **2. MAIN ACCOUNTING PRINCIPLES**

### ***2.1. Criteria of the Central Bank***

As of December 31, 2013 and 2012, according to article N° 88 of the Organic Law and criteria approved by the Board of Directors, the main accounting principles applied by the Central Bank comprise the following:

- (a) Criteria approved by the Board of Directors based on its faculties (article N° 88 of the Organic Law).
- (b) Generally Accepted Accounting Principles in Peru (Peru GAAP) comprise: standards and interpretations issued and adopted by the International Accounting Standards Board (IASB), which include International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), or by the former Standing Interpretations Committee (SIC), adopted by the IASB, made official by Resolutions issued by the Consejo Normativo de Contabilidad (Accounting Standards Committee – CNC for its Spanish acronym), in whatever applicable to the Central Bank and standards established by the *Superintendencia de Banca, Seguros y Administradoras Privadas de Fondos de Pensiones* (Superintendence of Banks, Insurances and Private Pensions Funds Administrators) for said purpose. As of the date of these financial statements, the CNC made official the application of versions effective for year 2013 of IFRS 1 to 13, IAS 1 to 41, SIC 7 to 32 and IFRIC 1 to 21.

Principles established by the Board of Directors of the Central Bank, different from Peru GAAP, mainly correspond to the following:

**(i) Recording of variations due to exchange rate differences**

The Central Bank records the valuation readjustment of prices and exchange rates, corresponding to assets and obligations in gold, silver, currency, Special Drawing Rights (hereinafter "SDR") or other monetary units internationally used, under "Valuation readjustments article N° 89 – Organic Law" in net equity. According to Peru GAAP, the results from the aforementioned adjustments must be included in profit or loss for the year when they were generated. As of December 31, 2013 and 2012, this readjustment was of S/.477 million and S/.10,031 million, respectively (Paragraph 2.2 (e) and Note 18 (e)).

**(ii) Recording of embedded derivatives**

The Central Bank records its investments in structured instruments with implicit derivatives as held-to-maturity investments, valued at amortized cost by applying the effective interest rate method, without considering the effects of implicit derivatives. The investments are fully recognized as of the maturity date of the securities, based on realized cash. Interest rate applied is proportioned by the counterparty. According to Peru GAAP, implicit derivatives in a main (or host) contract must be treated as separate derivatives and recorded at fair value. Provided that their economic characteristics and risks were not closely related to those of the main contract, the structured instrument is fully recorded at fair value.

**(iii) Valuation of financial instruments classified as available-for-sale investments**

The Central Bank calculates fair value of its financial instruments classified as available-for-sale investments based on market prices. The Central bank calculates the higher or lower value of these investments by comparing the carrying amount (acquisition cost) with fair value, without determining amortized cost, and records variation in net equity until investments are sold or redeemed. Additionally, premiums or discounts generated in their acquisition are recorded as income or expense when settled.

According to Peru GAAP, to calculate the higher or lower value of instruments representative of debt classified as available-for-sale investments, fair value is compared to amortized cost, for said purpose, amortized cost is calculated by applying the effective interest rate methodology.

**(iv) Statement of cash flows**

The Central Bank prepares the statement of cash flows considering captions indicated in paragraph 2.2 (p) as cash and cash equivalents. As a result, format and content of the statement is adapted to such definition. This accounting practice differs from Peru GAAP regarding the aforementioned.

**(v) Disclosures on financial instruments**

As of December 31, 2013 and 2012, the Central Bank has not been applying the requirements of *IFRS 7 – Financial Instruments: Disclosures*. The objective of this standard is to provide disclosures in financial statements that allow users to assess the importance of financial instruments in the financial position and performance of the entity, by understanding the nature and extension of financial instruments the entity is exposed to; as well as methods used by the entity to manage risks derived from said instruments.

Additionally, the Central Bank has determined, as part of its approved policies, not to disclose estimated market value of held-to-maturity investments.

**(vi) Valuation of exchange rate derivatives**

The Central Bank initially recognizes trading derivatives in the statement of financial position at cost, and subsequent to their initial recognition, they are carried at its fair value. Fair values are obtained based on



exchange rates and market interest rates. Profit and loss for changes in fair value are recorded under "Valuation readjustments article N° 89 – Organic Law" of net equity, recognizing an asset or liability in the statement of financial position, as applicable. According to Peru GAAP, valuation of said instruments must be recorded as profit or loss in the statement of income.

## **2.2. Accounting criteria**

### ***a) Basis of preparation and use of estimates***

The accompanying financial statements have been prepared in Peruvian nuevos soles (S/.) based on the Central Bank's accounting records, according to accounting principles regulated by article N° 88 of the Organic Law, and approved by the Central Bank's Board of Directors according to their legal attributions.

The preparation of the accompanying financial statements require that Management performs estimates affecting reported numbers of assets, liabilities, income and expenses and disclosure of significant events in the notes to the financial statements. Final results may differ from said estimates. Estimates are continuously assessed and are based on historical experience and other factors. Most significant estimates in relation with the accompanying financial statements correspond to the valuation of securities from international entities, which include available-for-sale and held-to-maturity financial assets (the latter comprising mainly financial instruments with implicit derivative), the transformation factor of monetary gold, provision for social benefits, actuarial subsidy provisions for complementing retirement benefits, and widowhood additional benefits, health benefits and burial subsidy, whose accounting criteria are described in this note.

### ***b) Financial instruments***

Financial instruments are classified in assets, liabilities or equity according to the substance of the contractual agreement generating them. Interests, dividends, profit and loss generated by a financial instrument classified as asset or liability are recorded as income or expense. Financial instruments are offset when the Central Bank has a legal right to offset them and Management intends to settle them over a net basis, or simultaneously realizing the asset and settling the liability.

Financial assets and financial liabilities presented in the statement of financial position correspond to gross international reserves, except for gold, other assets abroad, domestic credit, certain assets recorded under "Other assets" (see Note 11) and liabilities in general, except for non-financial liabilities under "Other liabilities" (See Note 17).

Accounting policies on recognition and valuation of these items are presented in the corresponding accounting policies described in this note.

### ***c) Available-for-sale and held-to-maturity investments***

Securities from international entities are classified as available-for-sale and held-to-maturity. The Central Bank does not consider the category of "Investments at fair value through profit or loss" for its purposes.

Initial record and subsequent measurement of the aforementioned investments, according to their classification, is made according to criteria described below:

- *Classification*

**(i) Available-for-sale investments:**

Investments are known as available-for-sale due to the fact they are held for indefinite time and may be sold given the need of liquidity or changes in interest rates, exchange rates or market prices; or that they do not qualify to be recorded as investments at fair value through profit or loss or held up to maturity.

**(ii) Held-to-maturity investments:**

The Central Bank considers as financial assets that they may or may not include embedded derivative financial instruments, and which are collected for fixed or determinable amounts with defined maturity, and for which the entity has the effective intention as well as the ability to maintain them up to maturity.

- *Initial recognition*

Initial recognition of available-for-sale and held-to-maturity investments is made at fair value plus transaction costs directly attributable to the acquisition of said investments.

- *Valuation*

**(i) Available-for-sale investments:**

After initial recognition, available-for-sale investments are measured at fair value, recording unrealized profit and loss under "Fair value reserve" of net equity. Unrealized profit or loss result from comparing acquisition cost, which includes paid premiums or discounts obtained, and market value. Premiums and discounts included in acquisition cost are recognized in the statement of comprehensive income at maturity of the instruments.

Fair value is the market price daily provided by Bloomberg and Reuters. Management believe that they fairly reflect the value of investments in international securities, considering effective market information and accounting policies established by the Central Bank's Board of Directors.

When an investment is sold or redeemed, profit or loss previously recognized as part of equity are transferred to profit/loss for the year, excluding effects of exchange difference recorded as detailed in paragraph (e). On the other hand, in the event that the decreases in market value of investments were permanent, or in case of credit impairment, corresponding provisions are constituted, affecting profit/loss for the year.

Gained interest paid is calculated and recorded using nominal interest rate (coupon rate) on the investment's par value, and recorded in the statement of profit and loss and other comprehensive income under "Net yield of securities".

Exchange difference arising from valuation of these investments is recognized in equity according to paragraph (e).

**(ii) Held-to-maturity investments:**

After initial recognition, held-to-maturity investments are subsequently measured at amortized cost by applying the effective interest rate method.



Any Premium or discount of instruments representative of debt classified as held-to maturity instruments is considered when determining amortized cost by applying the effective interest rate methodology, recognizing interest accrued under "Net yield of securities".

Securities classified as held-to-maturity correspond to structured bonds obtained in order to diversify investments, according to establishments made by the Board of Directors. These securities have embedded derivatives related to other underlying assets that are not separated, and are recorded at maturity (see paragraph (f)).

**d) *Income and expenses recognition***

Interest income and expenses are calculated at nominal rates over par values and recognized in profit/loss for the period when accrued, based on the effective period of operations generating them and agreed interest rates; except for interests in relation with held-to-maturity investments, recognized according to paragraph (c). Interest income includes yields from investments in securities from international entities.

Profit or loss generated by investments containing embedded derivatives are recognized at amortized cost without considering the effects of embedded derivatives, which are recognized based on cash received at its settlement or maturity.

Other income and expenses are recognized as gained or incurred for the period when accrued.

When there are reasonable doubts regarding the collectability of the principal of any financial instrument, interests are recognized as income to the extent that there is a reasonable certainty of its collection.

**e) *Foreign currency transactions***

The Central Bank prepares and presents its financial statements in Peruvian nuevos soles (S/.), which is its functional and presentation currency.

Assets and liabilities in foreign currency are recorded at exchange rate of the date when transactions are made and expressed in Peruvian nuevos soles as of the daily closing using the purchase exchange rate established by the *Superintendencia de Banca, Seguros y Administradoras Privadas de Fondos de Pensiones* (Superintendency of Banking, Insurances and Private Pension Fund Administrators of Peru – SBS) for the U.S. dollar. Balances in other currencies are expressed according to exchange rates provided by Bloomberg and Reuters (see Note 3).

On Board of Directors' session dated December 15, 2011, it was approved that beginning in the year 2011, every exchange rate difference generated shall be permanently recorded under "Valuation readjustments article N° 89 – Organic Law" of net equity.

**f) *Derivative financial instruments***

The Central Bank holds derivative financial instruments for trading and embedded derivatives.

**(i) Derivatives for trading**

Derivatives for trading are initially recognized in the statement of financial position at cost and subsequently carried at fair value. Fair values are obtained based on exchange rates, interest rates and market prices. The Central Bank holds operations with futures whose underlying assets are investments in international securities and exchange rate forward operations.

Profit and loss for changes in fair value of future operations are recorded under "Net yield of securities" of the statement of income, generating an asset or liability in the statement of financial position, as applicable.

Profit and loss for changes in fair value of exchange rate forward operations are recorded under "Valuation Readjustments article N° 89 – Organic Law" of net equity, recognizing an asset or liability in the statement of financial position, as applicable. At the maturity of these last instruments, the asset or liability is settled and the result is recorded under "Valuation Readjustments article N° 89 – Organic Law".

Reference value (committed nominal amount) of futures and forward operations is recorded under "Off-balance accounts" of the statement of financial position (Note 21 (a) and (d)).

**(ii) Embedded derivatives**

The Central Bank records embedded derivatives returns in a main (or host) contract at maturity of the operation, based on held-to-maturity cash, recognizing profit or loss generated as of that moment under "Net yield of securities" of the statement of income.

The Central Bank holds structured instruments at maturity under "Securities from international entities" of the statement of financial position (Note 6), which have yields indexed- to variables such as inflation of the United States of America, exchange rate variation of different currency baskets, gold price variation, among others.

***g) Gold***

Gold holdings are valued using quotations of New York's market, provided daily by Bloomberg and Reuters.

Quotation per gold troy ounce as of December 31, 2013 and 2012 amounted to US\$1,201.64 and US\$1,674.81; respectively.

***h) Contributions to international organizations***

These contributions correspond to amounts paid by the Central Bank to IMF, FLAR and BIS, recorded at par value of the contribution, which represents its acquisition cost, due to the fact that said amount corresponds to the value that the Central Bank would be entitled to collect in the event that it ceased to be member of any of the aforementioned organizations.

These amounts cannot be traded with third parties.

Yields of these amounts are recognized as accrued and dividends as declared.



*i) Collections*

Collections mainly correspond to pieces of art (archeological pieces, paints, sculptures, among others) and collectible coins acquired and/or received as donation, and recorded at acquisition cost. These assets, by nature, are considered to have an indefinite useful life; therefore, they are not depreciated and are presented under "Other assets" of the statement of financial position (Note 11). Acquisition cost of donations is determined based on fair value estimated by specialists when they are received.

*j) Buildings, furniture and equipment, and depreciation*

Buildings, furniture and equipment are recorded at historical acquisition cost less accumulated depreciation and accumulated amount of impairment losses of the asset, if applicable. Maintenance and repair costs are charged to the income statement and all renewal and significant improvement is capitalized, as long as: a) it is likely for the entity to obtain future economic benefits derived therein; and b) its cost may be reliably measured. Cost and corresponding accumulated depreciation of sold or disposed assets are deleted from the corresponding accounts and profit or loss generated is included in the statement of income.

Units receivable are recorded at acquisition cost. These goods do not depreciate until they are operating.

Lands do not depreciate. Depreciation of assets comprised in this caption is calculated by applying the straight-line method based on years stated below:

	<u>Years</u>
Buildings and other constructions	100
Furniture and office equipment and miscellaneous equipment	10
Vehicles	5
Computer hardware	3

*k) Impairment of long-lived assets*

When there are events or economic changes indicating that the value of a long-lived tangible asset may not be recoverable, the Central Bank reviews the carrying amount of its assets to verify that there is no permanent impairment in their values.

When the book value of the tangible asset exceeds its recoverable amount, a devaluation loss is recognized in the statement of profit and loss and other comprehensive income. Recoverable value is the higher between net selling price and value in use. Net selling price is the amount that could be obtained from selling a tangible asset in a free market, while value in use is the present value of future flows estimated from the continuous use of an asset and final disposition of its useful life. Recoverable amounts are estimated for each asset or, when not possible, for each cash-generating unit.

Every year, Management performs an assessment of whether the carrying amount exceeds the recoverable amount of their long-lived tangible assets based on available market information.

***l) Sterilized stock***

Sterilized stock is a liability in local currency constituted by outstanding securities issued and deposits in local currency of the Governmental Sector and entities of the financial system, that are not part of the reserve requirements. Sterilized stock is the result of monetary operations performed by the Central bank to remove liquidity from the financial system, as well as for deposits in financial entities that, if reverted, would imply an increase in monetary base.

Outstanding securities issued are accounted at nominal value, recognizing interests accrued in the profit/loss for the year. Discounts granted in their placement are deferred and amortized during the effective period of the instrument, by applying the effective interest rate method.

***m) Bills and coins issued***

Corresponds to bills and coins of legal tender issued by the Central Bank, in public domain and are recorded in the liabilities of the statement of financial position at manual/face value under "Monetary base".

Bills and coins not circulating, located in the Central Bank's vault, are recorded in off-balance accounts at par value.

***n) Employee benefits***

According to article N° 58 of the Bylaw, the Central Bank annually transfers resources to the *Fondo para Enfermedades, Seguros y Pensiones de Empleados del Banco Central* (Fund for disease, Insurance and Pensions of Central Banks Employees hereinafter "the Fund") in order to pay benefits to its employees. The amount of the transfers from the Bank to the Fund is approved by the Board of Directors every year.

The Central Bank holds the following defined benefit plans:

- Supplementary pension subvention, widowhood and burial subsidy.
- Other benefits, complementary to retirement, related to health care benefits granted by the Central Bank.

The cost of granting benefits through defined benefit plans is determined separately for each plan through the projected unit credit method. Actuarial profit and loss of both defined benefit plans are fully recognized in the income statement for the year when they occur.

Asset or liability for defined benefits include the present value of the obligation, which is determined using a discount rate based on high-quality negotiable obligations (see Note 17 (a)), less costs for past services and fair value of the plan's assets to be used in settling these obligations. Assets of the plan are managed by a long-term benefits fund for employees. Assets of the plan are not available for creditors of the Central Bank, nor can they be directly paid to the Central Bank. The fair value of these assets is based in market prices information.

Net assets of the Fund considered to be deducted from the amount of actuarial reserve comprise present value of deposits and loans, net of obligations. Provision for actuarial reserve has been calculated using mortality tables and market interest rates (see Note 17 (a)).





Subsidy concepts for complementary pensions and widowhood pensions, burial subsidy and other benefits complementary to retirement, deducted from present value of net assets of the Fund, are recorded under "Other liabilities" of the statement of financial position (see Note 17 (a)).

*o) Operating expenses and issuance costs of bills and coins*

Operating and transportation expenses of bills and coins are recognized in the income statement of the year when they are incurred.

Production cost of coins and coin blanks include the cost of raw materials, labor and indirect production costs.

Expenses of printing bills and production costs of coins are recognized in results for the year when they are set available for circulating for the first time.

*p) Cash and cash equivalent*

Cash and cash equivalent comprises gross international reserves, net of bills and coins in circulation issued under "Monetary base" in the statement of financial position. As presented below:

In thousands of S/.	<u>2013</u>	<u>2012</u>
Gross international reserves	183,594,547	163,260,487
<b>Less:</b>		
Currency in circulation	<u>(42,530,188)</u>	<u>(37,823,821)</u>
<b>Cash and cash equivalent</b>	<b><u>141,064,359</u></b>	<b><u>125,436,666</u></b>

Difference between the total gross international reserves and reserve liabilities (comprised by obligations with international entities) represent net international reserves. These reserves present international liquidity of the country and its financial capacity in relation to other countries and are resources of the Central bank to face its obligations in foreign currency.

*q) Provisions*

A provision is recognized only when the Central Bank has a present obligation (legal or implicit) as a result of a past event, it is likely to require resources to settle the obligation, and the amount of the obligation can be reliably measured. Provisions are reviewed every period and adjusted to reflect the best estimate as of the date of the statement of financial position. When the effect of time value of money is material, the amount of the provision is the present value of disbursements expected to be incurred to settle it.

Expense related to any provision is presented in the statement of comprehensive income, net of any related reimbursement.

### r) Contingencies

Contingent liabilities are not recognized in the financial statements, they are only disclosed in a note, except when the possibility of an outflow of resources to cover a contingent liability is remote.

Contingent assets are not recognized in the financial statements, they are only disclosed in a note when it is likely that an inflow of resources will take place.

### s) Domestic credit

Domestic credit comprises the following:

- Investments in instruments issued by the *Ministerio de Economía y Finanzas* (Ministry of Economy and Finances, hereinafter "MEF"), which are recorded and classified as available-for-sale investments. Initial record and subsequent measurement of said investments, according to their classification, is made according to the criteria described in paragraph (c) above.
- Securities re-purchase agreements (reporting transaction) for injecting liquidity in local currency to financial system companies. This operation consists in the purchase of securities at the beginning of the operation, when companies of the financial system transfer the ownership of securities to the Bank and at the maturity date of the reporting operations, the companies of the financial system re-purchase the same securities, and the Bank transfers the ownership to them.

### t) New accounting pronouncements

#### (i) IFRS issued and effective in Peru as of December 31, 2013

The CNC, by means of Resolution N° 053-2013-EF/30 issued on September 11, 2013, made official the application of effective versions from year 2013 of IFRS 1 to 13, IAS 1 to 41, SIC 7 to 32 and IFRIC 1 to 20, as well as IFRIC 21 Levies. Application of versions is in accordance to the effective date established in each specific standard.

#### (ii) IFRS issued and effective in Peru as of December 31, 2012

The CNC, by means of Resolutions N° 051-2012-EF/30 issued on August 29, 2012 and N° 048-2011-EF/30 issued on January 6, 2012, made official the application of effective versions from years 2012 and 2011, respectively, of IFRS 1 to 13, IAS 1 to 41, SIC 7 to 32 and IFRIC 1 to 20, and amendments to October 2011 of IAS, IFRS and IFRIC internationally issued. Application of versions as from the day following the issuance of the resolution, or subsequently, according to the effective date established in each specific standard.

Given that standards detailed in paragraphs (i) and (ii) are applied along with standards developed in the Organic Law and standards issued by the Central Bank's Board, they shall not significantly affect the preparation of the accompanying financial statements, except for issues described in Note 2.1 above. The Central Bank has not estimated the effect on its financial statements if said notes were adopted.



### 3. FOREIGN CURRENCY TRANSACTIONS AND EXPOSURE TO EXCHANGE RISK

Foreign currency transactions are made at free market exchange rates.

As of December 31, 2013, free market purchase exchange rate published by the SBS for transactions in U.S. dollars was of S/.2.794 for each Peruvian nuevo sol (S/.2.549 as of December 31, 2012). Balances in other currencies have been expressed in U.S. dollars at New York's market closing exchange rate as detailed in paragraph (c) below.

Presented below, detail of assets and liabilities of the Central Bank in foreign currency:

In thousands of US\$	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>Asset</b>		
Cash in foreign currency	50,104	50,057
Deposits in external banks	10,045,534	11,010,650
Deposits in foreign organizations	827,571	818,523
Securities from international institutions	52,214,673	49,117,546
Gold	1,338,956	1,866,466
Contributions to international organizations	940,427	900,553
Other available assets	293,024	285,042
Other assets abroad	20,000	20,000
Domestic credit	569,346	325,399
Other assets	<u>509,344</u>	<u>512,052</u>
Total	<u>66,808,979</u>	<u>64,906,288</u>
<b>Liabilities</b>		
Reserve liabilities	47,192	57,396
Other liabilities abroad	20,001	20,000
Deposits in foreign currency	25,142,038	18,265,698
Other liabilities	<u>502,172</u>	<u>499,024</u>
Total	<u>25,711,403</u>	<u>18,842,118</u>
<b>Net asset position</b>	<b><u><u>41,097,576</u></u></b>	<b><u><u>46,064,170</u></u></b>

(a) Balances in foreign currency, SDR and precious metals as of December 31, 2013 and 2012, expressed in their equivalence in thousands of U.S. dollars, are summarized as follows:

In thousands of S/.	<u>2013</u>	<u>2012</u>
<b>Asset</b>		
U.S. dollar	49,549,000	47,504,239
Euro	5,294,114	5,908,332
Australian dollar	3,447,868	3,217,604
Yen (*)	4,060,057	3,088,629
Other currencies	1,527,895	1,774,315
SDR (**)	1,590,407	1,546,021
Gold	1,339,638	1,867,148
Total	<u>66,808,979</u>	<u>64,906,288</u>
<b>Liabilities</b>		
U.S. dollar	25,383,949	18,497,082
SDR(**)	303,753	303,090
Other currencies	23,701	41,946
Total	<u>25,711,403</u>	<u>18,842,118</u>
<b>Net asset position</b>	<b><u>41,097,576</u></b>	<b><u>46,064,170</u></b>

(\*) There is no exposure to this currency, given that it is totally hedged with forward operations (Note 21 (a)).

(\*\*) SDR is an international reserve asset created by IMF and assigned to its member countries in proportion to their installment. SDR value is daily calculated adding values in U.S. dollars (midday London quotation) of a basket of four currencies (U.S. dollar, euro, Japanese yen and pound sterling). Amounts of each currency of the basket of SDR are calculated according to agreed percentages.

(b) Quotations of main currencies used by the Central Bank in relation to the U.S. dollar as of December 31, 2013 and 2012 are as follows:

	<u>2013</u>	<u>2012</u>
Euro	1.375000	1.320200
Australian dollar	0.892800	1.040300
SDR	1.540000	1.536920

According to article N° 89 of the Organic Law, as of December 31, 2013, the Central Bank recorded a positive readjustment for foreign currency valuation, for S/. 9,554 million (negative readjustment S/. 4,753 million as of December 2012) presented under "Valuation readjustments article N° 89 – Organic Law" of the statement of financial position.



#### 4. DEPOSITS IN FOREIGN BANKS

In thousands of S/.	<u>2013</u>	<u>2012</u>
Time deposits (a)	28,047,839	27,991,777
Interests receivable from time deposits (b)	<u>6,319</u>	<u>8,949</u>
	<u>28,054,158</u>	<u>28,000,726</u>
Checking accounts	<u>12,881</u>	<u>65,252</u>
Interest receivable from gold deposits, Note 7 (b)	<u>183</u>	<u>169</u>
<b>Total</b>	<b><u>28,067,222</u></b>	<b><u>28,066,147</u></b>

- (a) As of December 31, 2013 and 2012, time deposits are deposited in first-category foreign banks, accrue interests according to international market rates, are mainly comprised in U.S. dollars and amount to US\$ 9,274 million and US\$ 9,001 million, respectively.

As of December 31, 2013, deposits in foreign banks accrued an annual average interest rate of 0.32 percent (0.24 percent as of December 2012).

- (b) As of December 31, 2013 and 2012, the Central Bank recognized interest income on deposits in foreign banks for S/.112 million and y S/.100 million respectively, under "Financial income" of the statement of comprehensive income.

#### 5. DEPOSITS IN INTERNATIONAL INSTITUTIONS

As of December 31, 2013 and 2012, correspond to deposits in IMF, expressed in SDR, accruing interests at annual average effective rates of 0.13 and 0.07 percent, respectively, and are mainly unrestricted.

## 6. SECURITIES FROM INTERNATIONAL ENTITIES

In thousands of \$/.

	2013		2012	
	Book value (*)	Unrealized gross amount Increase Decrease (**) (c)	Book value (*)	Unrealized gross amount Increase Decrease (**) (c)
<b>Available-for-sale investments</b>				
Short-term banking	5,898,044	681	--	--
Short-term sovereign securities	45,205,272	26,202	42,074,758	40,328
Short-term supranational securities	10,975,812	15,699	9,873,816	13,688
Long-term sovereign securities	69,503,494	72,560	56,485,578	284,992
Long-term supranational securities	7,512,299	3,505	6,072,706	38,907
	139,094,921	118,647	114,506,858	377,915
	<b>Carrying amount (*)</b>		<b>Carrying amount (*)</b>	
<b>Held-to-maturity investments</b>				
Sovereign securities	1,459,544		1,320,626	
Supranational securities	4,857,612		8,918,163	
	6,317,156		10,238,789	
Balance of available-for-sale and held-to-maturity investments (a)	145,412,077		124,745,647	
Accrued interests	475,719		454,978	
	145,887,796		125,200,625	

(\*) Book value corresponds to estimated market value for available-for-sale investments, and amortized cost for held-to-maturity investments.

(\*\*) As of December 31, 2013 and 2012, decrease in amount of fair value reserve mainly corresponds to decrease in value market of prices of available-for-sale investments.



Maturities and annual interest nominal rates of investments are as follows:

	Maturity		Annual nominal rate (coupon rate) (*)											
	2013	2012	US\$			Other currencies			US\$			Other currencies		
			Min %	Max %	%	Min %	Max %	%	Min %	Max %	%	Min %	Max %	%
<b>Available-for-sale investments</b>														
Short-term banking	January 2014	--	0.200	0.250	--	--	--	--	--	--	--	--	--	--
Short-term sovereign securities	Jan-2014/Dec-2014	Jan-2013/Dec-2013	0.008	5.500	0.025	6.250	0.125	5.130	0.140	8.000				
Short-term supranational securities	Jan-2014/Dec-2014	Jan-2013/Nov-2013	0.085	4.625	0.156	6.000	0.500	5.500	3.130	6.000				
Long-term sovereign securities	Jan-2015/feb-2020	Jan-2014/jan-2019	0.001	5.375	--	6.250	0.125	5.500	0.180	6.250				
Long-term supranational securities	Jan-2015/Oct-2018	Mar-2014/jan-2018	0.094	5.250	0.285	6.000	0.050	4.630	0.260	5.380				
<b>Investments to maturity</b>														
Sovereign securities	Jul-2014/Jan-2015	Jul-2014/Jan-2015	0.016	0.020	--	--	1.625	2.000	--	--				
Supranational securities	Sep-2014/Jan-2016	Feb-2013/Jul-2015	--	--	0.100	2.282	0.150	0.300	0.150	2.280				

(\*) Nominal rate corresponds to coupon rate, without considering premiums of discounts obtained as of acquiring the instruments detailed above.

- (a) As of December 31, 2013 and 2012, securities from international entities correspond to first-category, low risk, financial instruments. First-class securities, issued by international organizations or foreign governmental entities, have risk classifications lower than A+, according to Moody's and Standard & Poor's risk rating agencies. "A" is the minimum rating for deposit certificates for Fitch, Standard & Poor's and Moody's agencies. These securities accrue interests according to international market and are guarded in first-order foreign banks.
- (b) Presented below, is the balance of available-for-sale and held-to-maturity according to their maturity investments:

In thousands of S/.	<u>2013</u>	<u>2012</u>
Up to 3 months	27,871,616	30,537,054
From 3 months to 1 year	37,521,339	25,872,270
From 1 to 3 years	58,729,475	44,610,443
From 3 to 5 years	20,967,261	22,514,328
More than 5 years	322,386	1,211,552
<b>Total</b>	<b><u>145,412,077</u></b>	<b><u>124,745,647</u></b>

- (a) As of December 31, 2013 and 2012, the Central Bank recognized income for net yield of securities, for S/.1,599 million and S/.1,487 million respectively, under "Financial income" of the statement of profit and loss and other comprehensive income. Additionally, during 2013 and 2012, a decrease was recorded for S/.1,148 million and S/.81 million, respectively, under "Fair value reserve" of net equity (see Note 2.2 (c)(i)).

## 7. GOLD

In thousands of S/.	<u>2013</u>	<u>2012</u>
<b>In the country</b>		
Coined gold (a)	1,853,917	2,357,355
Provision for costs of converting gold coins too high purity or "good delivery" bars	(1,908)	(1,740)
	1,852,009	2,355,615
<b>Abroad</b>		
Gold bars (b)	1,889,033	2,402,006
<b>Total</b>	<b><u>3,741,042</u></b>	<b><u>4,757,621</u></b>





- (a) As of December 31, 2013 and 2012, gold is represented by 552,191 troy ounces of gold in commemorative coins deposited in Central Bank's vaults. They are valued at quotation value per troy ounce as of the aforementioned dates.
- (b) As of December 31, 2013 and 2012, balance is represented by 562,651 troy ounces of gold in high-purity or "good delivery" bars deposited in first-class foreign banks; 249,702 troy ounces are under custody modality and an 312,949 troy ounces are under time deposit modality, these latter accrue interests at annual effective interest rate of 0.265 per cent and have a period of 63 days from their constitution date (as of December 31, 2012, they accrued interests at an annual effective interest rate of 0.13 per cent and had a period of 32 days as from their constitution date). Accrued interests as of December 31, 2013 and 2012 are recorded under "Deposits in foreign banks" of the statement of financial position (Note 4).

## 8. CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

In thousands of S/.	<u>2013</u>	<u>2012</u>
Contributions to IMF in SDR (a)	1,000,391	824,656
Contributions to FLAR (b)	1,344,420	1,213,420
Contributions to BIS (c)	<u>282,743</u>	<u>257,434</u>
<b>Total</b>	<b><u>2,627,554</u></b>	<b><u>2,295,510</u></b>

- (a) Contribution to IMF grants Peru access to financing facilities from this organization. IMF determines Peru's contribution as member country which, as of December 31, 2013 and 2012 amounts to SDR 638 million, comprising SDR contributions and contributions in Peruvian nuevos soles. As of December 31, 2013 and 2012, Peru's share in total installments undersigned by member countries of the IMF is of 0.27 per cent, and comprises the following:

In thousands of S/.	<u>2013</u>	<u>2012</u>
<b>Contributions in SDR:</b>		
Contributions to IMF in SDR (i)	<u>1,000,391</u>	<u>824,656</u>
<b>Contributions in local currency:</b>		
Contributions to IMF for equivalent in local currency (ii)	1,739,373	1 735,107
Revaluations to be settled - contribution in local currency to the IMF (iii)	<u>1,492</u>	<u>(58,764)</u>
<b>Total local currency contribution</b>	<b><u>1,740,865</u></b>	<b><u>1,676,343</u></b>

- (i) As of December 31, 2013 and 2012, they comprise contributions granted to Peru by the IMF for SDR 233 million and SDR 211 million, respectively.
- (ii) For contributions in Peruvian nuevos soles, the Central Bank did not disburse funds, but it constituted promissory notes in favor of the IMF, through which said institution may collect said amounts at any moment. Therefore, said balancing entry is recorded as a liability with the IMF under "Other liabilities abroad" of the statement of financial position. This obligation does not accrue interests and may be demanded at any time.
- (iii) Corresponds to exchange difference generated by the update in the contribution in local currency between April 30 and December 31 of every year. These revaluations are settled at the closing of the financial year of the IMF, on April 30 of every year.

By means of Law N° 29823 published on December 29, 2011, the Congress of the Republic authorized the increase of the installment to Peru in the IMF, from SDR 638 million to SDR 1,335 million, for which the Central Bank shall perform corresponding procedures and underpay promissory notes or necessary documents to make this increase effective, once approvals and conditions established in the IMF's Constitutive Agreement are met. As of December 31, 2013, approvals and conditions established in the IMF's Constitutive Agreement have not been met for the increase of the installment of Peru in the IMF.

- (b) This contribution grants Peru access to FLAR financing facilities. As of December 31, 2013, the amount paid to FLAR equals to US\$481 million, equivalent to S/.1,344 million (US\$476 million equivalent to S/.1,213 million as of December 2012). As of December 31, 2013 and 2012, Peru's share in FLAR is of 20 per cent of its subscribed capital. Additionally, as of that date, the Central Bank holds contributions pending of capitalization, for US\$182 million, equivalent to S/.510 million (US\$188 million equivalent to S/.478 million as of December 2012), recorded as accounts receivable and payable under "Other assets" and "Other liabilities" respectively (Notes 11 and 17).
- (c) As from 2011, the Central Bank participates as member of said international entity. BIS determines the share percentage of member countries. Peru's share is equivalent to (in units) 3,000 shares. As of December 31, 2013 and 2012, 25 percent of the market value of said shares was paid, equivalent to SDR 66 million, equivalent to S/.283 million (S/.257 million, as of December 2012). 75 percent of the market value of (in units) 3,000 shares, corresponding to SDR 1,971 million, equivalent to S/.848 million (S/.772 million as of December 2012) was recorded as an undersigned and unpaid contribution, under "Other assets" and "Other liabilities" (Note 11 and 17).

**9. DOMESTIC CREDIT**

In thousands of S/.	<u>2013</u>	<u>2012</u>
Domestic credit for banking companies:		
Repurchase operations	949,876	--
Domestic credit for public sector (a):		
Bonds issued by the Ministry of Economy and Finances	1,565,776	817,073
Accrued interest	24,979	12,369
Domestic credit to the private sector	<u>9</u>	<u>9</u>
<b>Total</b>	<b><u>2,540,640</u></b>	<b><u>829,451</u></b>

As of December 31, 2013, re-purchase commitment of deposit certificate (reporting operations) are held with banking companies at 4.80 percent annual interest rate and whose liquidation date was January 2, 2014.

- (a) As of December 31, 2013 and 2012, the Central Bank acquired MEF bonds issued in U.S. dollars in the secondary market, which mature between July 2025 and November 2033, and accrue interests at nominal rates ranging between 7.35 percent and 8.75 percent, respectively. Said instruments are classified and valued as available-for-sale investments. As of December 31, 2013, a decrease of S/.269 (S/. 1,7 million as of December 2012) was recorded in fair value under "Fair value reserve" in the statement of financial position.
- (b) As of December 31, 2013 and 2012, the Central Bank recognized interest income from domestic credit operations, for S/.105 million and S/.15 million, respectively, under "Financial income" of the statement of profit and loss and other comprehensive income.

**10. BUILDINGS, FURNITURE AND EQUIPMENT, NET**

Changes in buildings, furniture and equipment are comprised as follows:

In thousands of S/.	Land	Buildings and other constructions	Furniture and office equipment	Vehicles	Miscellaneous equipment	Units to be received	Total
<b>Cost</b>							
Balance as of January 1, 2012	24,056	158,382	4,967	3,104	64,866	3,030	258,405
Additions	--	2,300	63	497	9,109	2,295	14,264
Disposal and others	--	(1,395)	(110)	--	(2,317)	(1,380)	(5,202)
Balance as of December 31, 2012	24,056	159,287	4,920	3,601	71,658	3,945	267,467
Additions	--	1,211	84	391	5,763	1,163	8,612
Transfers	--	3,445	--	277	2	(3,724)	--
Disposal and others	--	(2,222)	(92)	(950)	(961)	(221)	(4,446)
Balance as of December 31, 2013	24,056	161,721	4,912	3,319	76,462	1,163	271,633
<b>Accumulated depreciation</b>							
Balance as of January 1, 2012	--	55,663	4,377	2,263	39,696	--	101,999
Depreciation for the year (d)	--	2,651	96	276	5,964	--	8,987
Disposal and others	--	(479)	(109)	--	(2,272)	--	(2,860)
Balance as of December 31, 2012	--	57,835	4,364	2,539	43,388	--	108,126
Depreciation for the year (d)	--	2,878	93	402	7,615	--	10,988
Disposal and others	--	(1,224)	(91)	(950)	(844)	--	(3,109)
Balance as of December 31, 2013	--	59,489	4,366	1,991	50,159	--	116,005
<b>Impairment provision</b>							
Balance as of December 31, 2012	--	(16,925)	--	--	--	--	(16,925)
Recovery of impairment provision	--	16,925	--	--	--	--	16,925
Impairment provision (e)	--	--	--	--	--	--	--
<b>Net cost:</b>							
As of December 31, 2013	24,056	102,232	546	1,328	26,303	1,163	155,628
As of December 31, 2012	24,056	84,527	556	1,062	28,270	3,945	142,416



- (a) As of December 31, 2013 and 2012, the Central Bank holds totally depreciated buildings, furniture and equipment still in use, for S/.35 million and S/.34 million, respectively.
- (b) The Central Bank holds insurances on its main assets according with policies established by Management and Board of Directors.
- (c) As of December 31, 2013, depreciation of buildings, furniture and equipment is included under "Operating expenses", for S/.9 million (S/.7 million as of December 2012) and "Issuance expenses and costs" for S/.2 million (S/.2 million as of December 2012) of the statement of profit and loss and other comprehensive income (Notes 22 and 23).
- (d) Corresponds to impairment provision on buildings, generated as a result of appraisal made by independent appraisers during 2008. Every year, Management assesses whether the carrying amount surpasses recoverable amount of its long-term assets based on available market data. In 2013, buildings were appraised and appraisal value was determined to be higher than the carrying amount; therefore, provision for impairment value of buildings was reverted. Management of the Central Bank believes there is no additional evidence of impairment of fixed assets held by the Central Bank as of December 31, 2013 and 2012.

## 11. OTHER ASSETS

In thousands of S/.

	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>Financial instruments</b>		
Contribution subscribed in international organizations, Notes 8 (b) and (c) and Note 17	1,357,734	1,250,239
Accounts receivable from personnel	631	1,487
Subtotal	<u>1,358,365</u>	<u>1,251,726</u>
<b>Non-financial instruments</b>		
Collections (a)	96,957	96,835
Raw material semi-prepared and finished goods (b)	45,810	72,342
Deferred charges (c)	38,619	45,779
Intangibles	3,362	3,514
Silver	2,315	3,309
Inventories in transit at Casa Nacional de la Moneda	--	105
Others	12,962	1,357
Subtotal	<u>200,025</u>	<u>223,241</u>
<b>Total</b>	<b><u>1,558,390</u></b>	<b><u>1,474,967</u></b>

- (a) Collections comprise paintings, archeological pieces, sculptures, bills, coins and other objects acquired or received by donation by the Central Bank, held for display.
- (b) Raw material comprises supplies acquired by the Central Bank for producing coins, and is valued at average cost. Value of semi-prepared and finished goods comprises cost of raw material, direct labor and indirect production expenses.
- (c) Deferred charges mainly comprise cost of printing bills, which affects the expense when said bills are set available for circulating for the first time.

## 12. OTHER LIABILITIES ABROAD

In thousands of S/.	<u>2013</u>	<u>2012</u>
SDR allocation and revaluations to be settled (a)	2,615,771	2,389,321
Assignment pesos andinos (b)	55,880	50,980
Others	<u>1,772</u>	<u>1,215</u>
<b>Total</b>	<b><u>2,673,423</u></b>	<b><u>2,441,516</u></b>

- (a) As of December 31, 2013 and 2012, balance of the SDR allocation account is equivalent to SDR 610 million and corresponds to distribution made by the IMF to Peru in proportion to its installment, according to the Constitutive Agreement of the IMF. Balance as of December 31, 2013 and 2012 includes the exchange difference generated by the update of SDR allocation received from the IMF between April 30 and December 31 of every year, amounting to S/.2 million (positive update) and S/.84 million (negative update), respectively.

SDR allocation accrues interests according to the Constitutive Agreement's conditions. Annual interest rates, as of December 31, 2013 and 2012, were of 0.13 and 0.07 percent, respectively.

- (b) Allocation of pesos andinos correspond to those delivered by the FLAR for the amount of 20 million pesos andinos, equivalent to S/.56 million and S/.51 million, as of December 2013 and 2012, respectively. This allocation does not generate interests, does not have a defined maturity for its settlement and the counterparty has been recorded as an account receivable under "Other assets abroad" of the statement of financial position.
- (c) During years 2013 and 2012, the Central Bank paid the corresponding interests for its external liabilities, mainly for SDR allocation obligations, for S/.2 million and S/.3 million, respectively, under "Financial expenses" of the statement of profit and loss and other comprehensive income.

**13. OUTSTANDING SECURITIES ISSUED**

In thousands of S/.	<b>2013</b>	<b>2012</b>
Certificates of deposit (CDBCRP)	18,992,400	20,804,700
Readjustable certificates of deposits (CDBCRP)	3,111,024	--
Discounts on sale CDBCRP	<u>(300,343)</u>	<u>(452,942)</u>
<b>Total</b>	<b><u>21,803,081</u></b>	<b><u>20,351,758</u></b>

- (a) As of December 31, 2013 and 2012, outstanding securities issued comprise certificates of deposits in local currency, placed by the auction mechanism or direct placement in order to withdraw liquidity surpluses from the financial system.
- (b) During years 2013 and 2012, the Central Bank recorded expenses for interests on outstanding securities issued, for S/.886 million and S/.762 million, respectively, under "Financial expenses" of the statement of profit and loss and other comprehensive income.
- (c) As of December 31, 2013 and 2012, certificates of deposit issued by the Central Bank were acquired by:

In thousands of S/.	<b>2013</b>	<b>2012</b>
Banking companies	13,808,824	11,534,430
Mutual funds and funds of pension funds administrator	3,277,200	4,975,270
Banco de la Nacion	2,815,600	1,955,700
Deposits insurance funds	891,600	807,300
Consolidated fund of social security reserve	776,300	940,200
Financial companies	294,900	--
Other entities	<u>239,000</u>	<u>591,800</u>
Sub total	<u>22,103,424</u>	<u>20,804,700</u>
Sales discount CDBCRP	<u>(300,343)</u>	<u>(452,942)</u>
<b>Total</b>	<b><u>21,803,081</u></b>	<b><u>20,351,758</u></b>

**14. DEPOSITS IN LOCAL CURRENCY**

In thousands of S/.	<b>2013</b>	<b>2012</b>
Governmental sector	28,349,805	31,700,252
Banco de la Nacion	8,295,966	8,238,441
Banking companies	2,119,300	8,783,000
Financial companies	477,000	795,300
Other entities and funds	1,253,197	693,975
<b>Total</b>	<b>40,495,268</b>	<b>50,210,968</b>

(a) As of December 31, 2013 and 2012, deposits in local currency per transaction type are classified as follows:

In thousands of S/.	<u>Interest rate</u>	<u>Maturity</u>	<u>2013</u>	<u>2012</u>
	%			
Current accounts	Between 1.25 and 2.50	Without maturity	17,153,478	14,900,975
Time deposits	Between 2.57 and 2.70	Between January and November 2014	20,244,990	34,776,993
Special deposits (overnight)	3.20	3 days	3,096,800	533,000
<b>Total</b>			<b>40,495,268</b>	<b>50,210,968</b>

(b) During years 2013 and 2012, Central Bank recognized interests on deposits in local currency for S/.1,485 million and S/.1,666 million, respectively, under "Financial expenses" of the statement of profit and loss and other comprehensive income.

**15. MONETARY BASE**

In thousands of S/.	<b>2013</b>	<b>2012</b>
Currency in circulation (a)	42,530,188	37,823,821
<b>Deposits in local currency (b)</b>		
Deposits of banking companies	4,677,754	10,274,362
Deposits of Banco de la Nacion	2,600,000	2,350,000
Deposits of financial companies	530,831	445,663
Other institutions of the financial system	1,597,760	1,841,106
	<u>9,406,345</u>	<u>14,911,131</u>
<b>Total</b>	<b>51,936,533</b>	<b>52,734,952</b>





(a) Composition of currency in circulation is presented below:

	2013		2012	
	Units	In thousands of S/.	Units	In thousands of S/.
Denomination S/. 10	111,512,302	1,115,123	105,359,218	1,053,592
Denomination S/. 20	112,475,707	2,249,514	105,510,917	2,110,218
Denomination S/. 50	112,579,188	5,628,960	112,277,339	5,613,867
Denomination S/. 100	284,538,873	28,453,887	243,669,058	24,366,906
Denomination S/. 200	16,429,225	3,285,845	15,375,929	3,075,186
<b>Total</b>		<b>40,733,329</b>		<b>36,219,769</b>
Denomination S/. 0.01	354,123,856	3,541	354,909,587	3,549
Denomination S/. 0.05	364,068,608	18,204	332,886,348	16,644
Denomination S/. 0.10	1,117,938,111	111,794	1,019,846,391	101,985
Denomination S/. 0.20	292,136,187	58,427	265,867,181	53,173
Denomination S/. 0.50	366,228,212	183,114	334,868,020	167,434
Denomination S/. 1.00	547,348,723	547,349	450,380,641	450,381
Denomination S/. 2.00	120,311,091	240,622	115,341,439	230,683
Denomination S/. 5.00	126,421,796	632,109	115,702,666	578,513
		1,795,160		1,602,362
Commemorative coins		1,699		1,690
<b>Total</b>		<b>42,530,188</b>		<b>37,823,821</b>

(b) As of December 31, 2013 and 2012, they correspond to deposits in local currency of entities subjected to reserve requirements in the national financial system. Said funds are aimed to cover the required reserve in local currency and do not mature. Additionally, required reserve may be covered with cash in domestic and foreign currency (Note 16 (a)) and cash of the entity subjected to fitting.

Required reserves splits in legal minimum reserve requirements and additional reserve requirements. The first, as of December 31, 2013 and 2012, maintained a 9 percent rate for obligations subjected to fitting in domestic and foreign currency (Note 16 (a)). The second is part of reserve requirements required to the legal minimum. As of December 31, 2013, additional fitting rate in local currency ranged between 6 and 11 percent (between 5 and 10 percent as of December 31, 2012).

Obligations subject to reserve requirements are classified in two regimes: general and special. As of December 31, 2013, reserve requirements funds corresponding to additional reserve requirements of general and special regime deposited in the Central Bank accrued interests at annual rate of 1.25 percent, equivalent to remuneration rate of overnight deposits in the Central Bank less 195 basis points (as of December 31, 2012, the rate was of 1.75 percent, equivalent to remuneration rate of overnight deposits in the Central Bank less 170 basis points).

On November 27, 2013, the Central Bank issued Circular N° 043-2013-BCRP referring to reserve requirements dispositions in local currency, reducing reserve requirements marginal rate, medium reserve requirements rate of obligations subjected to general regime to continue promoting the ordered credit evolution in this currency.

On October 30, 2012, the Central Bank issued Circular N° 036-2012-BCRP referring to reserve requirements dispositions in local currency, increasing basis rate in 0.75 percentage points for entities with basic rate lower than 20 percent, to calculate reserve requirements of obligations subjected to general reserve requirements regime in local currency, in order to control liquidity of entities subjected to reserve requirements, so as to preserve monetary stability.

## 16. DEPOSITS IN FOREIGN CURRENCY

In thousands of S/.	<b><u>2013</u></b>	<b><u>2012</u></b>
Banking companies (a)	39,097,986	24,593,675
Governmental sector (b)	30,059,734	20,896,805
Banco de la Nacion (a)	259,855	637,931
Financial companies (a)	192,695	76,371
Other institutions of the financial system (a)	573,998	354,482
Other entities and funds	62,586	--
<b>Total</b>	<b><u>70,246,854</u></b>	<b><u>46,559,264</u></b>

- (a) As of December 31, 2013 and 2012, they correspond to deposits in foreign currency made by entities subject to reserve requirements in the national financial system. Said funds aim to cover reserve requirements required by Central bank by the set of obligations subject to reserve requirements in foreign currency, and do not mature.

Required reserve requirements splits in legal minimum fitting that, as of December 31, 2013 and 2012, maintained a 9 percent rate for obligations subjected to reserve requirements in foreign currency; and additional reserve requirements, part of required reserve requirements exceeding legal minimum. As of December 31, 2013, additional reserve requirements rate in foreign currency ranged between 33 and 35 percent (Between 29 and 32 percent as of December 31, 2012).

As of December 31, 2013, reserve requirements funds corresponding to additional reserve requirements of general and special regime deposited in the Central Bank accrued interests at 0.0418 per cent annual interest rate, equivalent to 25 percent annual average of the London Interbank Offered Rate (LIBOR) to one month (0.1054 percent as of December 31, 2012, equivalent to 50 percent of the one month LIBOR rate average).



On September 27, 2013, the Central Bank issued Circular N° 038-2013-BCRP, modifying Basis period of obligations subject to the general regime, and Basis Rate increases based on credit growth in foreign currency; average period is reduced from 3 to 2 years of foreign credits and short-term bonds subject to fitting; and reserve requirements rate for foreign credit obligations and bonds with average period of over 2 years are reduced in order to facilitate credit ordered evolution.

- (b) As of December 31, 2013 and 2012, deposits in foreign currency of Governmental Sector entities are expressed in U.S dollars and euros, mainly comprising contracts signed with the General Board of the MEF Public Treasure, which established conditions for the reception by the Central Bank of deposits provided by said entity. As of December 31, 2013, these deposits correspond to checking and time deposits, which accrued interests at an annual effective rate between 0.00337 and 0.2996 percent (as of December 31, 2012, annual effective rate ranged between 0.07 and 0.24 percent). Time deposits mature between January 2014 and January 2015 (as of December 31, 2012, they matured between January 2013 and August 2014).
- (c) During 2013 and 2012, the Central Bank has recognized interests on deposits in foreign currency for S/.62 million and S/.55 million, respectively, included under "Financial expenses" of the statement of comprehensive income.

## 17. OTHER LIABILITIES

In thousands of S/.

	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>Financial liabilities</b>		
Contribution subscribed pending of payment to international organizations, Notes 8 (b) and (c) and Note 11	1,357,734	1,250,239
Interests and commissions payable	216,273	270,229
Fund for diseases insurance and pensions of Central Bank employees	9,811	12,745
Accounts payable	5,988	5,674
Deposits insurance fund	1,195	100
	<u>1,591,001</u>	<u>1,538,987</u>
<b>Non-financial liabilities</b>		
Actuarial liability (a)	132,500	126,530
Other provisions	32,911	29,351
Others	6,008	6,300
	<u>171,419</u>	<u>162,181</u>
<b>Total</b>	<b><u>1,762,420</u></b>	<b><u>1,701,168</u></b>

- (a) As of December 31, 2013 and 2012, includes an actuarial obligation related to the subsidy for complementary pensions and other benefits complementary to retirement to comply with benefits to employees and their relatives. At said dates, provision for the actuarial obligation calculated by an actuary, deducting the value of net assets of the Fund, was of S/.133 million and S/.127 million (Note 2.2 (n)).

The Fund is a legal entity of private right created by Law Decree N° 7137 aimed to provide benefits to active and retired employees of the Central Bank, as well as to their spouses, sons and parents, as stated in the regulations. These benefits are additional to social security and other social benefits agreed by law (ESSALUD, *Sistema Nacional de Pensiones* (National Pensions Fund) – Law Decree N° 19990 and *Sistema Privado de Pensiones* (Private Pension Fund)). According to IAS 19 – Employee benefits, the aforementioned benefits correspond to a defined benefit plan.

Net expense recognized in the statement of comprehensive income for employees benefit plans for is comprised as follows:

In thousands of S/.	<b><u>2013</u></b>	<b><u>2012</u></b>
Transfers to fund with charte to provision	11,268	11,013
Variation of net assets of the Fund	1,236	4,153
Variation of reserves calculated by the actuary	<u>4,734</u>	<u>(1,115)</u>
<b>Total</b>	<b><u>17,238</u></b>	<b><u>14,051</u></b>

As of December 31, 2013 and 2012, “Expenses for actuarial provision” under “Operating expenses” of the statement of comprehensive income is included in the adjustment of the actuarial reserve provision for S/. 17 million and S/. 14 million, respectively (Note 22).

As of December 31, 2013 and 2012, the change in obligation for benefit plans to employees and fair value of assets of the plan are as follows:

In thousands of S/.	<b><u>2013</u></b>	<b><u>2012</u></b>
Balance at the beginning of the period	126,530	123,492
Transfers to the Fund during the period (i)	(11,268)	(11,013)
Provision for employee benefits plans	<u>17,238</u>	<u>14,051</u>
<b>Balance as of the closing of the period</b>	<b><u>132,500</u></b>	<b><u>126,530</u></b>

- (i) On January 10, 2013, the Board of Directors of the Central Bank authorized the transfer to Fund for diseases, Insurances and Pensions of Central Bank Employees, for S/.32 million, said balance was disbursed during 2013, affecting liability and expense, decreasing actuarial obligation in S/.11 million for payment of retired personnel and increasing “Operative expenses” in S/.21 million for health expenses of active personnel (Note 22).



Main categories of the assets of the plan as fair value percentage of total assets of the plan are as follows:

	<u>2013</u> %	<u>2012</u> %
Deposits in the Central Bank	43.1	43.8
Accounts receivable from employees	56.9	56.2
<b>Total</b>	<u><u>100.0</u></u>	<u><u>100.0</u></u>

Main hypothesis used when determining defined benefit plans are detailed below:

	<u>2013</u>	<u>2012</u>
Discount rate	6%	6%
(Reduction) increase of pensions	3.3%	(1.8%)
Increase (reduction) of burial	(1.9%)	1.7%
Increase of health	3.6%	14.7%
Average period of amortization of pensions	9.05	9.66
Retired personnel as of the date of financial statements:		
Male	920	934
Female	592	609

The table below presents sensitivity of actuarial assumptions in results of the Central Bank:

Year	<u>Increase / decrease in discount rate</u> (%)	<u>Effect in reserves for the year</u> (In thousands of S/.)
2013	+0.5%	(5,675)
	-0.5%	6,134
2012	+0.5%	(5,774)
	-0.5%	6,240

Year	<u>Increase / decrease life expectation</u> (Years)	<u>Effect in reserves for the year</u> (In thousands of S/.)
2013	+1	(2,989)
	-1	2,739
2012	+1	2,173
	-1	(2,195)

## 18. NET EQUITY

### (a) Capital

As of December 31, 2013 and 2012, authorized capital of the Central Bank, subscribed and paid by the Peruvian Government according to the Organic Law and Supreme Decrees N° 059-2000-EF, N° 108-2004-EF, N° 136-2006-EF, N° 136-2007-EF and N° 124-2010-EF, is of S/.1,183 million.

Capital is not represented by shares. Its value is only in the capital account of the statement of financial position. Additionally, Supreme Decree countersigned by the MEF allows capitalizing authorized capital of the Central Bank.

### (b) Reserves

#### *Legal reserve*

According to article N° 92 of its Organic Law, the Central Bank must annually distribute its net earnings as follows: (i) 25 percent to Public Treasury and (ii) 75 percent to building and increasing, up to 100 percent of its capital, of a reserve that, preferably, shall be destined for capitalization. During 2013 and 2012, the Central Bank has not performed capitalization of reserves.

#### *Special Statutory reserve*

According to article N° 63 of the Central Bank's bylaw, surplus resulting for the application of article N° 92 of the Organic Law, shall be destined to constituting a special reserve.

According to article N° 93 of the Organic Law, on April 12, 2013, after the approval of 2012 financial statements, S/.184 million were transferred from special statutory reserve to legal reserve to cover the loss of S/.1,163 million for the year 2012.

According to article N° 93 of the Organic Law, on March 27, 2012, after the approval of 2011 financial statement, legal reserve was applied to cover loss of S/.203 million for the year 2011.

### (c) Retained earnings

Article N° 93 of the Organic Law states that in the event of losses, reserve must be applied to offset them; if it were insufficient, the Public Treasury, within 30 days from the approval of the statement of financial position, must issue and deliver to the Central Bank, for the non-covered amount, negotiable debt securities accruing interests. On that regard, losses for years 2012 and 2011 were covered with legal reserve.

### (d) Fair value reserve

As of December 31, 2013, fair value reserve comprises net loss for fluctuation of securities from international entities, for S/.1,374 million (S/.226 million as of December 2012) and net loss for MEF bonds fluctuation – Domestic credit for S/. 271 million (S/.2 million as of December 2012).

**(e) Valuation readjustments article N° 89 – Organic Law**

According to accounting policy approved by the Board of Directors based on article N° 89 of the Organic Law, differences recorded as a result of readjustments in the valuation of local currency of assets and obligations of the Bank in gold, silver, currency, SDR or other monetary units of international use are credited in this account, but are not considered as profit or loss (Note 2.2 (e)).

Change as of December 31, 2013 and 2012 is presented below:

In thousands of S/.	<b>2013</b>	<b>2012</b>
Balance at the beginning of the year	(10,030,675)	(5,277,819)
Plus (less):		
Valuation of U.S. dollars	7,657,565	(4,118,164)
Valuation of other currencies	1,277,617	(1,565,183)
Valuation of metals (gold and silver)	(1,017,015)	116,156
Valuation of IMF contribution and obligations	(210,763)	126,143
Operations of exchange rate derivatives	1,850,762	687,727
Others	(4,411)	465
<b>Balance at the end of the year</b>	<b>(476,920)</b>	<b>(10,030,675)</b>

**19. TAX SITUATION**

According to the Income Tax Law, national governmental sector entities are not passive subjects of income tax. The Central Bank, as a withholding agent, is subject to the income tax of fifth category (personnel in payroll) and fourth category (independent employees) and social contributions.

Tax Authority may review and, as applicable, correct tax determination calculated by the Central Bank in the four years subsequent to the year of presentation of tax return. Tax returns for the years 2009 to 2013 are pending of review by the Tax Authority. Due to possible interpretations that the Tax Authority may give to current standards, it is not possible to determine as of the date whether liabilities may arise for the Central Bank as a result of reviews conducted; therefore, any higher tax, moratorium interests and sanctions that may result in eventual tax reviews shall be applied to profit/loss for the year in which they are determined. Management and internal legal advisors believe that any eventual additional liquidation of taxes shall not be significant for financial statements of the Central Bank as of December 31, 2013 and 2012.

## 20. CONTINGENCIES

On December 15, 2006, the Fourth Civil Room of the Superior Court of Justice of Lima, declared as grounded a request for defense against the Central Bank, promoted by former employees who adopted incentives in 1992, ordering their reinstatement as well as actuarial calculation for the corresponding payment of accrued remunerations and other labor rights. Subsequently, the Bank presented a request for defense against said judicial resolution for infringement of several constitutional rights protecting the due process (res judicata, due motive and valuation of proofs). By resolution dated November 22, 2011, the Third Civil Room of the Superior Court of Justice of Lima, in its ability of first instance organ, declared the Bank's claim as grounded, and voided the judgment of December 15, 2006 that ordered the reposition of former employees and payment of yields, decision that has been confirmed by the Supreme Court according to judgment dated October 30, 2012.

As a consequence of the judgment of the Supreme Court, the Fourth Civil Room of the Superior Court, by resolution dated September 3, 2013, issued a new judgment declaring as grounded the caducity exception deduced by the Central Bank. Consequently, other issues were void and the process was completed. Former employees filed a constitutional remedy; therefore, the case has been presented to the Constitutional Tribunal. On the other hand, former employees have presented a new request for defense, declared as inadmissible on first instance; therefore, the decision has been appealed and is pending of resolution.

Considering the aforementioned judicial pronouncements, which void the repositioning and payment of yields in relation to the judgment dated December 15, 2006, the Management of the Central Bank and its legal advisors consider that, as of December 31, 2013, it is not necessary to record a provision for possible losses for this judicial contingency.

## 21. OFF-BALANCE SHEET ACCOUNTS

In thousands of S/.	<b>2013</b>	<b>2012</b>
Forward operations (a)	22,113,120	20,595,049
Bills and coins in stock (b)	24,726,199	19,737,138
Securities in custody (c)	1,884,574	1,744,683
Futures operations (d)	232,286	149,430
Banks under liquidation	10,441	52,043
Securities in guarantee	56,892	27,774
Production of coins in progress - Casa Nacional de la Moneda	2,401	2,022
Bills and coins removed from circulation to be destroyed	1,201	1,201
Others	296,003	259,126
<b>Total</b>	<b>49,323 117</b>	<b>42,568,466</b>





- (a) As of December 31, 2013 and 2012, it corresponds to reference value (nominal amount committed) of forward operations in foreign currency held by the Central Bank, classified as for trading. As of December 31, 2013, the Central Bank holds 35 forward operations maturing between January and April 2014 (as of December 31, 2012, it corresponds to 35 forward operations maturing between January and April 2013). Additionally, as of December 31, 2013, valuation of said instruments generated an asset for S/.713 million (S/.663 million as of December, 2012), recorded under "Other available assets", and a liability for S/.134 thousands (S/.32 million as of December 2012, recorded under "Reserve liabilities"). Said valuation was recorded under "Valuation readjustments article N° 89 – Organic Law" in the statement of financial position.

As of December 31, 2013 and 2012, par values of forward operations per currency type are as follows:

In thousands of S/.	<b><u>2013</u></b>	<b><u>2012</u></b>
Sale of yens for other currencies other than the nuevo sol	10,666,765	7,873,374
Purchase of U.S. dollar for other currencies other than the nuevo sol	10,331,910	9,622,053
Purchase of euros for other currencies other than the nuevo sol	1,080,283	1,011,787
Sale of euros for other currencies other than the nuevo sol	10,530	1,578,278
Sale of sterling pounds for other currencies other than the nuevo sol	8,018	--
Purchase of sterling pounds for other currencies different than the nuevo sol	7,868	--
Sale of U.S. dollar for other currencies other than the nuevo sol	7,746	497,055
Purchase of yens for other currencies other than the nuevo sol	--	12,502
<b>Total</b>	<b><u>22,113,120</u></b>	<b><u>20,595,049</u></b>

- (b) As of December 31, 2013 and 2012, it corresponds to bills and coins that the Central Bank holds in its vaults and that are not circulating. Presented below, their composition:

In thousands of S/.	<b><u>2013</u></b>	<b><u>2012</u></b>
New	22,038,500	16,863,000
Available	1,812,662	2,210,145
To be classified	698,515	542,450
To be destroyed	138,635	120,962
In transit	37,890	581
<b>Total</b>	<b><u>24,726,199</u></b>	<b><u>19,737,138</u></b>

The movement of bills and coins in stock as of December 31, 2013 and 2012 was as follows:

In thousands of S/.	<b>2013</b>	<b>2012</b>
Balance at the beginning of the year	19,737,138	17,752,552
Acquisition of bills and coins	16,675,709	15,370,693
Destruction of bills and coins	(6,980,282)	(7,862,773)
Removal of circulation, net of income	<u>(4,706,366)</u>	<u>(5,523,334)</u>
<b>Balance as of the closing of the year</b>	<b><u>24,726,199</u></b>	<b><u>19,737,138</u></b>

- (c) As of December 31, 2013 and 2012, securities in custody mainly include promissory notes in guarantee for operations with IMF.
- (d) As of December 31, 2013 and 2012, it corresponds to reference value (nominal amount committed) of operations with futures maintained by the Central Bank for trading purposes. As of December 31, 2013, the Central Bank holds 600 contracts of operations with futures of prices which underlying assets are bonds of the American treasury, expressed in U.S. dollars and bonds of the German Government expressed in euros (483 contracts of operations with futures of prices whose underlying assets were bonds of the American treasury, expressed in U.S. dollars, bonds of the German Government expressed in euros and bonds of the United Kingdom expressed in sterling pounds, as of December 31, 2012), maturing in march 2014 (march 2013, as of December 31, 2012). Additionally, valuation of said instruments generated an asset for an amount of S/.311 thousands (S/.165 thousands as of December 2012), recorded under "Other available assets" and a liability for S/.2 million (S/.208 thousands as of December 2012), recorded under "Reserve liabilities". Said valuation was recorded under "Net yield on securities" of the statement of income.

## 22. OPERATING EXPENSES

In thousands of S/.	<b>2013</b>	<b>2012</b>
Personnel expenses and social obligations, Note 24	156,292	145,527
Administrative expenses (a)	37,725	39,200
Employee fund	19,812	20,148
Expenses for actuarial provision, Note 17 (a)	17,238	14,051
Depreciation, Note 10 (c)	8,686	6,756
Amortization	3,111	2,049
Others	5,859	1,602
<b>Balance at the end of the year</b>	<b><u>248,723</u></b>	<b><u>229,333</u></b>



- (a) As of December 31, 2013 and 2012, it mainly corresponds to public services expenses, maintenance, surveillance, consulting, and informatics supplies, among others.

### 23. EXPENSES AND COSTS OF ISSUANCE

In thousands of S/.	<u>2013</u>	<u>2012</u>
Production cost of coins issued	54,638	49,251
Expenses of printing issued bills	25,573	25,431
Expenses of transport bills and coins	2,360	2,697
<b>Balance at the end of the year</b>	<b><u>82,571</u></b>	<b><u>77,379</u></b>

### 24. PERSONNEL EXPENSES AND SOCIAL OBLIGATIONS

In thousands of S/.	<u>2013</u>	<u>2012</u>
Salaries	86,855	81,467
Legal gratifications and vacations	30,970	27,637
Commissions and awards	15,687	14,941
Severance compensations	9,576	9,157
Social security	9,049	8,458
Training	1,786	1,844
Others	2,369	2,023
<b>Total</b>	<b><u>156,292</u></b>	<b><u>145,527</u></b>

### 25. RISKS ASSESSMENT

By the nature of its activities, the Central Bank is exposed to liquidity, credit, exchange, interest rate and operating risks. The risk administration program of the Central Bank intends reducing potential negative effects in its financial performance.

The statement of financial position of the Central Bank mainly comprises financial instruments, as described in Note 2.2 (b). International reserves are a relevant component of said instruments (representing 96.8 and 97.5 percent total assets as of December 31, 2013 and 2012, respectively) and its management follows security, liquidity and profitability criteria described in article N° 71 of the Organic Law. International reserves support the economic and financial stability of the country, while guaranteeing the availability of currencies in extraordinary situations, such as a possible significant withdrawn of deposits in foreign currency from the national financial system or external temporary shocks that could cause unbalance in the real sector of

economy and feedback expectations. Additionally, a proper availability of currencies supports the reduction in the country risk and the improvement of credit ratings in Peru, which translates in better conditions for obtaining foreign credits for Peruvian private and public companies, and as well supports the expansion of the foreign investment in the country.

Reserve administration policies followed by the Central Bank consider it is important to preserve capital and guarantee the liquidity of reserves. Once said conditions are met, liquidity is intended to be maximized.

International assets administration is closely related with the origin and characteristics of the Central Bank's liabilities in terms of amount, currency, period and volatility. This is to reduce financial risks that could affect the value and availability of resources under the Central Bank's administration.

The Central Bank's Management is aware of existing market conditions and, based on its knowledge and experience, controls the aforementioned risks, following policies approved by the Board of Directors. The most important respects for risk management are as follows:

#### *Liquidity risk*

To mitigate this risk, liquidity degree of fixed income instruments is controlled, mainly by the size of the issuance and percentage acquired from each issuance. Additionally, the Central Bank has a division in sections of the investment portfolio in its investment policy. Said portfolio is divided as follows:

- Immediate Availability Section: Includes very short-term investments mainly to face unforeseen obligations and obligations with domestic banks.
- Intermediation and Liquid Sections: Correspond to deposits in foreign currency in financial entities (mainly for fitting obligations) and public sector in the BCRP. With these resources, investments mainly comprising bank deposits with stepped maturity and high-liquidity, fixed rent instruments in international money markets are made.
- Diversification and Investment Sections: Comprise Bank's resources (Exchange Position), and is aimed for investments including securities at terms generally for over one year (mainly bonds), which may generate higher yield and support risks diversification.

#### *Credit risk*

Refers to the likelihood that another party fails to timely comply with an obligation with the Central Bank. To face this risk, investments are made on a diversifiable basis, as follows:

- Deposits in first-order foreign banks, in terms of capital and short and long-term risk ratings, issued by the main international risk rating agencies, such as Standard & Poor's, Moody's and Fitch.
- Fixed rate securities issued by international organizations or foreign public entities. As of December 31, 2013 and 2012, such obligations must have a long-term rating among the five higher categories from twenty granted by risk rating agencies.



- Investments in debt issuance of private companies are not allowed.

The scale and concentration of the Central Bank's exposure to credit risk may be directly obtained from the statement of financial position, which describe the size and composition of the Central Bank's financial assets.

Based on risk ratings obtained and the Management's analysis, as of December 31, 2013 and 2012, the Central Bank is not exposed in countries or entities with debt problems, presenting a credit impairment risk for its investments.

### ***Exchange risk***

Exchange risk is the risk that the Central Bank is exposed due to fluctuations in value of financial assets and financial liabilities generated by variations in exchange rates. The scale of the risk depends on:

- Unbalance between Central Bank's assets and liabilities in foreign currency, and
- Exchange rate of transaction in foreign currencies, pending as of the closing.

Central Bank's assets are mainly invested in U.S. dollars, reflecting the denomination of liabilities in foreign currency (mainly bank reserve requirements and special deposits from residents) as the Central Bank's intervention currency in the domestic currency markets. Composition per currency of balances in foreign currency is described in Note 3.

### ***Interest rate risk***

Interest rate risk is related to the unexpected movement in market yield rates of fixed income assets comprised in the portfolio, which may affect the market value of investments before their maturity. The higher the maturity term of investments is, the higher the impact in changes of yields over market value of such investments. Measurement of such impact is reflected in the portfolio's duration, which as well reflects risk-return preferences of the Board of Directors.

The Central Bank faces this risk considering the terms structure of its portfolio and its reference portfolio.

In this way, maximum terms have been established for investments, consistent with market risk profile expected for each portfolio instrument.

The scale of this risk depends on:

- Relevant interest rate of financial assets and financial liabilities, and
- Maturity structure of the portfolio of financial instruments of the Central Bank.

*Operating risk*

It is defined as the risk of incurring in direct or indirect losses as a result of failures in processes and internal controls, persons, information systems, technology or external events.

Operating risks of the Bank are classified in: risk from people, external events, processes, information technology and communication, technologic, acquisition, legal, compliance, physical security, information security, and workplace health and safety.

Risk management is based on the Bank's processes and, given that risk management is a self-assessment process, organizational units along with the Risk Management perform the following, among others:

- Design of its process, consisting in identifying activities that support a process.
- Identification of risks and controls, consisting in identifying risks in activities and controls applied to mitigate them.
- Quantification of risks and proposal of control measures, as needed.

Once risks have been quantified and control measures to be applied have been assessed, the Risk Management presents them to the Risk Committee. The Risk Committee is in charge of approving policies and recommending actions regarding risk management and operations continuity, recommend preventing actions and actions for solving events affecting the Bank, and assess reports and proposals presented by the Risk Management.

**26. INFORMATION ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value or estimate of market value is the amount for which an asset could be exchanged, or a liability could be settled between two aware and willing parties, under the assumption that the entity is a going concern.

When a financial instrument is commercialized in an active and liquid market, its price established in the market in a real transaction grants the best evidence of its fair value. When such price is not available, or it cannot be an indication of fair value of the instrument to determine said fair value, market value of a similar instrument, analysis of discounted flows or other applicable techniques may be used, which are significantly affected by assumptions applied. Even though Management has used its better judgment when estimating fair values of its financial instruments, any technique to make such estimate implies certain inherent fragility level. As a result, fair value may not be an indication of net realizable value or liquidation value of such instruments.

Methodology and assumptions used to determine values estimated in the market as of December 31, 2013 and 2012, in cases applicable according to the Central Bank's policy, depend on terms and characteristics of risk of several financial instruments, as detailed below:

- (a) Cash in foreign currency and deposits in foreign banks represent cash and time deposits in banks with terms up to 90 days as from their issuance, respectively, which do not represent significant credit or interest rate risks; therefore, its carrying amount is equivalent to its fair value.



- (b) Carrying amount of securities from international entities classified as available-for-sale investments correspond to estimated market value; therefore, there is no difference between its carrying amount and fair value.
- (c) Carrying amount of securities from international entities classified as held-to-maturity investments correspond to their amortized cost using the effective interest rate method, except for those acquired at par value. According to the Central Bank's accounting policies Market value of these investments is not published.
- (d) Carrying amount of the gold correspond to its market value.
- (e) Value of contributions to international organizations and deposits in international organizations are considered that correspond to their fair values due to the fact that they represent the amount receivable in the event that the Central Bank ceased to be member of such organizations. Additionally, contributions to international organizations may not be treated with third-parties and generate interests at interest rates based on their market risks.
- (f) Outstanding securities issued generate interests at fixed and variable rates according to the issuance performed. As a result, estimated market value does not significantly differ from carrying amount.
- (g) Deposits in domestic and foreign currency bear interests at fixed and variable rates, which are fixed in terms of less than one year by the Central Bank. As a result, the estimated market value does not significantly differ from carrying amount.
- (h) Carrying amount of bills and coins held by the Central Bank under "Monetary base" correspond to market value, due to the fact that it represents cash and is circulating in the Peruvian economy.

As a result, as of December 31, 2013 and 2012, the Central Bank's Management considers that estimated values of financial instruments of the Central Bank do not significantly differ from their carrying amounts, except for the aforementioned (in paragraph (c)).

## **27. SUBSEQUENT EVENTS**

Management is not aware of subsequent events having occurred between the closing date of these financial statements and the date of this report that may significantly affect them.





## APPENDIX



Perú

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BNP





APPENDIX 1  
**GROSS DOMESTIC PRODUCT**  
(Million nuevos soles at 2007 prices)

YEAR	GROSS DOMESTIC PRODUCT <sup>1/</sup> (1)	POPULATION <sup>2/</sup> (Thousands) (2)	GDP PER CAPITA (Nuevos soles at 2007 prices) (3)	% Change			INFLATION <sup>3/</sup>	EXPORTS OF GOODS 4/ (Million US\$)	IMPORTS OF GOODS 4/ (Million US\$)	TRADE BALANCE (Million US\$)
				(1)	(2)	(3)				
1922	13,308	4,790.6	2,778.0	7.1	1.5	5.5	-4.5	75.4	32.0	43.4
1923	14,084	4,861.1	2,897.3	5.8	1.5	4.3	-5.3	104.5	46.8	57.8
1924	15,428	4,933.7	3,127.0	9.5	1.5	7.9	3.9	105.3	58.2	47.1
1925	15,804	5,008.4	3,155.4	2.4	1.5	0.9	7.0	93.7	58.3	35.4
1926	17,336	5,084.9	3,409.3	9.7	1.5	8.0	0.5	98.2	58.0	40.2
1927	17,727	5,163.4	3,433.2	2.3	1.5	0.7	-3.5	107.6	57.9	49.7
1928	18,743	5,244.2	3,574.1	5.7	1.6	4.1	-6.7	110.5	55.6	55.0
1929	20,727	5,327.1	3,890.8	10.6	1.6	8.9	-2.2	117.1	60.7	56.4
1930	18,612	5,412.6	3,438.7	-10.2	1.6	-11.6	-4.5	69.4	33.0	36.4
1931	17,539	5,500.4	3,188.7	-5.8	1.6	-7.3	-6.5	55.0	22.8	32.2
1932	17,155	5,590.5	3,068.6	-2.2	1.6	-3.8	-4.4	38.1	13.0	25.1
1933	18,751	5,682.9	3,299.5	9.3	1.7	7.5	-2.6	48.4	16.2	32.2
1934	21,001	5,777.9	3,634.7	12.0	1.7	10.2	2.0	70.3	31.6	38.7
1935	22,871	5,875.2	3,892.8	8.9	1.7	7.1	1.3	73.7	34.6	39.2
1936	24,029	5,975.1	4,021.5	5.1	1.7	3.3	5.3	83.5	39.9	43.6
1937	24,602	6,077.5	4,048.1	2.4	1.7	0.7	4.1	92.3	47.5	44.8
1938	25,211	6,182.2	4,078.0	2.5	1.7	0.7	-4.1	76.5	46.6	30.0
1939	25,721	6,289.3	4,089.7	2.0	1.7	0.3	4.8	71.3	38.2	33.0
1940	26,430	6,398.6	4,130.6	2.8	1.7	1.0	9.2	65.8	41.3	24.4
1941	26,787	6,509.7	4,114.9	1.3	1.7	-0.4	10.5	76.0	44.0	32.0
1942	26,231	6,622.7	3,960.8	-2.1	1.7	-3.7	8.5	76.1	41.7	34.5
1943	26,937	6,738.2	3,997.6	2.7	1.7	0.9	12.3	70.8	55.3	15.5
1944	29,142	6,856.4	4,250.3	8.2	1.8	6.3	13.2	84.2	63.3	20.9
1945	30,539	6,978.0	4,376.4	4.8	1.8	3.0	11.1	103.8	67.7	36.1
1946	32,495	7,101.9	4,575.5	6.4	1.8	4.5	12.1	151.3	98.7	52.6
1947	33,554	7,228.1	4,642.2	3.3	1.8	1.5	46.1	154.3	134.4	19.9
1948	34,838	7,357.6	4,734.9	3.8	1.8	2.0	13.6	162.4	134.2	28.2
1949	37,490	7,492.0	5,004.0	7.6	1.8	5.7	18.7	154.5	133.7	20.8
1950	40,693	7,632.5	5,331.5	8.5	1.9	6.5	9.5	198.4	149.3	49.1
1951	44,477	7,826.3	5,683.1	9.3	2.5	6.6	8.2	259.1	223.0	36.0
1952	47,101	8,025.7	5,868.8	5.9	2.5	3.3	6.4	245.7	257.2	-11.6
1953	49,833	8,232.2	6,053.5	5.8	2.6	3.1	8.6	228.3	257.5	-29.2
1954	52,474	8,447.0	6,212.2	5.3	2.6	2.6	4.8	254.3	225.4	28.9
1955	55,570	8,671.5	6,408.4	5.9	2.7	3.2	4.6	281.2	294.6	-13.4
1956	58,182	8,904.9	6,533.7	4.7	2.7	2.0	6.0	320.2	342.5	-22.3
1957	62,022	9,146.2	6,781.2	6.6	2.7	3.8	7.1	331.5	402.1	-70.7
1958	61,340	9,396.7	6,577.8	-1.1	2.7	-3.7	8.9	291.8	344.7	-52.8
1959	63,303	9,657.8	6,554.6	3.2	2.8	0.4	16.8	322.6	280.5	42.1
1960	69,317	9,931.0	6,979.8	9.5	2.8	6.5	2.6	444.3	341.0	103.4
1961	74,377	10,217.5	7,279.4	7.3	2.9	4.3	8.7	510.2	428.6	81.5
1962	81,814	10,516.5	7,779.7	10.0	2.9	6.9	4.9	556.0	478.4	77.6
1963	85,332	10,825.8	7,882.3	4.3	2.9	1.3	8.7	555.1	517.9	37.2
1964	90,879	11,143.4	8,155.4	6.5	2.9	3.5	11.4	684.6	517.7	166.8
1965	95,968	11,467.2	8,368.9	5.6	2.9	2.6	14.6	684.6	659.7	24.9
1966	103,838	11,796.3	8,802.5	8.2	2.9	5.2	7.9	788.5	811.2	-22.7
1967	107,887	12,132.1	8,892.7	3.9	2.8	1.0	19.0	742.4	810.1	-67.7
1968	108,103	12,475.9	8,664.9	0.2	2.8	-2.6	9.8	839.8	672.9	166.9
1969	111,887	12,829.0	8,721.4	3.5	2.8	0.7	5.7	879.5	658.8	220.8
1970	115,691	13,192.7	8,769.3	3.4	2.8	0.5	5.5	1,034.3	699.6	334.6
1971	121,013	13,567.2	8,919.2	4.6	2.8	1.7	7.5	889.4	730.0	159.4
1972	125,248	13,953.2	8,976.3	3.5	2.8	0.6	4.2	945.0	812.0	133.0
1973	133,139	14,348.1	9,279.2	6.3	2.8	3.4	13.8	1,111.8	1,033.0	78.8

APPENDIX 1  
**GROSS DOMESTIC PRODUCT**  
(Million nuevos soles at 2007 prices)

YEAR	GROSS DOMESTIC PRODUCT <sup>1/</sup> (1)	POPULATION <sup>2/</sup> (Thousands) (2)	GDP PER CAPITA (Nuevos soles at 2007 prices) (3)	% Change			INFLATION <sup>3/</sup>	EXPORTS OF GOODS & SERVICES <sup>4/</sup> (Million US\$)	IMPORTS OF GOODS & SERVICES <sup>4/</sup> (Million US\$)	TRADE BALANCE (Million US\$)
				(1)	(2)	(3)				
1974	145,654	14,751.1	9,874.1	9.4	2.8	6.4	1,513.3	1,908.0	-394.7	
1975	151,917	15,161.1	10,020.1	4.3	2.8	1.5	1,335.0	2,427.0	-1,092.0	
1976	154,044	15,580.8	9,886.8	1.4	2.8	-1.3	1,344.0	2,016.0	-672.0	
1977	154,506	16,010.8	9,650.1	0.3	2.8	-2.4	1,729.6	2,148.0	-418.4	
1978	150,489	16,447.4	9,149.7	-2.6	2.7	-5.2	2,038.0	1,668.0	370.0	
1979	156,659	16,886.5	9,277.2	4.1	2.7	1.4	3,719.0	1,954.0	1,765.0	
1980	165,901	17,324.2	9,576.3	5.9	2.6	3.2	3,950.6	3,089.5	861.1	
1981	176,851	17,760.2	9,957.7	6.6	2.5	4.0	3,328.0	3,802.2	-474.2	
1982	176,497	18,197.2	9,699.1	-0.2	2.5	-2.6	3,343.4	3,720.9	-377.5	
1983	158,142	18,635.6	8,486.0	-10.4	2.4	-12.5	3,036.2	2,721.7	314.5	
1984	163,835	19,075.9	8,588.6	3.6	2.4	1.2	3,193.4	2,166.5	1,026.9	
1985	167,275	19,518.6	8,570.1	2.1	2.3	-0.2	3,021.4	1,822.6	1,198.8	
1986	182,999	19,965.8	9,165.6	9.4	2.3	6.9	2,572.7	2,649.3	-76.7	
1987	200,750	20,417.3	9,832.4	9.7	2.3	7.3	2,713.4	3,215.1	-501.7	
1988	181,879	20,869.7	8,715.0	-9.4	2.2	-11.4	2,719.9	2,865.1	-145.2	
1989	159,508	21,319.9	7,481.7	-12.3	2.2	-14.2	3,503.3	2,286.5	1,216.7	
1990	151,533	21,764.5	6,962.4	-5.0	2.1	-6.9	3,279.8	2,921.9	357.9	
1991	154,867	22,203.9	6,974.7	2.2	2.0	0.2	3,393.1	3,595.3	-202.2	
1992	154,092	22,640.3	6,806.1	-0.5	2.0	-2.4	3,578.1	4,001.4	-423.3	
1993	162,105	23,073.2	7,025.7	5.2	1.9	3.2	3,384.7	4,160.4	-775.8	
1994	182,044	23,502.0	7,745.9	12.3	1.9	10.3	4,424.1	5,499.2	-1,075.1	
1995	195,536	23,926.3	8,172.4	7.4	1.8	5.5	5,491.4	7,732.9	-2,241.5	
1996	201,009	24,348.1	8,255.6	2.8	1.8	1.0	5,877.6	7,864.2	-1,986.6	
1997	214,028	24,767.8	8,641.4	6.5	1.7	4.7	6,824.6	8,535.5	-1,711.0	
1998	213,190	25,182.3	8,465.9	-0.4	1.7	-2.0	5,756.8	8,218.7	-2,462.0	
1999	216,377	25,588.5	8,456.0	1.5	1.6	0.1	6,087.5	6,710.5	-623.0	
2000	222,207	25,983.6	8,551.8	2.7	1.5	3.7	6,954.9	7,357.6	-402.7	
2001	223,580	26,366.5	8,479.7	0.6	1.5	-0.8	7,025.7	7,204.5	-178.7	
2002	235,773	26,739.4	8,817.4	5.5	1.4	4.0	7,713.9	7,392.8	321.1	
2003	245,593	27,103.5	9,061.3	4.2	1.4	2.8	9,090.7	8,204.8	885.9	
2004	257,770	27,460.1	9,387.1	5.0	1.3	3.6	12,809.2	9,804.8	3,004.4	
2005	273,971	27,810.5	9,851.3	6.3	1.3	4.9	17,367.7	12,081.6	5,286.1	
2006	294,598	28,151.4	10,464.8	7.5	1.2	6.2	23,830.1	14,844.1	8,986.1	
2007	319,693	28,481.9	11,224.4	8.5	1.2	7.3	28,094.0	19,590.5	8,503.5	
2008	348,923	28,807.0	12,112.4	9.1	1.1	7.9	31,018.5	28,449.2	2,569.3	
2009	352,584	29,132.0	12,103.0	1.0	1.1	-0.1	31,018.5	28,449.2	2,569.3	
2010	382,380	29,461.9	12,978.8	8.5	1.1	7.2	35,564.8	21,010.7	14,554.1	
2011 <sup>5/</sup>	407,052	29,797.7	13,660.5	6.5	1.1	5.3	46,376.0	37,151.5	9,224.5	
2012 <sup>5/</sup>	431,273	30,135.9	14,310.9	6.0	1.1	4.8	46,366.7	41,135.0	5,231.7	
2013 <sup>5/</sup>	456,382	30,475.1	14,976.5	5.8	1.1	4.6	42,176.8	42,216.6	-39.8	

1/ The values for 1922 - 1949 are based on Seminario and Beltrán: "Una estimación alternativa del GDP del siglo XX".

2/ Series provided by the INEI. The source of information for the period 1922 - 1949 is "Boletín de Análisis Demográfico, N° 01" ONEC, July 1964. The series of the period 1950 - 2008 have been elaborated based on the latest projections.

3/ Between 1922 and 1937, the value of inflation is the average inflation rate in the period.

4/ BCRP: Annual reports.

5/ Preliminary data.

Source: INEI and BCRP.  
Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 2  
MACROECONOMIC FLOWS  
(% GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Domestic savings</b>	<b>16.1</b>	<b>17.2</b>	<b>21.9</b>	<b>23.8</b>	<b>23.1</b>	<b>20.4</b>	<b>22.8</b>	<b>23.9</b>	<b>23.5</b>	<b>23.8</b>
Public sector	14.2	14.4	16.1	17.1	16.0	4.8	6.3	7.4	8.1	7.0
Private sector	-0.1	-1.6	-3.3	-1.5	4.3	15.5	16.5	16.4	15.4	16.7
<b>External savings</b>	<b>16.0</b>	<b>15.6</b>	<b>18.6</b>	<b>22.3</b>	<b>27.5</b>	<b>20.9</b>	<b>25.2</b>	<b>25.7</b>	<b>26.7</b>	<b>28.3</b>
Public sector	2.9	3.1	3.2	3.5	4.5	5.7	5.9	4.8	5.4	5.8
Private sector	13.1	12.5	15.3	18.7	23.0	15.1	19.3	20.9	21.3	22.4
Fixed private investment	13.8	14.5	15.1	16.8	19.4	17.6	19.2	19.2	20.4	20.8
Change on inventories	-0.8	-2.0	0.2	2.0	3.5	-2.5	0.1	1.8	0.9	1.6
<b>BALANCE OF PAYMENT</b>										
<b>Balance of payment</b>	<b>0.1</b>	<b>1.6</b>	<b>3.3</b>	<b>1.5</b>	<b>-4.3</b>	<b>-0.5</b>	<b>-2.4</b>	<b>-1.9</b>	<b>-3.3</b>	<b>-4.5</b>
Trade balance	4.6	7.1	10.3	8.3	2.1	5.0	4.7	5.4	2.7	0.0
Services	-1.1	-1.1	-0.8	-1.2	-1.7	-1.0	-1.6	-1.3	-1.3	-0.9
Investment income	-5.5	-6.8	-8.6	-8.1	-7.2	-6.9	-7.5	-7.8	-6.4	-5.3
Current transfers	2.2	2.4	2.5	2.4	2.4	2.4	2.0	1.9	1.7	1.7
<b>Financial account</b>	<b>3.2</b>	<b>0.3</b>	<b>0.3</b>	<b>8.3</b>	<b>7.1</b>	<b>1.9</b>	<b>9.2</b>	<b>5.1</b>	<b>10.3</b>	<b>5.6</b>
Private sector	1.5	1.2	2.8	8.0	7.9	3.5	7.7	5.4	8.2	7.4
Public sector	1.3	-0.6	-1.1	-1.7	-1.2	0.1	1.6	0.4	0.8	-0.7
Short-term capital	0.3	-0.3	-1.4	2.0	0.5	-1.7	-0.2	-0.7	1.3	-1.1
<b>Exceptional financing</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Flow of BCRP net reserves (-)</b>	<b>3.6</b>	<b>2.2</b>	<b>3.1</b>	<b>9.4</b>	<b>2.6</b>	<b>0.9</b>	<b>7.5</b>	<b>2.7</b>	<b>7.7</b>	<b>1.4</b>
<b>Net errors and omissions</b>	<b>0.3</b>	<b>0.2</b>	<b>-0.5</b>	<b>-0.4</b>	<b>-0.2</b>	<b>-0.5</b>	<b>0.7</b>	<b>-0.5</b>	<b>0.7</b>	<b>0.3</b>
<b>NON-FINANCIAL PUBLIC SECTOR</b>										
<b>Current account savings</b>	<b>1.8</b>	<b>2.7</b>	<b>5.8</b>	<b>6.6</b>	<b>7.1</b>	<b>4.8</b>	<b>6.3</b>	<b>7.4</b>	<b>8.1</b>	<b>7.0</b>
<b>Capital revenue</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>
<b>Capital expenditure</b>	<b>3.1</b>	<b>3.2</b>	<b>3.5</b>	<b>3.7</b>	<b>4.7</b>	<b>6.3</b>	<b>6.6</b>	<b>5.5</b>	<b>5.9</b>	<b>6.3</b>
Public investment	2.9	3.1	3.2	3.5	4.6	5.9	6.1	5.2	5.6	6.0
Other capital expenditure	0.2	0.1	0.2	0.2	0.1	0.4	0.5	0.3	0.3	0.4
<b>Overall balance</b>	<b>-1.1</b>	<b>-0.4</b>	<b>2.5</b>	<b>3.1</b>	<b>2.5</b>	<b>-1.4</b>	<b>-0.2</b>	<b>2.0</b>	<b>2.3</b>	<b>0.9</b>
<b>Financing</b>	<b>1.1</b>	<b>0.4</b>	<b>-2.5</b>	<b>-3.1</b>	<b>-2.5</b>	<b>1.4</b>	<b>0.2</b>	<b>-2.0</b>	<b>-2.3</b>	<b>-0.9</b>
External financing	1.6	-1.6	-0.6	-2.0	-1.0	1.1	-0.5	0.2	-0.3	-0.8
Domestic financing	-0.6	1.8	-1.9	-1.2	-1.6	0.2	0.6	-2.2	-2.0	-0.2
Privatization	0.2	0.1	0.1	0.1	0.0	0.0	0.1	0.0	0.0	0.1

1/ Preliminary data.

Source: BCRP.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 3  
**NATIONAL DISPOSABLE INCOME**  
(Million nuevos soles at 2007 prices)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Gross domestic product</b>	<b>257,770</b>	<b>273,971</b>	<b>294,598</b>	<b>319,693</b>	<b>348,923</b>	<b>352,584</b>	<b>382,380</b>	<b>407,052</b>	<b>431,273</b>	<b>456,382</b>
+ Investment income	- 12,989	- 17,229	- 24,987	- 25,969	- 24,248	- 23,327	- 29,160	- 33,001	- 28,495	- 24,270
Gross national product	244,781	256,742	269,611	293,724	324,675	329,257	353,220	374,051	402,778	432,112
+ Terms of trade	- 17,859	- 16,998	- 2,646	- 16	- 8,683	- 9,774	3,915	10,026	8,539	4,037
Gross national income	226,922	239,744	266,966	293,708	315,992	319,483	357,135	384,077	411,317	436,149
+ Current transfers	5,109	6,024	7,251	7,832	8,206	8,072	7,877	7,891	7,590	7,651
<b>National disposable income</b>	<b>232,031</b>	<b>245,769</b>	<b>274,216</b>	<b>301,540</b>	<b>324,198</b>	<b>327,554</b>	<b>365,012</b>	<b>391,968</b>	<b>418,907</b>	<b>443,799</b>

1/ Preliminary data.  
Source: INEI and BCRP.  
Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 4  
**NATIONAL DISPOSABLE INCOME**  
 (Real % change)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
								1/	1/	1/
<b>Gross domestic product</b>	<b>5.0</b>	<b>6.3</b>	<b>7.5</b>	<b>8.5</b>	<b>9.1</b>	<b>1.0</b>	<b>8.5</b>	<b>6.5</b>	<b>6.0</b>	<b>5.8</b>
- Investment income	- 60.8	- 32.6	- 45.0	- 3.9	6.6	3.8	- 25.0	- 13.2	13.7	14.8
Gross national product	3.1	4.9	5.0	8.9	10.5	1.4	7.3	5.9	7.7	7.3
Gross national income	4.9	5.7	11.4	10.0	7.6	1.1	11.8	7.5	7.1	6.0
- Current transfers	11.2	17.9	20.4	8.0	4.8	- 1.6	- 2.4	0.2	- 3.8	0.8
<b>National disposable income</b>	<b>5.1</b>	<b>5.9</b>	<b>11.6</b>	<b>10.0</b>	<b>7.5</b>	<b>1.0</b>	<b>11.4</b>	<b>7.4</b>	<b>6.9</b>	<b>5.9</b>

1/ Preliminary data.  
 Source: INEI and BCRP.  
 Elaborated by the Department of Economic Studies. BCRP.

APPENDIX 5  
**GROSS DOMESTIC PRODUCT BY EXPENDITURE**  
 (Real % change)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
								1/	1/	1/
<b>I. Domestic demand</b>	<b>3.0</b>	<b>4.4</b>	<b>11.2</b>	<b>12.8</b>	<b>13.6</b>	<b>-3.3</b>	<b>14.9</b>	<b>7.7</b>	<b>8.0</b>	<b>7.0</b>
a. Private consumption	3.4	3.7	6.2	8.6	8.9	2.8	8.7	6.0	6.1	5.4
b. Public consumption	4.1	9.1	7.6	4.3	5.4	13.0	5.6	4.8	8.1	6.7
c. Gross domestic investment	0.6	4.3	34.6	31.3	30.1	-23.3	38.8	12.9	12.3	10.5
Gross fixed investment	4.6	12.1	18.3	21.3	24.6	-1.6	23.1	6.0	16.3	7.6
i. Private	5.7	12.5	18.5	22.2	23.9	-9.1	25.9	11.0	15.6	6.4
ii. Public	-0.2	10.2	17.5	17.1	27.9	32.9	14.2	-11.2	19.1	12.5
<b>II. Exports of goods and non-financial services</b>	<b>11.0</b>	<b>13.8</b>	<b>1.5</b>	<b>4.3</b>	<b>7.1</b>	<b>-0.7</b>	<b>1.3</b>	<b>6.9</b>	<b>3.7</b>	<b>-0.9</b>
Minus:										
<b>III. Imports of goods and non-financial services</b>	<b>5.1</b>	<b>10.0</b>	<b>13.3</b>	<b>20.2</b>	<b>24.1</b>	<b>-16.7</b>	<b>26.1</b>	<b>11.6</b>	<b>11.3</b>	<b>3.6</b>
<b>IV. GDP</b>	<b>5.0</b>	<b>6.3</b>	<b>7.5</b>	<b>8.5</b>	<b>9.1</b>	<b>1.0</b>	<b>8.5</b>	<b>6.5</b>	<b>6.0</b>	<b>5.8</b>

1/ Preliminary data.  
 Source: INEI and BCRP.  
 Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 6  
**GROSS DOMESTIC PRODUCT BY EXPENDITURE**  
 (Million nuevos soles at 2007 prices)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
								1/	1/	1/
<b>I. Domestic demand</b>	<b>226,667</b>	<b>236,706</b>	<b>263,273</b>	<b>296,928</b>	<b>337,214</b>	<b>326,108</b>	<b>374,652</b>	<b>403,390</b>	<b>435,740</b>	<b>466,284</b>
a. Private consumption	160,769	166,654	177,006	192,316	209,377	215,279	234,031	248,045	263,183	277,448
b. Public consumption	27,299	29,783	32,046	33,424	35,226	39,811	42,036	44,063	47,634	50,802
c. Gross domestic investment	38,599	40,269	54,221	71,188	92,611	71,018	98,585	111,282	124,923	138,034
i. Gross fixed investment	40,403	45,277	53,554	64,948	80,935	79,680	98,099	103,977	120,882	130,015
- Private	32,937	37,053	43,889	53,626	66,453	60,439	76,117	84,464	97,637	103,855
- Public	7,467	8,224	9,665	11,322	14,482	19,241	21,982	19,513	23,245	26,160
ii. Change on inventories	- 1,804	- 5,009	667	6,240	11,676	- 8,662	485	7,305	4,041	8,019
<b>II. Exports of goods and non-financial services</b>	<b>80,962</b>	<b>92,127</b>	<b>93,499</b>	<b>97,501</b>	<b>104,429</b>	<b>103,669</b>	<b>105,044</b>	<b>112,310</b>	<b>116,487</b>	<b>115,416</b>
Minus:										
<b>III. Imports of goods and non-financial services</b>	<b>49,860</b>	<b>54,862</b>	<b>62,174</b>	<b>74,736</b>	<b>92,720</b>	<b>77,193</b>	<b>97,316</b>	<b>108,648</b>	<b>120,954</b>	<b>125,318</b>
<b>IV. GDP</b>	<b>257,770</b>	<b>273,971</b>	<b>294,598</b>	<b>319,693</b>	<b>348,923</b>	<b>352,584</b>	<b>382,380</b>	<b>407,052</b>	<b>431,273</b>	<b>456,382</b>

1/ Preliminary data.  
 Source: INEI and BCRP.  
 Elaborated by the Department of Economic Studies. BCRP.

APPENDIX 7  
**GROSS DOMESTIC PRODUCT BY EXPENDITURE**  
 (Million nuevos soles)

	2004	2005	2006	2007	2008	2009	2010	2011 1/	2012 1/	2013 1/
<b>I. Domestic demand</b>	<b>216,486</b>	<b>229,681</b>	<b>259,467</b>	<b>296,928</b>	<b>354,553</b>	<b>350,633</b>	<b>406,617</b>	<b>450,736</b>	<b>500,823</b>	<b>551,705</b>
a. Private consumption	154,995	162,815	174,582	192,316	220,107	232,368	256,465	281,718	310,040	335,904
b. Public consumption	25,657	28,697	31,688	33,424	36,755	42,117	44,531	48,111	55,002	61,210
c. Gross domestic investment	35,834	38,169	53,197	71,188	97,691	76,148	105,621	120,907	135,781	154,591
i. Gross fixed investment	37,537	43,064	52,520	64,948	85,119	85,192	105,204	112,656	131,172	145,579
- Private	30,995	35,502	43,227	53,626	69,092	64,215	80,457	89,988	103,706	113,635
- Public	6,542	7,562	9,294	11,322	16,026	20,977	24,747	22,667	27,466	31,943
ii. Change on inventories	- 1,703	- 4,895	677	6,240	12,572	- 9,044	417	8,251	4,609	9,012
<b>II. Exports of goods and non-financial services</b>	<b>50,415</b>	<b>64,874</b>	<b>86,515</b>	<b>97,501</b>	<b>100,996</b>	<b>91,943</b>	<b>111,470</b>	<b>139,337</b>	<b>135,189</b>	<b>129,781</b>
Minus:										
<b>III. Imports of goods and non-financial services</b>	<b>42,723</b>	<b>50,164</b>	<b>59,680</b>	<b>74,736</b>	<b>99,857</b>	<b>77,510</b>	<b>98,429</b>	<b>120,219</b>	<b>127,800</b>	<b>134,726</b>
<b>IV. GDP</b>	<b>224,177</b>	<b>244,391</b>	<b>286,302</b>	<b>319,693</b>	<b>355,692</b>	<b>365,066</b>	<b>419,658</b>	<b>469,854</b>	<b>508,211</b>	<b>546,760</b>

1/ Preliminary data.  
 Source: INEI and BCRP.  
 Elaborated by the Department of Economic Studies. BCRP.





APPENDIX 8  
**GROSS DOMESTIC PRODUCT BY EXPENDITURE**  
 (Nominal % change)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
								1/	1/	1/
<b>I. Domestic demand</b>	<b>7.6</b>	<b>6.1</b>	<b>13.0</b>	<b>14.4</b>	<b>19.4</b>	<b>- 1.1</b>	<b>16.0</b>	<b>10.9</b>	<b>11.1</b>	<b>10.2</b>
a. Private consumption	7.5	5.0	7.2	10.2	14.5	5.6	10.4	9.8	10.1	8.3
b. Public consumption	9.0	11.8	10.4	5.5	10.0	14.6	5.7	8.0	14.3	11.3
c. Gross domestic investment	6.8	6.5	39.4	33.8	37.2	- 22.1	38.7	14.5	12.3	13.9
Gross fixed investment	10.9	14.7	22.0	23.7	31.1	0.1	23.5	7.1	16.4	11.0
i. Private	11.0	14.5	21.8	24.1	28.8	- 7.1	25.3	11.8	15.2	9.6
ii. Public	10.1	15.6	22.9	21.8	41.6	30.9	18.0	- 8.4	21.2	16.3
<b>II. Exports of goods and non-financial services</b>	<b>34.1</b>	<b>28.7</b>	<b>33.4</b>	<b>12.7</b>	<b>3.6</b>	<b>- 9.0</b>	<b>21.2</b>	<b>25.0</b>	<b>- 3.0</b>	<b>- 4.0</b>
Minus:										
<b>III. Imports of goods and non-financial services</b>	<b>13.5</b>	<b>17.4</b>	<b>19.0</b>	<b>25.2</b>	<b>33.6</b>	<b>- 22.4</b>	<b>27.0</b>	<b>22.1</b>	<b>6.3</b>	<b>5.4</b>
<b>IV. GDP</b>	<b>11.4</b>	<b>9.0</b>	<b>17.1</b>	<b>11.7</b>	<b>11.3</b>	<b>2.6</b>	<b>15.0</b>	<b>12.0</b>	<b>8.2</b>	<b>7.6</b>

1/ Preliminary data  
 Source: INEI and BCRP.  
 Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 9  
**GROSS DOMESTIC PRODUCT BY EXPENDITURE**  
 (Nominal % structure)

	2004	2005	2006	2007	2008	2009	2010	2011 1/	2012 1/	2013 1/
<b>I. Domestic demand</b>	<b>96.6</b>	<b>94.0</b>	<b>90.6</b>	<b>92.9</b>	<b>99.7</b>	<b>96.0</b>	<b>96.9</b>	<b>95.9</b>	<b>98.5</b>	<b>100.9</b>
a. Private consumption	69.1	66.6	61.0	60.2	61.9	63.7	61.1	60.0	60.0	61.4
b. Public consumption	11.4	11.7	11.1	10.5	10.3	11.5	10.6	10.2	10.8	11.2
c. Gross domestic investment	16.0	15.6	18.6	22.3	27.5	20.9	25.2	25.7	26.7	28.3
i. Gross fixed investment	16.7	17.6	18.3	20.3	23.9	23.3	25.1	24.0	25.8	26.6
- Private	13.8	14.5	15.1	16.8	19.4	17.6	19.2	19.2	20.4	20.8
- Public	2.9	3.1	3.2	3.5	4.5	5.7	5.9	4.8	5.4	5.8
ii. Change of inventories	-0.8	-2.0	0.2	2.0	3.5	-2.5	0.1	1.8	0.9	1.6
<b>II. Exports of goods and non-financial services</b>	<b>22.5</b>	<b>26.5</b>	<b>30.2</b>	<b>30.5</b>	<b>28.4</b>	<b>25.2</b>	<b>26.6</b>	<b>29.7</b>	<b>26.6</b>	<b>23.7</b>
<b>III. Imports of goods and non-financial services</b>	<b>19.1</b>	<b>20.5</b>	<b>20.8</b>	<b>23.4</b>	<b>28.1</b>	<b>21.2</b>	<b>23.5</b>	<b>25.6</b>	<b>25.1</b>	<b>24.6</b>
<b>IV. GDP</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

1/ Preliminary data.  
 Source: INEI and BCRP.  
 Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 10  
**GROSS DOMESTIC PRODUCT BY PRODUCTION SECTOR**  
 (Real % change)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
								1/	1/	1/
Agriculture and livestock 2/	-0.5	3.4	8.9	3.3	8.0	1.3	4.3	4.1	5.9	1.4
- Agriculture	- 1.1	1.7	8.4	0.5	9.7	0.0	2.6	4.0	8.7	1.0
- Livestock	1.9	6.9	9.5	5.3	6.0	5.8	4.2	5.8	5.6	2.5
Fishing	40.3	4.9	3.7	9.3	3.0	- 3.4	- 19.6	52.9	- 32.2	18.1
Mining and hydrocarbons 3/	6.0	10.3	1.9	4.2	8.1	1.0	1.3	0.6	2.8	4.9
- Metallic mining	8.9	6.5	0.9	3.8	7.1	- 2.1	- 2.7	- 2.1	2.5	4.2
- Hydrocarbons	3.1	17.2	4.3	1.4	6.4	17.1	15.0	5.1	1.0	7.2
Manufacturing 4/	7.4	6.6	7.3	10.6	8.6	- 6.7	10.8	8.6	1.5	5.7
- Based on raw materials	3.6	2.9	0.3	- 2.7	8.4	- 9.2	- 4.7	17.4	- 9.0	9.8
- Non-primary manufacturing	9.3	8.3	10.3	15.8	8.7	- 5.9	15.7	6.2	4.5	4.4
Electricity and water	5.5	5.6	7.6	9.2	8.1	1.1	8.1	7.6	5.8	5.5
Construction	4.9	8.7	15.0	16.6	16.8	6.8	17.8	3.6	15.8	8.9
Commerce	5.8	5.2	11.9	10.3	11.0	- 0.5	12.5	8.9	7.2	5.9
Other services	3.6	4.7	7.9	8.9	7.6	4.6	7.7	7.3	7.4	6.4
Import duties	5.7	8.1	7.2	7.5	13.5	- 0.8	13.5	5.7	6.9	4.8
<b>GROSS DOMESTIC PRODUCT</b>	<b>5.0</b>	<b>6.3</b>	<b>7.5</b>	<b>8.5</b>	<b>9.1</b>	<b>1.0</b>	<b>8.5</b>	<b>6.5</b>	<b>6.0</b>	<b>5.8</b>
Primary sectors	4.7	7.2	3.2	2.9	8.0	- 0.7	0.5	5.0	0.6	5.0
Non-primary sectors	5.1	6.0	9.2	10.5	9.5	1.6	11.0	6.9	7.5	6.1

1/ Preliminary data.

2/ Includes the forestry sector.

3/ Includes non-metallic mining and secondary production.

4/ Includes secondary production.

Source: INEI and BCRP.

Elaborated by the Department of Economic Studies - BCRP.

APPENDIX 11  
**GROSS DOMESTIC PRODUCT BY PRODUCTION SECTOR**  
 (Millions nuevos soles at 2007 prices)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
								1/	1/	1/
Agriculture and livestock 2/	16,391	16,948	18,462	19,074	20,600	20,873	21,766	22,658	23,991	24,332
- Agriculture	11,575	11,776	12,764	12,827	14,075	14,072	14,444	15,019	16,319	16,479
- Livestock	4,289	4,584	5,019	5,288	5,605	5,928	6,177	6,532	6,901	7,073
Fishing	1,988	2,086	2,163	2,364	2,436	2,352	1,891	2,892	1,960	2,315
Mining and hydrocarbons 3/	39,206	43,236	44,058	45,892	49,599	50,076	50,714	51,043	52,473	55,027
- Metallic mining	29,807	31,757	32,050	33,254	35,632	34,878	33,929	33,210	34,044	35,488
- Hydrocarbons	4,401	5,159	5,383	5,460	5,812	6,808	7,828	8,225	8,310	8,909
Manufacturing 4/	41,778	44,529	47,766	52,807	57,354	53,502	59,255	64,330	65,265	68,988
- Based on raw materials	13,134	13,520	13,565	13,203	14,316	13,003	12,387	14,542	13,235	14,537
- Non-primary manufacturing	28,644	31,009	34,201	39,604	43,038	40,499	46,868	49,788	52,030	54,327
Electricity and water	4,435	4,685	5,040	5,505	5,950	6,013	6,501	6,994	7,401	7,811
Construction	11,195	12,168	13,994	16,317	19,061	20,360	23,993	24,848	28,779	31,353
Commerce	25,075	26,368	29,500	32,537	36,105	35,936	40,420	44,034	47,218	49,984
Other services	96,419	100,952	108,960	118,694	127,739	133,641	143,993	154,483	165,940	176,507
Import duties	21,283	22,999	24,655	26,503	30,079	29,831	33,847	35,770	38,246	40,066
<b>GROSS DOMESTIC PRODUCT</b>	<b>257,770</b>	<b>273,971</b>	<b>294,598</b>	<b>319,693</b>	<b>348,923</b>	<b>352,584</b>	<b>382,380</b>	<b>407,052</b>	<b>431,273</b>	<b>456,382</b>
Primary sectors	70,719	75,790	78,248	80,533	86,951	86,304	86,758	91,135	91,659	96,210
Non-primary sectors	187,050	198,181	216,350	239,160	261,972	266,280	295,622	315,917	339,614	360,172

1/ Preliminary data.

2/ Includes the forestry sector.

3/ Includes non-metallic mining and secondary production.

4/ Includes secondary production.

Source: INEI and BCRP.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 12  
**AGRICULTURE AND LIVESTOCK BY MAIN PRODUCTS**  
 (% change)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>AGRICULTURE GDP</b>	-1.1	1.7	8.4	0.5	9.7	0.0	2.6	4.0	8.7	1.0
<b>Domestic market</b>	-2.9	3.6	4.3	0.9	8.4	4.1	-0.8	0.7	11.6	1.7
Potato	-4.3	9.4	-1.3	4.1	6.3	4.7	1.1	7.0	9.9	2.1
Rice	-13.5	33.8	-4.2	3.0	14.7	7.1	-5.3	-7.3	16.0	0.2
Banana	2.7	2.0	4.7	3.2	-2.3	4.1	7.5	-2.0	5.8	1.6
Cassava	6.8	3.4	13.4	1.7	1.2	-0.5	6.4	-10.0	0.3	5.9
Amylaceous maize	-15.4	11.3	3.2	-1.5	1.7	14.6	-9.9	-0.7	9.9	9.5
Wheat	-10.5	4.7	7.1	-5.0	14.0	9.3	-3.0	-2.4	5.6	1.7
Dry beans	-1.1	22.5	15.0	-0.6	5.1	14.5	-5.9	-5.3	5.3	2.3
Garlic	-15.1	11.6	33.8	10.1	-16.4	-14.2	8.6	40.5	-7.1	-0.9
Onion	9.0	-4.3	16.9	10.0	0.7	-5.2	19.5	0.4	6.7	-3.5
Corn maize	-7.2	-7.0	2.6	-7.9	12.6	5.4	3.6	-9.8	-1.7	10.4
Lemon	-16.3	7.4	15.6	7.4	-17.2	-11.6	12.6	-3.6	4.5	2.0
Mandarine	8.8	-2.3	9.3	1.7	-1.7	-11.3	33.3	6.8	19.0	11.6
Orange	8.0	1.3	5.8	-2.7	9.6	0.1	4.5	6.1	2.4	1.8
Sweet potato	-4.4	0.0	7.7	-7.0	1.8	39.6	0.3	13.5	1.6	-3.9
Alfalfa	-0.2	-0.6	0.6	1.6	1.5	5.1	2.1	2.5	4.7	3.8
Tomato	22.8	-13.2	6.6	2.1	21.4	5.3	1.5	-17.3	23.3	10.5
Barley	-8.5	9.0	-0.8	-7.4	4.8	14.7	1.4	-6.9	6.6	4.7
Green peas	-19.0	21.0	7.5	13.9	3.2	3.5	-2.8	-1.4	16.4	10.8
Green broad beans	-9.1	-6.3	8.5	3.7	8.7	1.0	-4.9	3.6	2.2	4.8
Dry peas	-8.3	3.8	15.2	-3.4	7.8	8.0	1.7	-5.2	9.2	2.5
Dry broad beans	-8.4	12.0	8.7	6.6	4.9	8.3	-3.6	-3.7	14.0	6.8
Dry lima beans	-34.5	-24.0	178.9	-20.0	10.6	17.8	-21.8	26.0	27.3	-35.5
Olluco	-11.1	12.2	7.0	7.9	0.6	3.4	-2.4	2.0	11.6	2.9
Oca	-8.9	7.8	-9.7	-6.0	-4.0	8.1	-6.6	-4.3	3.2	1.9
Peach	-4.3	-0.2	-8.4	12.4	17.7	4.8	-3.2	3.3	4.4	5.7
<b>Agricultural exports and industry</b>	4.1	-3.0	19.6	-0.4	13.0	-9.7	11.9	11.9	2.4	-0.7
Coffee	13.9	-18.5	44.9	-17.3	21.1	-11.1	14.7	18.7	-5.2	-18.5
Sugarcane	-21.6	-9.2	14.9	13.6	14.2	5.8	-0.8	0.3	4.9	6.0
Hard yellow corn	-10.4	1.6	2.1	10.1	9.7	3.4	0.8	-1.8	10.5	-2.2
Cotton	35.4	10.5	2.9	1.0	-22.3	-42.7	-33.6	91.4	-9.1	-25.7
Asparagus	1.5	7.0	26.2	9.3	15.6	-4.4	6.8	17.0	-4.2	1.9
Grapes	6.5	9.1	13.0	2.6	13.6	18.4	6.1	5.9	21.9	21.1
Olive	11.7	28.6	-3.9	-0.1	118.1	-93.7	946.5	-2.6	26.6	-37.6
Mango	40.0	-15.3	36.1	-8.1	9.6	-48.2	172.0	-22.5	-47.4	146.9
Cocoa	7.0	-2.6	24.8	-0.4	7.5	9.1	26.7	21.2	10.6	13.9
Avocado	8.5	-4.6	9.5	7.5	12.0	15.5	17.1	15.9	25.7	7.4
Oil palm	15.6	-4.1	18.2	0.9	3.3	8.9	8.8	23.3	44.0	9.3
Marigold	-39.0	14.4	-56.2	-59.7	-55.8	-29.3	8.3	222.8	78.2	-82.3
Oregano	2.8	14.5	8.4	17.4	33.5	16.6	1.8	5.7	-4.3	21.9
Tea	-72.5	173.6	13.8	-25.4	11.5	-21.0	1.4	-1.7	8.7	25.8
<b>LIVESTOCK GDP</b>	1.9	6.9	9.5	5.3	6.0	5.8	4.2	5.8	5.6	2.5
Poultry	0.1	12.4	9.2	8.4	13.9	9.9	5.8	6.4	8.0	2.7
Beef	5.9	4.6	6.2	0.4	0.1	0.8	4.4	3.9	4.7	1.9
Eggs	2.3	2.3	18.5	5.0	3.5	0.8	6.1	11.4	-1.1	11.4
Pork	5.6	5.0	5.6	5.4	0.6	-0.4	0.9	1.4	7.5	1.2
Milk	3.7	4.7	11.6	6.5	-0.9	5.5	1.6	4.0	2.7	0.8
<b>AGRICULTURE AND LIVESTOCK GDP</b>	-0.5	3.4	8.9	3.3	8.0	1.3	4.3	4.1	5.9	1.4

1/ Preliminary data.  
 Source: MINAG.  
 Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 13  
**AGRICULTURE AND LIVESTOCK BY MAIN PRODUCTS**  
 (Thousand metric tons)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>AGRICULTURE GDP</b>										
<b>Domestic market</b>										
Potato	3,008.2	3,289.7	3,248.4	3,383.0	3,597.1	3,765.3	3,805.5	4,072.5	4,474.7	4,570.7
Rice	1,844.9	2,468.4	2,363.5	2,435.1	2,794.0	2,991.2	2,831.4	2,991.2	3,043.3	3,050.9
Banana	1,664.1	1,697.1	1,777.3	1,834.5	1,792.9	1,866.6	2,007.3	1,968.1	2,082.1	2,114.9
Cassava	971.0	1,004.5	1,138.6	1,158.0	1,171.8	1,166.0	1,240.1	1,115.6	1,118.5	1,184.7
Amyleaceous maize	216.9	241.5	249.2	245.3	249.4	285.8	257.6	255.7	280.9	307.6
Wheat	170.4	178.5	191.1	181.6	206.9	226.3	219.5	214.1	226.2	230.1
Dry beans	58.5	71.7	82.5	82.0	86.1	98.6	92.8	87.9	92.5	94.6
Garlic	49.2	54.9	73.4	80.9	67.6	58.0	63.0	88.5	82.2	81.4
Onion	15.5	493.3	576.7	634.4	639.1	606.1	724.0	727.0	775.5	748.1
Corn maize	377.9	351.3	360.6	332.3	374.0	394.2	408.2	368.0	361.6	399.3
Lemon	202.4	217.3	223.4	269.8	223.4	197.4	222.3	214.2	223.8	228.3
Mandarine	175.4	171.3	187.3	190.4	187.2	166.1	221.3	236.3	281.1	313.7
Orange	330.4	334.5	353.9	344.3	377.3	377.6	394.6	418.6	428.8	436.4
Sweet potato	184.4	184.4	198.6	184.8	188.2	262.7	263.5	299.1	304.0	292.1
Alfalfa	5,638.5	5,605.9	5,639.6	5,732.0	5,816.2	6,113.1	6,240.9	6,398.2	6,696.4	6,954.1
Tomato	183.5	159.2	169.7	173.3	210.4	221.6	224.9	186.0	229.4	253.5
Barley	177.2	193.1	191.6	177.5	186.0	213.3	216.2	201.2	214.5	224.5
Green peas	66.5	80.4	86.5	98.5	101.6	105.2	102.3	100.9	117.4	130.1
Green broad beans	56.2	52.6	57.1	59.2	64.4	65.0	61.8	64.0	65.4	68.6
Dry peas	37.5	38.9	44.8	43.3	46.7	50.4	51.3	48.6	53.0	54.3
Dry broad beans	47.2	52.9	57.5	61.3	64.3	69.6	67.1	64.6	73.7	78.7
Dry lima beans	5.2	4.0	11.1	8.8	9.8	11.5	9.0	11.3	14.4	9.3
Olluco	120.6	135.3	144.9	156.4	157.3	162.6	158.7	161.9	180.7	185.9
Oca	105.8	114.1	103.0	96.9	93.0	100.6	94.0	90.0	92.9	94.7
Peach	35.9	35.8	32.8	36.9	43.4	45.5	44.1	45.5	47.5	50.2
<b>Agricultural exports and industry</b>										
Coffee	231.4	188.6	273.2	226.0	273.8	243.5	279.2	331.5	314.5	256.2
Sugarcane	6,945.7	6,304.1	7,245.8	8,228.6	9,396.0	9,936.9	9,857.9	9,884.9	10,368.9	10,992.2
Hard yellow com	983.2	999.3	1,019.8	1,122.9	1,231.5	1,273.9	1,283.6	1,260.1	1,393.0	1,362.9
Cotton	187.7	207.3	213.4	215.4	167.4	96.0	63.8	122.0	111.0	82.5
Asparagus	192.5	206.0	260.0	284.1	328.4	313.9	335.2	392.3	376.0	383.1
Grapes	155.4	169.5	191.6	196.6	223.3	264.4	280.5	296.9	361.9	438.3
Olive	42.5	54.6	52.5	52.4	114.4	7.2	75.0	73.1	92.5	57.8
Mango	277.9	235.4	320.3	294.4	322.6	167.0	454.3	351.9	185.2	457.2
Cocoa	25.9	25.3	31.5	31.4	33.7	36.8	46.6	56.5	62.5	71.2
Avocado	108.5	103.4	113.3	121.7	136.3	157.4	184.4	213.7	268.5	288.4
Oil palm	208.5	199.9	236.4	238.4	246.4	268.3	291.8	359.8	518.1	566.6
Marigold	107.2	122.7	53.7	21.6	9.6	6.8	7.3	23.6	42.1	7.5
Oregano	4.9	5.7	6.1	7.2	9.6	11.2	11.4	12.1	11.6	14.1
Tea	1.5	4.2	4.8	3.6	4.0	3.2	3.2	3.2	3.4	4.3
<b>LIVESTOCK GDP</b>										
Poultry	705.7	793.0	866.4	939.6	1,069.7	1,176.1	1,243.8	1,322.9	1,428.6	1,466.6
Beef	287.0	300.2	318.8	320.1	320.2	322.9	337.0	350.2	366.7	373.7
Eggs	202.4	207.1	245.5	257.6	266.5	268.1	285.1	317.7	314.0	349.8
Pork	130.6	137.2	144.9	152.7	153.6	153.0	154.3	156.5	168.3	170.2
Milk	1,269.5	1,329.3	1,482.9	1,579.8	1,565.5	1,652.1	1,678.4	1,745.5	1,793.4	1,807.8

1/ Preliminary data.  
 Source: MINAG.  
 Elaborated by the Department of Economic Studies. BCRP.



APPENDIX 14  
**FISHING PRODUCTION BY DESTINATION AND BY MAIN SPECIES**  
 (% change)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
								1/	1/	1/
<b>INDUSTRIAL CONSUMPTION</b>										
Anchovy	64.9	- 1.9	- 31.7	3.3	1.2	- 5.4	- 42.9	110.2	- 47.2	27.2
<b>HUMAN CONSUMPTION</b>										
<b>Frozen</b>										
Scallop	- 0.3	- 3.1	8.7	35.5	- 5.8	31.1	143.6	53.4	- 57.7	120.7
Shrimp	45.6	53.5	25.2	19.9	- 5.4	- 7.3	21.9	61.5	- 2.9	- 0.9
Hake	555.8	- 11.4	8.2	12.6	- 7.1	39.6	- 30.3	11.3	- 26.2	48.1
Giant Squid	120.3	8.7	55.2	3.8	27.6	- 26.7	- 7.8	13.9	22.5	- 16.8
Anchovy	- 67.3	556.5	- 9.8	316.9	132.0	- 6.1	31.6	87.9	- 65.3	- 56.4
<b>Canned</b>										
Tuna	- 53.9	187.9	14.8	- 67.2	- 11.6	- 38.6	355.3	- 28.3	- 83.1	537.1
Chub mackerel	- 44.9	7.0	126.5	- 54.9	81.7	7.7	- 81.1	110.5	- 51.3	148.9
Yellow mackerel	- 53.6	- 55.4	500.1	- 32.5	- 29.0	- 75.7	- 59.6	1,342.2	- 47.5	- 79.7
Sardine	- 89.7	- 77.5	- 70.9	- 97.9	- 100.0	- . .	- . .	- . .	62.4	- 100.0
Anchovy	- 45.4	465.8	108.2	99.8	27.3	7.7	10.9	- 9.6	- 23.9	13.7
<b>Fresh</b>										
Scallop	134.3	22.1	119.6	19.1	- 82.8	122.5	53.3	- 69.1	- 14.7	- 22.3
Yellow mackerel	20.6	- 56.9	143.6	- 1.4	- 40.6	- 41.2	- 77.9	601.2	0.0	- 29.7
Lists	- 36.2	- 47.4	- 46.1	194.3	55.8	19.3	- 43.9	24.9	41.5	- 32.3
Dogfish	258.5	- 87.8	268.4	79.0	3.5	38.3	23.1	13.9	- 25.5	- 7.2
Anchovy	- 18.4	8.7	54.6	- 25.5	- 16.1	- 12.7	- 23.9	- 96.8	3,096.4	- 71.0
<b>FISHING GDP</b>	<b>40.3</b>	<b>4.9</b>	<b>3.7</b>	<b>9.3</b>	<b>3.0</b>	<b>- 3.4</b>	<b>- 19.6</b>	<b>52.9</b>	<b>- 32.2</b>	<b>18.1</b>

1/ Preliminary data.  
 Source: Produce.  
 Elaborated by the Department of Economic Studies. BCRP.

APPENDIX 15  
**FISHING PRODUCTION BY DESTINATION AND BY MAIN SPECIES**  
 (Thousand metric tons)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
								1/	1/	1/
<b>INDUSTRIAL CONSUMPTION</b>										
Anchovy	8,797.1	8,628.4	5,891.8	6,084.7	6,159.4	5,828.6	3,330.4	7,000.1	3,693.9	4,698.5
<b>HUMAN CONSUMPTION</b>										
Frozen										
Scallop	14.0	13.5	14.7	19.9	18.8	24.6	60.0	92.0	38.9	85.9
Shrimp	5.9	9.0	11.3	13.5	12.8	11.9	14.5	23.4	22.7	22.5
Hake	26.3	23.3	25.2	28.4	26.3	36.8	25.6	28.5	21.1	31.2
Giant squid	216.8	235.6	365.7	379.6	484.2	355.1	327.6	373.2	457.1	380.5
Anchovy	0.2	1.4	1.3	5.3	12.3	11.5	15.2	28.5	9.9	4.3
Canned										
Tuna	3.4	9.9	11.3	3.7	3.3	2.0	9.2	6.6	1.1	7.1
Chub mackerel	24.0	25.7	58.2	26.2	47.7	51.4	9.7	20.5	10.0	24.8
Yellow mackerel	46.0	20.5	122.9	82.9	58.9	14.3	5.8	83.3	43.7	8.9
Sardine	0.7	0.2	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0
Anchovy	2.6	14.9	31.0	61.9	78.9	85.0	94.2	85.2	64.8	73.7
Fresh										
Scallop	1.5	1.8	4.0	4.8	0.8	1.8	2.8	0.9	0.7	0.6
Yellow mackerel	130.4	56.2	136.8	134.9	80.1	47.1	10.4	73.0	72.9	51.2
Lists	11.2	5.9	3.2	9.3	14.5	17.3	9.7	12.1	17.2	11.6
Dogfish	3.5	0.4	1.6	2.8	2.9	4.1	5.0	5.7	4.2	3.9
Anchovy	0.3	0.3	0.5	0.4	0.3	0.3	0.2	0.0	0.2	0.1

1/ Preliminary data.  
 Source: Produce.  
 Elaborated by the Department of Economic Studies, BCRP.





APPENDIX 16  
**MINING AND HYDROCARBONS PRODUCTION BY MAIN PRODUCTS**  
 (% change)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>METALLIC MINING</b>	<b>8.9</b>	<b>6.5</b>	<b>1.0</b>	<b>3.7</b>	<b>7.1</b>	<b>-2.1</b>	<b>-2.7</b>	<b>-2.1</b>	<b>2.5</b>	<b>4.2</b>
Copper	29.0	-2.8	3.8	16.2	8.8	0.5	-1.7	0.1	9.4	7.4
Tin	3.5	1.3	-8.7	1.4	0.0	-3.9	-9.7	-14.7	-9.6	-9.3
Iron	21.9	7.5	4.8	6.7	1.1	-14.4	36.7	16.0	-4.7	-0.1
Gold	0.4	20.0	-2.5	-16.0	5.7	2.3	-10.8	1.3	-2.8	-3.3
Silver	4.8	4.8	8.3	0.9	5.4	6.4	-7.2	-6.1	1.8	5.6
Lead	-0.8	4.3	-1.9	6.1	4.8	-12.4	-13.4	-12.1	8.3	6.9
Zinc	-11.9	-0.6	0.1	19.6	11.0	-5.6	-2.8	-14.6	2.0	5.5
Molybdenum	48.6	21.6	-0.7	-2.5	-0.4	-26.5	37.9	12.8	-12.3	8.0
<b>HYDROCARBONS</b>	<b>3.1</b>	<b>17.2</b>	<b>1.4</b>	<b>4.5</b>	<b>6.4</b>	<b>17.1</b>	<b>15.0</b>	<b>5.1</b>	<b>1.0</b>	<b>7.2</b>
Crude oil	-8.2	-5.8	2.8	-1.2	0.2	-6.8	1.5	-4.3	-3.9	-5.9
Natural gas liquid	254.1	151.4	6.0	-3.3	18.5	69.1	14.6	-1.5	4.1	20.9
Natural gas	64.2	76.5	-52.7	315.3	16.3	2.5	104.0	56.9	4.4	2.8
<b>MINING AND HYDROCARBONS GDP 2/</b>	<b>6.0</b>	<b>10.3</b>	<b>1.9</b>	<b>4.2</b>	<b>8.1</b>	<b>1.0</b>	<b>1.3</b>	<b>0.6</b>	<b>2.8</b>	<b>4.9</b>

1/ Preliminary data.

2/ Includes non-metallic mining, other minerals and secondary production.

Source: MINEM.

Elaborated by the Department of Economic Studies.

APPENDIX 17  
**MINING AND HYDROCARBONS PRODUCTION BY MAIN PRODUCTS**  
 (Thousands recoverable units)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>METALLIC MINING</b>										
Copper (tons)	812.9	790.2	819.9	952.8	1,036.7	1,042.0	1,023.9	1,024.7	1,120.7	1,203.5
Tin (tons)	36.2	36.6	33.4	33.9	33.9	32.6	29.4	25.1	22.7	20.6
Iron (tons)	4,315.1	4,638.0	4,861.2	5,185.3	5,243.3	4,489.5	6,139.3	7,123.1	6,791.5	6,787.5
Gold (kilos)	168.3	201.9	196.9	165.4	174.7	178.7	159.4	161.4	156.9	151.7
Silver (kilos)	2,876.8	3,013.8	3,263.0	3,291.9	3,468.3	3,691.1	3,425.3	3,216.9	3,275.3	3,459.9
Lead (tons)	281.9	294.0	288.4	306.0	320.8	281.2	243.6	214.0	231.7	247.7
Zinc (tons)	1,034.7	1,028.4	1,029.9	1,232.1	1,367.1	1,290.6	1,254.4	1,071.8	1,093.0	1,152.7
Molybdenum (tons)	13.7	16.6	16.5	16.1	16.1	11.8	16.3	18.4	16.1	17.4
<b>HYDROCARBONS</b>										
Crude oil (barrels)	29,243.4	27,540.9	28,314.3	27,984.0	28,027.1	26,130.0	26,531.3	25,386.8	24,395.7	22,956.0
Natural gas liquid (barrels)	5,204.6	13,081.7	13,872.9	13,415.8	15,903.3	26,897.0	30,831.7	30,354.4	31,595.8	38,187.0
Natural gas (cubic feet) 2/	30,355.7	53,567.1	25,314.9	105,139.3	122,230.1	125,299.6	255,609.2	401,169.4	418,794.8	430,559.2

1/ Preliminary data.

2/ In thousands.

Source: MINEM.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 18  
**MANUFACTURING PRODUCTION BY MAIN INDUSTRIAL GROUPS**  
 (% change)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
								1/	1/	1/
<b>MANUFACTURING BASED ON RAW MATERIALS</b>	<b>3.6</b>	<b>2.9</b>	<b>0.3</b>	<b>-2.7</b>	<b>8.4</b>	<b>-9.2</b>	<b>-4.7</b>	<b>17.4</b>	<b>-9.0</b>	<b>9.8</b>
Sugar	-29.8	-11.7	15.6	13.1	10.7	5.7	-2.4	3.5	2.8	6.2
Meat products	-6.5	7.2	7.8	6.4	9.2	-2.7	4.9	11.9	3.6	2.2
Fishmeal and fish oil	61.4	-4.4	-27.0	5.1	0.2	-4.3	-41.3	106.4	-47.2	38.5
Canned and frozen fish products	-17.9	0.8	65.7	6.5	19.6	-29.2	-13.3	70.8	-7.3	6.9
Refining of non-ferrous metals	-1.1	1.0	2.4	-11.6	10.3	-21.1	-6.7	8.2	-3.3	12.8
Refining oil	1.4	19.8	-2.4	5.9	4.0	21.9	15.9	-1.5	-4.7	2.1
<b>NON-PRIMARY MANUFACTURING</b>	<b>9.3</b>	<b>8.3</b>	<b>10.3</b>	<b>15.8</b>	<b>8.7</b>	<b>-5.9</b>	<b>15.7</b>	<b>6.2</b>	<b>4.5</b>	<b>4.4</b>
Food, beverages, and tobacco	4.2	9.9	11.9	12.1	7.7	1.7	7.9	4.2	5.8	2.0
Textiles, leather, and footwear	12.1	0.0	1.9	16.9	-2.8	-13.7	28.5	6.1	-6.2	-1.6
Wood and furniture	21.1	4.2	5.3	15.4	9.7	-8.6	13.2	5.5	7.8	0.0
Paper and print industry	21.5	22.7	13.9	17.9	23.4	-10.3	17.7	7.7	4.5	8.0
Chemical, rubber, and plastic products	4.5	7.6	15.5	14.8	9.6	-4.4	9.2	6.8	2.0	7.5
Non-metallic minerals	13.6	13.6	13.8	14.0	17.5	3.0	18.0	4.4	14.3	3.6
Iron and steel industry	9.8	18.8	12.5	8.2	10.1	-21.9	3.3	-2.1	6.2	7.9
Metallic products, machinery, and equipment	2.3	10.4	17.1	21.9	16.1	-13.2	31.7	12.8	12.4	7.8
Miscellaneous industries	7.3	13.8	7.2	29.0	0.9	0.4	6.2	7.0	2.7	22.1
<b>MANUFACTURING GDP 2/</b>	<b>7.4</b>	<b>6.6</b>	<b>7.3</b>	<b>10.6</b>	<b>8.6</b>	<b>-6.7</b>	<b>10.8</b>	<b>8.6</b>	<b>1.5</b>	<b>5.7</b>

1/ Preliminary data.

2/ Includes secondary production.

Source: INEI and Produce.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 19  
**MANUFACTURING PRODUCTION BY MAIN INDUSTRIAL GROUPS**  
(Index: 2007 = 100)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>MANUFACTURING BASED ON RAW MATERIALS</b>	<b>99.5</b>	<b>102.4</b>	<b>102.7</b>	<b>100.0</b>	<b>108.4</b>	<b>98.5</b>	<b>93.8</b>	<b>110.1</b>	<b>100.2</b>	<b>110.1</b>
Sugar	86.7	76.5	88.5	100.0	110.7	116.9	114.2	118.2	121.6	129.1
Meat products	81.4	87.2	94.0	100.0	109.2	106.2	111.4	124.7	129.2	132.1
Fishmeal and fish oil	136.3	130.3	95.1	100.0	100.2	95.9	56.3	116.2	61.4	85.0
Canned and frozen fish products	56.2	56.7	93.9	100.0	119.6	84.7	73.5	125.5	116.4	124.4
Refining of non-ferrous metals	109.3	110.4	113.1	100.0	110.3	87.0	81.2	87.8	84.9	95.8
Refining of oil	80.7	96.7	94.4	100.0	104.0	126.8	147.0	144.8	137.9	140.9
<b>NON-PRIMARY MANUFACTURING</b>	<b>72.3</b>	<b>78.3</b>	<b>86.4</b>	<b>100.0</b>	<b>108.7</b>	<b>102.3</b>	<b>118.3</b>	<b>125.7</b>	<b>131.4</b>	<b>137.2</b>
Food, beverages, and tobacco	72.6	79.7	89.2	100.0	107.7	109.5	118.2	123.1	130.2	132.9
Textile, leather, and footwear	84.0	84.0	85.6	100.0	97.2	83.9	107.8	114.4	107.3	105.6
Wood and furniture	79.0	82.3	86.7	100.0	109.7	100.2	113.4	119.6	128.9	128.9
Paper and print industry	60.7	74.5	84.8	100.0	123.4	110.7	130.3	140.3	146.6	158.4
Chemical, rubber, and plastic products	70.1	75.4	87.1	100.0	109.6	104.8	114.4	122.2	124.7	134.1
Non-metallic minerals	67.9	77.1	87.7	100.0	117.5	121.0	142.8	149.1	170.4	176.5
Iron and steel industry	69.1	82.2	92.4	100.0	110.1	86.0	88.8	86.9	92.3	99.5
Metallic products, machinery, and equipment	63.4	70.1	82.0	100.0	116.1	100.8	132.8	149.8	168.3	181.5
Miscellaneous industries	63.5	72.3	77.5	100.0	100.9	101.3	107.6	115.2	118.2	144.3
<b>MANUFACTURING GDP 2/</b>	<b>79.1</b>	<b>84.3</b>	<b>90.5</b>	<b>100.0</b>	<b>108.6</b>	<b>101.3</b>	<b>112.2</b>	<b>121.8</b>	<b>123.6</b>	<b>130.6</b>

1/ Preliminary data.

2/ Includes secondary production.

Source: INEI and Produce.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 20  
INFLATION  
(% change)

	Weight	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>CPI</b>	<b>100.0</b>	<b>3.48</b>	<b>1.49</b>	<b>1.14</b>	<b>3.93</b>	<b>6.65</b>	<b>0.25</b>	<b>2.08</b>	<b>4.74</b>	<b>2.65</b>	<b>2.86</b>
<b>1. CPI without food and energy</b>	<b>56.4</b>	<b>1.09</b>	<b>1.36</b>	<b>1.28</b>	<b>1.49</b>	<b>4.25</b>	<b>1.71</b>	<b>1.38</b>	<b>2.42</b>	<b>1.91</b>	<b>2.97</b>
a. Goods	21.7	-0.36	1.03	0.56	1.79	3.21	2.31	1.07	2.37	1.60	2.62
b. Services	34.8	2.23	1.77	1.78	1.33	4.97	1.24	1.58	2.45	2.10	3.18
<b>2. Food and energy</b>	<b>43.6</b>	<b>5.55</b>	<b>1.54</b>	<b>1.05</b>	<b>5.91</b>	<b>8.58</b>	<b>- 0.86</b>	<b>2.98</b>	<b>7.70</b>	<b>3.55</b>	<b>2.73</b>
a. Food	37.8	4.00	1.13	1.76	6.02	9.70	0.57	2.41	7.97	4.06	2.24
b. Energy	5.7	15.93	4.01	- 3.16	5.21	1.65	- 10.40	6.80	6.01	0.22	6.09
Fuel	2.8	17.77	6.89	- 1.50	6.45	- 0.04	- 12.66	12.21	7.54	- 1.48	5.95
Electricity	2.9	11.95	- 2.52	- 7.30	1.92	6.31	- 4.56	1.36	4.30	2.19	6.23

Source: INEI.  
Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 21  
**CONSUMER PRICE INDEX**  
 (% change)

	2004		2005		2006		2007		2008		2009		2010		2011		2012		2013	
	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months
<b>January</b>	0.54	2.80	0.10	3.03	0.50	1.90	0.01	0.64	0.22	4.15	0.11	6.53	0.30	0.44	0.39	2.17	-0.10	4.23	0.12	2.87
<b>February</b>	1.09	3.43	-0.23	1.68	0.55	2.70	0.26	0.36	0.91	4.82	-0.07	5.49	0.32	0.84	0.38	2.23	0.32	4.17	-0.09	2.45
<b>March</b>	0.46	2.76	0.65	1.88	0.46	2.50	0.35	0.25	1.04	5.55	0.36	4.78	0.28	0.76	0.70	2.66	0.77	4.23	0.91	2.59
<b>April</b>	-0.02	2.78	0.12	2.02	0.51	2.90	0.18	-0.08	0.15	5.52	0.02	4.64	0.03	0.76	0.68	3.34	0.53	4.08	0.25	2.31
<b>May</b>	0.35	3.18	0.13	1.79	-0.53	2.23	0.49	0.94	0.37	5.39	-0.04	4.21	0.24	1.04	-0.02	3.07	0.04	4.14	0.19	2.46
<b>June</b>	0.56	4.26	0.26	1.49	-0.13	1.83	0.47	1.55	0.77	5.71	-0.34	3.06	0.25	1.64	0.10	2.91	-0.04	4.00	0.26	2.77
<b>July</b>	0.19	4.61	0.10	1.40	-0.17	1.55	0.48	2.21	0.56	5.79	0.19	2.68	0.36	1.82	0.79	3.35	0.09	3.28	0.55	3.24
<b>August</b>	-0.01	4.59	-0.18	1.22	0.14	1.87	0.14	2.20	0.59	6.27	-0.21	1.87	0.27	2.31	0.27	3.35	0.51	3.53	0.54	3.28
<b>September</b>	0.02	4.03	-0.09	1.11	0.03	1.99	0.61	2.80	0.57	6.22	-0.09	1.20	-0.03	2.37	0.33	3.73	0.54	3.74	0.11	2.83
<b>October</b>	-0.02	3.95	0.14	1.28	0.04	1.89	0.31	3.08	0.61	6.54	0.12	0.71	-0.14	2.10	0.31	4.20	-0.16	3.25	0.04	3.04
<b>November</b>	0.29	4.07	0.07	1.06	-0.28	1.54	0.11	3.49	0.31	6.75	-0.11	0.29	0.01	2.22	0.43	4.64	-0.14	2.66	-0.22	2.96
<b>December</b>	-0.01	3.48	0.42	1.49	0.03	1.14	0.45	3.93	0.36	6.65	0.32	0.25	0.18	2.08	0.27	4.74	0.26	2.65	0.17	2.86
<b>Annual average</b>	<b>3.66</b>	<b>1.62</b>	<b>2.00</b>	<b>1.78</b>	<b>2.94</b>	<b>5.79</b>	<b>3.37</b>	<b>3.66</b>	<b>1.53</b>	<b>2.81</b>	<b>2.94</b>	<b>1.78</b>	<b>2.00</b>	<b>1.62</b>	<b>3.66</b>	<b>3.37</b>	<b>3.66</b>	<b>2.81</b>	<b>2.96</b>	<b>2.86</b>

Source: INEI.  
 Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 22  
CPI WITHOUT FOOD AND ENERGY  
(% change)

	2004		2005		2006		2007		2008		2009		2010		2011		2012		2013		
	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	
<b>January</b>	-0.14	2.83	-0.05	1.18	-0.02	1.40	-0.17	1.13	-0.09	1.57	-0.01	4.34	-0.05	1.66	-0.05	1.39	-0.13	2.33	0.04	2.09	
<b>February</b>	0.15	2.75	-0.04	0.98	-0.01	1.43	0.17	1.31	0.05	1.45	0.35	4.65	0.00	1.30	0.17	1.57	0.07	2.23	0.18	2.20	
<b>March</b>	0.27	1.06	0.41	1.13	0.39	1.41	0.24	1.16	0.45	1.66	0.56	4.76	0.27	1.02	0.34	1.64	0.57	2.47	0.95	2.59	
<b>April</b>	-0.11	0.68	-0.04	1.20	0.21	1.66	0.15	1.10	0.11	1.62	0.13	4.78	0.10	0.98	0.31	1.86	0.32	2.48	0.15	2.41	
<b>May</b>	0.05	0.68	0.18	1.33	-0.07	1.41	0.05	1.22	0.26	1.82	0.01	4.53	0.17	1.14	0.12	1.80	0.23	2.59	0.15	2.33	
<b>June</b>	-0.03	0.60	-0.13	1.23	-0.16	1.38	0.05	1.43	0.30	2.08	0.10	4.31	0.05	1.09	0.26	2.01	0.13	2.46	0.16	2.35	
<b>July</b>	0.09	0.50	0.22	1.36	0.34	1.51	0.22	1.31	0.32	2.19	0.17	4.15	0.19	1.11	0.20	2.02	0.16	2.42	0.28	2.48	
<b>August</b>	0.06	0.48	0.04	1.34	0.12	1.59	0.05	1.24	0.50	2.64	-0.00	3.64	0.03	1.15	0.13	2.13	0.15	2.44	0.14	2.46	
<b>September</b>	-0.03	0.47	0.03	1.40	0.04	1.60	0.11	1.31	0.87	3.42	0.04	2.78	0.01	1.12	0.25	2.38	-0.04	2.14	0.08	2.58	
<b>October</b>	0.28	0.81	0.17	1.29	0.03	1.46	0.09	1.37	0.52	3.86	-0.03	2.22	0.15	1.31	0.11	2.33	-0.04	1.99	0.13	2.76	
<b>November</b>	0.36	1.17	0.29	1.23	0.13	1.30	0.11	1.35	0.50	4.26	0.07	1.78	-0.01	1.23	0.14	2.48	0.07	1.92	0.19	2.89	
<b>December</b>	0.15	1.09	0.29	1.36	0.27	1.28	0.40	1.49	0.39	4.25	0.32	1.71	0.47	1.38	0.41	2.42	0.40	1.91	0.48	2.97	
<b>Annual average</b>	<b>1.09</b>	<b>1.25</b>	<b>1.45</b>	<b>1.28</b>	<b>2.57</b>	<b>3.62</b>	<b>1.21</b>	<b>2.00</b>	<b>2.28</b>	<b>2.51</b>	<b>2.00</b>	<b>2.28</b>	<b>2.51</b>	<b>2.00</b>	<b>2.28</b>	<b>2.51</b>	<b>2.00</b>	<b>2.28</b>	<b>2.51</b>	<b>2.00</b>	<b>2.28</b>

Source: INEI.  
Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 23  
CPI FOOD AND ENERGY  
(% change)

	2004		2005		2006		2007		2008		2009		2010		2011		2012		2013	
	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months
<b>January</b>	1.13	2.83	0.22	4.60	0.96	2.28	0.13	0.22	0.52	6.32	0.23	8.27	0.75	-0.34	0.95	3.18	-0.06	6.62	0.20	3.82
<b>February</b>	1.88	4.01	-0.39	2.27	0.99	3.70	0.38	-0.38	1.54	7.55	-0.40	6.19	0.74	0.80	0.65	3.09	0.63	6.61	-0.40	2.75
<b>March</b>	0.57	4.23	0.80	2.50	0.55	3.44	0.39	-0.54	1.53	8.76	0.19	4.79	0.30	0.91	1.16	3.98	1.00	6.44	0.85	2.60
<b>April</b>	0.04	4.55	0.27	2.74	0.72	3.90	0.24	-1.01	0.21	8.73	-0.06	4.51	-0.07	0.90	1.14	5.23	0.78	6.06	0.38	2.18
<b>May</b>	0.64	5.37	0.10	2.19	-0.86	2.91	0.86	0.70	0.43	8.27	-0.10	3.97	0.32	1.32	-0.20	4.69	-0.19	6.07	0.25	2.63
<b>June</b>	1.05	7.47	0.57	1.70	-0.14	2.18	0.84	1.69	1.13	8.58	-0.68	2.11	0.51	2.53	-0.10	4.06	-0.24	5.92	0.39	3.27
<b>July</b>	0.26	8.19	-0.02	1.41	-0.60	1.59	0.62	2.94	0.73	8.70	0.20	1.57	0.59	2.93	1.53	5.03	0.01	4.33	0.87	4.17
<b>August</b>	-0.06	8.17	-0.31	1.16	0.14	2.04	0.22	3.02	0.68	9.19	-0.37	0.52	0.57	3.90	0.43	4.88	0.94	4.86	1.03	4.25
<b>September</b>	0.08	7.16	-0.22	0.85	0.06	2.33	0.99	3.98	0.31	8.45	-0.19	0.03	-0.08	4.00	0.43	5.43	1.24	5.70	0.14	3.13
<b>October</b>	-0.31	6.61	0.11	1.28	0.04	2.26	0.54	4.50	0.71	8.63	0.25	-0.43	-0.51	3.21	0.57	6.58	-0.31	4.78	-0.07	3.37
<b>November</b>	0.25	6.61	-0.10	0.93	-0.61	1.74	0.10	5.24	0.15	8.68	-0.25	-0.82	0.03	3.50	0.79	7.39	-0.38	3.56	-0.70	3.04
<b>December</b>	-0.10	5.55	0.50	1.54	-0.18	1.05	0.44	5.91	0.35	8.58	0.32	-0.86	-0.19	2.98	0.10	7.70	0.09	3.55	-0.21	2.73
<b>Annual average</b>	<b>5.89</b>		<b>1.92</b>		<b>2.45</b>		<b>2.18</b>		<b>8.38</b>		<b>2.42</b>		<b>2.21</b>		<b>5.11</b>		<b>5.36</b>		<b>3.16</b>	

Source: INEI.  
Elaborated by the Department of Economic Studies, BCRP.





APPENDIX 24  
**WHOLESALE PRICE INDEX**  
 (% change)

	2004		2005		2006		2007		2008		2009		2010		2011		2012		2013	
	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months
<b>January</b>	0.55	2.73	0.36	4.69	0.49	3.73	-0.34	0.50	0.28	5.89	-1.51	6.85	0.82	-2.81	0.97	4.73	-0.52	4.69	-0.78	-0.85
<b>February</b>	1.27	3.58	-0.35	3.01	-0.19	3.90	-0.48	0.20	1.12	7.59	-1.55	4.03	0.07	-1.22	0.64	5.33	0.13	4.16	0.08	-0.90
<b>March</b>	0.99	3.75	0.33	2.34	0.38	3.95	0.41	0.24	0.82	8.03	-0.50	2.67	0.26	-0.47	0.67	5.75	0.61	4.10	0.28	-1.22
<b>April</b>	0.60	4.60	0.12	1.85	0.43	4.27	0.30	0.12	0.29	8.01	-0.70	1.66	0.24	0.48	1.11	6.67	0.12	3.08	0.05	-1.29
<b>May</b>	0.65	5.42	0.25	1.44	-0.21	3.79	0.88	1.21	1.19	8.34	-0.68	-0.22	0.81	1.98	0.30	6.14	-0.34	2.43	-0.30	-1.25
<b>June</b>	0.63	6.41	0.21	1.03	0.13	3.71	1.26	2.35	1.69	8.81	-0.38	-2.25	0.11	2.48	0.31	6.35	-0.07	2.05	0.82	-0.38
<b>July</b>	0.21	6.94	0.04	0.85	-0.09	3.57	0.75	3.22	1.09	9.17	0.05	-3.26	0.01	2.44	0.32	6.68	-0.84	0.87	0.97	1.44
<b>August</b>	-0.18	6.58	0.46	1.51	0.20	3.29	0.65	3.68	1.39	9.98	-0.42	-4.99	0.37	3.25	0.44	6.76	0.24	0.66	0.85	2.05
<b>September</b>	0.10	5.97	0.74	2.15	0.15	2.69	0.63	4.17	1.23	10.65	-0.06	-6.21	0.22	3.54	0.67	7.24	0.40	0.39	0.52	2.17
<b>October</b>	-0.02	5.77	0.55	2.74	0.06	2.19	0.11	4.23	0.31	10.87	0.16	-6.35	0.16	3.54	0.21	7.30	0.02	0.20	-0.41	1.73
<b>November</b>	0.35	5.94	-0.05	2.33	-0.20	2.04	0.22	4.67	-0.13	10.47	-0.07	-6.29	0.89	4.53	0.42	6.79	-0.23	-0.44	-0.40	1.54
<b>December</b>	-0.35	4.89	0.88	3.60	0.19	1.33	0.73	5.24	-0.81	8.79	0.50	-5.05	0.53	4.57	0.03	6.26	-0.12	-0.59	-0.11	1.55
<b>Annual average</b>	<b>5.21</b>		<b>2.29</b>		<b>3.19</b>		<b>2.49</b>		<b>8.91</b>		<b>-1.76</b>		<b>1.83</b>		<b>6.34</b>		<b>1.77</b>		<b>0.38</b>	

Source: INEI.  
 Elaborated by the Department of Economic Studies, BCRP.

## APPENDIX 2.5

NOMINAL EXCHANGE RATE<sup>1/</sup>  
(% change)

	2004		2005		2006		2007		2008		2009		2010		2011		2012		2013	
	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months
<b>January</b>	-0.1	-0.8	-0.4	-5.7	-0.9	3.8	-0.4	-5.9	-1.0	-7.6	1.2	6.8	-0.7	-9.3	-1.0	-2.4	-0.1	-3.4	-0.6	-5.2
<b>February</b>	0.5	0.0	-0.3	-6.4	-3.1	0.9	-0.1	-3.0	-1.5	-8.9	2.7	11.4	-0.1	-11.8	-0.6	-2.9	-0.3	-3.1	1.0	-3.9
<b>March</b>	-0.5	-0.4	0.0	-5.9	1.5	2.5	-0.1	-4.6	-3.2	-11.7	-1.9	12.9	-0.5	-10.6	0.3	-2.1	-0.5	-3.9	0.6	-2.9
<b>April</b>	0.1	0.1	0.0	-6.1	-0.2	2.3	-0.2	-4.6	-2.2	-13.5	-2.8	12.2	0.0	-7.9	1.3	-0.9	-0.5	-5.6	0.1	-2.2
<b>May</b>	0.5	0.2	-0.1	-6.7	-1.6	0.7	-0.3	-3.4	2.0	-11.4	-3.0	6.7	0.2	-5.0	-1.4	-2.5	0.5	-3.8	1.8	-0.9
<b>June</b>	-0.3	0.0	-0.1	-6.5	-0.5	0.3	0.1	-2.9	3.1	-8.8	-0.1	3.4	-0.3	-5.1	-0.4	-2.6	0.0	-3.4	3.9	2.9
<b>July</b>	-1.0	-0.9	0.0	-5.5	-0.6	-0.3	-0.3	-2.5	-1.5	-9.9	0.7	5.8	-0.5	-6.3	-0.8	-2.9	-1.3	-3.9	1.1	5.4
<b>August</b>	-1.3	-2.4	0.2	-4.1	-0.3	-0.7	-0.1	-2.4	1.6	-8.4	-2.1	2.0	-0.7	-5.0	-0.1	-2.2	-0.7	-4.5	0.9	7.1
<b>September</b>	-1.1	-3.5	1.6	-1.5	0.4	-1.8	-0.7	-3.4	2.5	-5.4	-1.4	-1.9	-0.4	-4.1	0.2	-1.7	-0.5	-5.1	-0.8	6.8
<b>October</b>	-1.1	-4.5	2.2	1.8	-0.3	-4.3	-3.7	-6.7	3.7	1.9	-1.3	-6.6	0.0	-2.8	-0.4	-2.1	-0.6	-5.3	-0.3	7.0
<b>November</b>	-0.3	-4.8	-0.1	2.0	-0.5	-4.6	-0.6	-6.9	0.5	3.0	0.5	-6.7	0.5	-2.8	-1.0	-3.6	0.4	-3.9	1.0	7.7
<b>December</b>	-0.9	-5.5	1.4	4.4	-0.5	-6.4	-0.7	-7.0	0.7	4.5	-0.3	-7.6	0.4	-2.2	-0.3	-4.2	-1.2	-4.8	-0.5	8.5
<b>Annual average</b>	<b>-1.9</b>	<b>-3.4</b>	<b>-0.7</b>	<b>-4.4</b>	<b>-6.5</b>	<b>2.9</b>	<b>-4.2</b>	<b>-6.2</b>	<b>-2.5</b>	<b>-4.2</b>	<b>-2.5</b>	<b>-4.2</b>	<b>-4.2</b>	<b>-4.2</b>	<b>-4.2</b>	<b>-4.2</b>	<b>-4.2</b>	<b>-4.2</b>	<b>-4.2</b>	<b>2.4</b>

<sup>1/</sup> Corresponds to bank selling exchange rate.

Source: SBS.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 26  
**REAL MULTILATERAL EXCHANGE RATE**  
(% change)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013										
	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months										
<b>January</b>	1.0	5.5	-0.4	-3.6	-0.1	5.6	-0.7	-2.6	0.2	-0.4	1.4	-4.0	-0.8	-1.8	-0.2	0.4	0.9	-4.5	-0.1	-5.8
<b>February</b>	-0.6	5.3	0.6	-2.4	-3.3	1.5	0.5	1.2	-0.8	-1.6	1.6	-1.7	-1.3	-4.6	0.1	1.8	1.0	-3.6	1.5	-5.3
<b>March</b>	-1.2	4.8	-0.3	-1.6	1.2	3.1	0.3	0.3	-2.1	-3.9	-2.6	-2.2	-0.1	-2.2	0.8	2.7	-1.3	-5.7	-1.0	-5.0
<b>April</b>	0.2	4.4	0.0	-1.9	0.3	3.4	0.9	0.9	-1.5	-6.2	-0.8	-1.4	0.4	-1.0	2.4	4.7	-1.1	-8.8	0.0	-3.9
<b>May</b>	-0.8	1.1	-0.2	-1.3	0.1	3.8	0.3	1.1	1.6	-5.0	-0.7	-3.7	-1.8	-2.1	-1.0	5.5	-0.9	-8.8	1.3	-1.8
<b>June</b>	-0.3	0.3	-1.2	-2.1	-1.4	3.5	0.1	2.6	3.0	-2.3	1.6	-5.0	-1.1	-4.7	-0.1	6.6	-1.1	-9.7	3.2	2.5
<b>July</b>	-0.7	0.2	-0.1	-1.5	-0.1	3.4	0.4	3.2	-1.2	-3.9	0.9	-2.9	0.7	-4.9	-0.9	5.0	-1.2	-10.0	0.1	3.8
<b>August</b>	-1.1	-0.7	1.9	1.5	0.4	1.9	-0.5	2.4	-0.8	-4.2	-0.8	-3.0	0.0	-4.1	0.0	5.0	-0.4	-10.3	0.6	4.9
<b>September</b>	-0.2	-1.6	2.6	4.3	0.3	-0.3	-0.1	2.0	-0.2	-4.3	-0.5	-3.2	0.8	-2.9	-2.1	1.9	0.3	-8.1	-0.3	4.3
<b>October</b>	0.0	-3.1	1.8	6.2	-0.4	-2.5	-2.3	0.0	-1.9	-3.9	-0.2	-1.5	2.5	-0.2	-1.6	-2.2	0.0	-6.7	0.6	5.0
<b>November</b>	1.1	-2.1	-0.8	4.2	0.6	-1.2	0.8	0.2	-2.2	-6.8	1.2	2.0	0.5	-1.0	-1.6	-4.2	0.0	-5.2	0.5	5.5
<b>December</b>	0.3	-2.3	1.3	5.3	0.6	-1.9	-1.0	-1.4	0.9	-5.0	-0.7	0.4	0.0	-0.3	-1.4	-5.5	-1.0	-4.8	-0.5	6.0
<b>Annual average</b>	<b>0.9</b>	<b>0.9</b>	<b>0.6</b>	<b>0.8</b>	<b>-4.0</b>	<b>-2.2</b>	<b>-2.5</b>	<b>1.7</b>	<b>-7.2</b>	<b>0.7</b>										

Source: SBS, IMF, INEI, and Reuters.  
Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 27  
EXCHANGE RATE  
(S/. per US\$)

	Period average				At the end of period			
	Bank rate 1/		Informal rate 2/		Bank rate 1/		Informal rate 2/	
	Bid	Ask	Bid	Ask	Bid	Ask	Bid	Ask
<b>2004</b>	<b>3.41</b>	<b>3.41</b>	<b>3.41</b>	<b>3.41</b>	<b>3.28</b>	<b>3.28</b>	<b>3.28</b>	<b>3.28</b>
<b>2005</b>	<b>3.29</b>	<b>3.30</b>	<b>3.29</b>	<b>3.29</b>	<b>3.43</b>	<b>3.43</b>	<b>3.42</b>	<b>3.43</b>
<b>2006</b>	<b>3.27</b>	<b>3.27</b>	<b>3.27</b>	<b>3.27</b>	<b>3.20</b>	<b>3.20</b>	<b>3.20</b>	<b>3.21</b>
<b>2007</b>	<b>3.13</b>	<b>3.13</b>	<b>3.13</b>	<b>3.13</b>	<b>3.00</b>	<b>3.00</b>	<b>2.99</b>	<b>2.99</b>
<b>2008</b>	<b>2.92</b>	<b>2.93</b>	<b>2.92</b>	<b>2.93</b>	<b>3.14</b>	<b>3.14</b>	<b>3.12</b>	<b>3.13</b>
<b>2009</b>	<b>3.01</b>	<b>3.01</b>	<b>3.01</b>	<b>3.01</b>	<b>2.89</b>	<b>2.89</b>	<b>2.88</b>	<b>2.88</b>
<b>2010</b>	<b>2.82</b>	<b>2.83</b>	<b>2.82</b>	<b>2.83</b>	<b>2.81</b>	<b>2.81</b>	<b>2.81</b>	<b>2.81</b>
<b>2011</b>	<b>2.75</b>	<b>2.75</b>	<b>2.75</b>	<b>2.75</b>	<b>2.70</b>	<b>2.70</b>	<b>2.70</b>	<b>2.70</b>
January	2.79	2.79	2.79	2.80	2.77	2.77	2.77	2.78
February	2.77	2.77	2.77	2.77	2.77	2.77	2.77	2.77
March	2.78	2.78	2.77	2.78	2.81	2.81	2.80	2.80
April	2.82	2.82	2.82	2.82	2.82	2.82	2.83	2.83
May	2.77	2.78	2.79	2.79	2.77	2.77	2.77	2.77
June	2.76	2.76	2.77	2.77	2.75	2.75	2.76	2.76
July	2.74	2.74	2.74	2.75	2.74	2.74	2.74	2.74
August	2.74	2.74	2.73	2.74	2.73	2.73	2.73	2.73
September	2.74	2.74	2.74	2.74	2.77	2.77	2.76	2.77
October	2.73	2.73	2.74	2.74	2.71	2.71	2.72	2.72
November	2.70	2.71	2.70	2.71	2.70	2.70	2.70	2.70
December	2.70	2.70	2.69	2.70	2.70	2.70	2.70	2.70
<b>2012</b>	<b>2.64</b>	<b>2.64</b>	<b>2.64</b>	<b>2.64</b>	<b>2.55</b>	<b>2.55</b>	<b>2.55</b>	<b>2.55</b>
January	2.69	2.69	2.69	2.69	2.69	2.69	2.69	2.69
February	2.68	2.68	2.68	2.68	2.68	2.68	2.67	2.68
March	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67
April	2.66	2.66	2.66	2.66	2.64	2.64	2.64	2.65
May	2.67	2.67	2.66	2.66	2.71	2.71	2.70	2.70
June	2.67	2.67	2.67	2.67	2.67	2.67	2.66	2.66
July	2.63	2.64	2.64	2.64	2.63	2.63	2.63	2.63
August	2.62	2.62	2.62	2.62	2.61	2.61	2.61	2.61
September	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
October	2.59	2.59	2.58	2.58	2.59	2.59	2.59	2.59
November	2.60	2.60	2.60	2.60	2.58	2.58	2.59	2.59
December	2.57	2.57	2.57	2.57	2.55	2.55	2.55	2.55
<b>2013</b>	<b>2.70</b>	<b>2.70</b>	<b>2.70</b>	<b>2.71</b>	<b>2.79</b>	<b>2.80</b>	<b>2.80</b>	<b>2.80</b>
January	2.55	2.55	2.55	2.55	2.58	2.58	2.56	2.57
February	2.58	2.58	2.57	2.57	2.59	2.59	2.58	2.59
March	2.59	2.59	2.59	2.60	2.59	2.59	2.59	2.59
April	2.60	2.60	2.60	2.60	2.65	2.65	2.63	2.64
May	2.64	2.65	2.64	2.64	2.73	2.73	2.72	2.73
June	2.75	2.75	2.75	2.75	2.78	2.78	2.79	2.80
July	2.78	2.78	2.78	2.78	2.79	2.79	2.79	2.79
August	2.80	2.80	2.81	2.81	2.81	2.81	2.82	2.82
September	2.78	2.78	2.79	2.79	2.78	2.78	2.78	2.78
October	2.77	2.77	2.77	2.77	2.77	2.77	2.76	2.76
November	2.80	2.80	2.80	2.80	2.80	2.80	2.81	2.81
December	2.78	2.79	2.79	2.79	2.79	2.80	2.80	2.80

1/ Corresponds to the exchange rate by SBS.

2/ Corresponds to the exchange rate by Reuters.

Source: SBS.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 28

REAL EXCHANGE RATE

(% change of period average data)<sup>1/</sup>

	NOMINAL EXCHANGE RATE INDEX (S./. x US\$)		US INFLATION		REAL BILATERAL EXCHANGE RATE INDEX 2/		NOMINAL EXCHANGE RATE INDEX (S./. x BASKET)		EXTERNAL INFLATION		MULTILATERAL EXCHANGE RATE INDEX 3/	
	Base: 2009 = 100		Base: 2009 = 100		Base: 2009 = 100		Base: 2009 = 100		Base: 2009 = 100		Base: 2009 = 100	
	Bid	Ask	Average		Bid	Ask	Average		Multilateral 3/			
2004	-1.9	-1.9	-1.9	2.7	-2.8	-2.8	-2.8	1.6	3.0		0.9	
2005	-3.4	-3.4	-3.4	3.4	-1.7	-1.7	-1.7	-0.6	2.7		0.6	
2006	-0.7	-0.7	-0.7	3.2	0.5	0.5	0.5	1.1	2.5		1.6	
2007	-4.4	-4.4	-4.4	2.9	-3.4	-3.4	-3.4	-0.5	3.2		0.8	
2008	-6.5	-6.5	-6.5	3.8	-8.3	-8.3	-8.3	-3.0	4.7		-4.0	
2009	3.0	2.9	3.0	-0.4	-0.3	-0.3	-0.3	-0.2	0.9		-2.2	
2010	-6.2	-6.2	-6.2	1.6	-6.1	-6.1	-6.1	-3.3	2.4		-2.5	
2011	-2.5	-2.5	-2.5	3.2	-2.7	-2.7	-2.7	1.4	3.7		1.7	
January	-1.0	-1.0	-1.0	0.5	-0.9	-0.9	-0.9	-0.3	0.5		-0.2	
February	-0.6	-0.6	-0.6	0.5	-0.5	-0.5	-0.5	0.0	0.6		0.1	
March	0.3	0.3	0.3	1.0	0.6	0.6	0.6	1.0	0.5		0.8	
April	1.3	1.3	1.3	0.6	1.3	1.3	1.3	2.6	0.4		2.4	
May	-1.4	-1.4	-1.4	0.5	-1.0	-1.0	-1.0	-1.3	0.2		-1.0	
June	-0.4	-0.4	-0.4	-0.1	-0.6	-0.6	-0.6	0.0	0.0		-0.1	
July	-0.8	-0.8	-0.8	-0.1	-1.5	-1.5	-1.5	-0.3	0.2		-0.9	
August	-0.1	-0.1	-0.1	0.3	-0.1	-0.1	-0.1	0.0	0.3		0.0	
September	0.2	0.2	0.2	0.2	0.0	0.0	0.0	-2.1	0.3		-2.1	
October	-0.4	-0.4	-0.4	-0.2	-1.0	-1.0	-1.0	-1.4	0.1		-1.6	
November	-1.0	-1.0	-1.0	-0.1	-1.5	-1.5	-1.5	-1.2	0.0		-1.6	
December	-0.3	-0.3	-0.3	-0.2	-0.8	-0.8	-0.8	-1.2	0.1		-1.4	
2012	-4.2	-4.2	-4.2	2.1	-5.7	-5.7	-5.7	-6.2	2.6		-7.2	
January	-0.1	-0.1	-0.1	0.4	0.4	0.4	0.4	0.2	0.5		0.9	
February	-0.3	-0.3	-0.3	0.4	-0.2	-0.2	-0.2	1.0	0.3		1.0	
March	-0.5	-0.5	-0.5	0.8	-0.5	-0.5	-0.5	-1.0	0.4		-1.3	
April	-0.5	-0.5	-0.5	0.3	-0.8	-0.8	-0.8	-0.8	0.2		-1.1	
May	0.5	0.5	0.5	-0.1	0.3	0.3	0.3	-0.8	-0.1		-0.9	
June	0.1	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.9	-0.2		-1.1	
July	-1.3	-1.3	-1.3	-0.2	-1.6	-1.6	-1.6	-1.2	0.0		-1.2	
August	-0.7	-0.7	-0.7	0.6	-0.7	-0.7	-0.7	-0.3	0.4		-0.4	
September	-0.5	-0.5	-0.5	0.4	-0.6	-0.6	-0.6	0.4	0.4		0.3	
October	-0.6	-0.6	-0.6	0.0	-0.5	-0.5	-0.5	-0.3	0.1		0.0	
November	0.4	0.4	0.4	-0.5	0.1	0.1	0.1	-0.1	-0.1		0.0	
December	-1.2	-1.2	-1.2	-0.3	-1.7	-1.7	-1.7	-0.9	0.2		-1.0	
2013	2.4	2.4	2.4	1.5	1.1	1.1	1.1	1.4	2.1		0.7	
January	-0.6	-0.6	-0.6	0.3	-0.4	-0.4	-0.4	-0.4	0.4		-0.1	
February	1.0	1.0	1.0	0.8	1.9	1.9	1.9	0.8	0.6		1.5	
March	0.6	0.6	0.6	0.3	0.0	0.0	0.0	-0.1	0.0		-1.0	
April	0.1	0.1	0.1	-0.1	-0.2	-0.2	-0.2	1.5	0.0		0.0	
May	1.8	1.8	1.8	0.2	1.8	1.8	1.8	3.3	0.1		1.3	
June	3.9	3.9	3.9	0.2	3.9	3.9	3.9	0.5	0.1		3.2	
July	1.0	1.1	1.1	0.0	0.6	0.6	0.6	0.5	0.1		0.6	
August	0.9	0.9	0.9	0.1	0.5	0.5	0.5	0.9	0.2		0.6	
September	-0.8	-0.8	-0.8	0.1	-0.8	-0.8	-0.8	-0.5	0.3		-0.3	
October	-0.3	-0.3	-0.3	-0.3	-0.6	-0.6	-0.6	0.6	0.0		0.6	
November	1.0	1.0	1.0	-0.2	1.1	1.1	1.1	0.2	0.0		0.5	
December	-0.5	-0.5	-0.5	0.0	-0.6	-0.6	-0.6	-0.5	-0.2		-0.5	

1/ For the monthly data, the change is compared to the previous month.

2/ Using the United States Consumer Price Index (CPI)

3/ Weighted according to the structure of trade in 2013 since this publication. Source: SBS, IMF, INEI, and Reuters.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 29  
**REAL BILATERAL AND MULTILATERAL EXCHANGE RATE**  
 (Period average data)

	NOMINAL EXCHANGE RATE INDEX (S/. x US\$)		US INFLATION		REAL BILATERAL EXCHANGE RATE INDEX 1/		NOMINAL EXCHANGE RATE INDEX (S/. x BASKET)		EXTERNAL INFLATION		REAL MULTILATERAL EXCHANGE RATE 2/	
	Base: 2009 = 100		Base: 2009 = 100		Base: 2009 = 100		Base: 2009 = 100		Base: 2009 = 100		Base: 2009 = 100	
	Bid	Ask	Average		Bid	Ask	Average		Multilateral 2/			
2004	113.3	113.3	113.3	88.0	114.6	114.6	103.3	87.1	103.3	87.1	103.3	
2005	109.4	109.4	109.4	91.0	112.6	112.6	102.7	89.5	102.7	89.5	103.9	
2006	108.7	108.7	108.7	94.0	113.2	113.2	103.8	91.8	103.8	91.8	105.6	
2007	103.9	103.9	103.9	96.6	109.3	109.3	103.3	94.7	103.3	94.7	106.5	
2008	97.1	97.1	97.1	100.4	100.3	100.3	100.2	99.1	100.2	99.1	102.3	
2009	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
2010	93.8	93.8	93.8	101.6	93.9	93.9	96.7	102.4	96.7	102.4	97.5	
2011	91.5	91.5	91.5	104.8	91.4	91.4	98.0	106.2	98.0	106.2	99.2	
January	92.5	92.5	92.5	102.7	92.6	92.6	97.6	104.4	97.6	104.4	99.3	
February	92.0	92.0	92.0	103.2	92.2	92.2	97.6	105.0	97.6	105.0	99.5	
March	92.3	92.3	92.3	104.2	92.7	92.7	98.6	105.5	98.6	105.5	100.2	
April	93.5	93.5	93.5	104.8	93.9	93.9	101.2	105.9	101.2	105.9	102.6	
May	92.1	92.1	92.1	105.3	93.0	93.0	99.9	106.1	99.9	106.1	101.6	
June	91.8	91.8	91.8	105.2	92.4	92.4	99.9	106.2	99.9	106.2	101.5	
July	91.0	91.0	91.0	105.3	91.0	91.0	99.6	106.4	99.6	106.4	100.6	
August	91.0	91.0	91.0	105.6	91.0	91.0	99.6	106.7	99.6	106.7	100.6	
September	91.1	91.1	91.1	105.8	91.0	91.0	97.5	107.0	97.5	107.0	98.4	
October	90.7	90.7	90.7	105.5	90.1	90.1	96.1	107.1	96.1	107.1	96.9	
November	89.8	89.8	89.8	105.5	88.7	88.7	95.0	107.2	95.0	107.2	95.4	
December	89.5	89.5	89.5	105.2	88.0	88.0	93.8	107.3	93.8	107.3	94.1	
2012	87.6	87.6	87.6	107.0	86.2	86.2	91.9	109.0	91.9	109.0	92.1	
January	89.4	89.4	89.4	105.7	88.4	88.4	94.1	107.9	94.1	107.9	94.9	
February	89.1	89.1	89.1	106.1	88.2	88.2	95.0	108.2	95.0	108.2	95.9	
March	88.7	88.7	88.7	106.9	87.7	87.7	94.1	108.7	94.1	108.7	94.6	
April	88.2	88.2	88.2	107.2	87.1	87.1	93.3	108.9	93.3	108.9	93.5	
May	88.6	88.6	88.6	107.1	87.3	87.3	92.6	108.8	92.6	108.8	92.7	
June	88.7	88.7	88.7	107.0	87.3	87.3	91.7	108.6	91.7	108.6	91.7	
July	87.5	87.5	87.5	106.8	85.9	85.9	90.6	108.7	90.6	108.7	90.6	
August	86.9	86.9	86.9	107.4	85.3	85.3	90.3	109.1	90.3	109.1	90.2	
September	86.4	86.4	86.4	107.9	84.8	84.8	90.7	109.6	90.7	109.6	90.4	
October	85.9	85.9	85.9	107.8	84.4	84.4	90.4	109.7	90.4	109.7	90.4	
November	86.3	86.3	86.3	107.3	84.5	84.5	89.4	109.6	89.4	109.6	90.4	
December	85.2	85.2	85.2	107.0	83.0	83.0	89.6	109.8	89.6	109.8	89.5	
2013	89.7	89.7	89.7	108.6	87.1	87.1	93.2	111.3	93.2	111.3	92.7	
January	84.7	84.7	84.7	107.3	82.7	82.7	89.2	110.2	89.2	110.2	89.4	
February	85.6	85.6	85.6	108.2	84.3	84.3	90.0	110.9	90.0	110.9	90.8	
March	86.1	86.1	86.1	108.5	84.3	84.3	89.9	110.9	89.9	110.9	89.9	
April	86.3	86.3	86.3	108.4	84.1	84.1	90.0	111.0	90.0	111.0	89.9	
May	87.8	87.8	87.8	108.6	85.6	85.6	91.4	111.0	91.4	111.0	91.0	
June	91.2	91.2	91.2	108.8	88.9	88.9	94.4	111.1	94.4	111.1	93.9	
July	92.2	92.2	92.2	108.9	89.4	89.4	94.9	111.2	94.9	111.2	94.0	
August	93.0	93.0	93.0	109.0	89.8	89.8	95.8	111.5	95.8	111.5	94.6	
September	92.2	92.2	92.2	109.1	89.1	89.1	95.3	111.9	95.3	111.9	94.3	
October	91.9	91.9	91.9	108.9	88.5	88.5	95.9	111.9	95.9	111.9	94.9	
November	92.9	92.9	92.9	108.6	89.5	89.5	96.1	111.9	96.1	111.9	95.4	
December	92.5	92.5	92.5	108.6	88.9	88.9	95.6	112.1	88.9	112.1	94.9	

1/ Using the United States Consumer Price Index (CPI)

2/ Weighted according to the structure of trade in 2013 since this publication.

Source: SBS, IMF, INEI, and Reuters.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 30  
**EXCHANGE RATE OF MAIN CURRENCIES AGAINST THE NUEVO SOL 1/**  
**Nuevos soles per monetary unit**  
 (Period average data)

	US dollar (US\$)	Euro (€)	Yen (¥)	Brazilian Real (R)	Pound (£)	Chilean Peso (\$)	Mexican Peso (\$)	Argentinian Peso (\$)	Canadian dollar (Can\$)	Basket 2/
2004	3.41	4.24	0.03	1.17	6.25	0.01	0.30	1.17	2.63	0.58
2005	3.30	4.10	0.03	1.36	6.00	0.01	0.30	1.14	2.72	0.57
2006	3.27	4.11	0.03	1.51	6.03	0.01	0.30	1.07	2.89	0.58
2007	3.13	4.28	0.03	1.61	6.26	0.01	0.29	1.01	2.92	0.58
2008	2.92	4.29	0.03	1.62	5.42	0.01	0.26	0.93	2.75	0.56
2009	3.01	4.19	0.03	1.52	4.70	0.01	0.22	0.81	2.64	0.56
2010	2.83	3.75	0.03	1.61	4.37	0.01	0.22	0.73	2.74	0.54
2011	2.75	3.83	0.03	1.65	4.41	0.01	0.22	0.67	2.79	0.55
2012	2.64	3.39	0.03	1.36	4.17	0.01	0.20	0.58	2.64	0.51
2013	2.70	3.59	0.03	1.26	4.23	0.01	0.21	0.50	2.62	0.52

1/ Calculated from average exchange rates purchase - sale of various currencies against the US dollar.

2/ Includes currency basket with the top 20 trading partners of Peru.

Source: IMF and Reuters.

Elaborated by the Department of Economic Studies, BCRP.

**APPENDIX 31**  
**EXCHANGE RATE OF THE MAIN CURRENCIES AGAINST THE US DOLLAR AND INTERNATIONAL INTERESTS RATES**  
 (Period average data)

	Euro (€)	Yen (¥)	Brazilian Real (R)	Pound (£)	Chilean Peso (\$)	Mexican Peso (\$)	Argentinian Peso (\$)	SDR 1/	3 months Libor US\$ (%)	3 months Libor Euro (%)
2004	0.805	108.193	2.925	0.546	609.529	11.286	2.923	1.481	1.619	2.105
2005	0.804	110.218	2.434	0.550	559.768	10.898	2.904	1.477	3.558	2.185
2006	0.797	116.299	2.175	0.543	530.275	10.899	3.054	1.471	5.194	3.080
2007	0.731	117.754	1.947	0.500	522.464	10.928	3.096	1.531	5.296	4.277
2008	0.683	103.359	1.834	0.544	522.461	11.130	3.144	1.580	2.910	4.631
2009	0.720	93.570	1.999	0.642	560.860	13.513	3.710	1.542	0.693	1.211
2010	0.755	87.780	1.759	0.647	510.249	12.636	3.896	1.526	0.343	0.751
2011	0.719	79.807	1.673	0.624	483.668	12.423	4.110	1.579	0.337	1.336
2012	0.778	79.790	1.953	0.633	486.471	13.169	4.537	1.532	0.430	0.490
2013	0.753	97.596	2.156	0.640	495.273	12.772	5.459	1.520	0.267	0.153

1/ US dollars per SDR.  
 Source: IMF and Reuters.  
 Elaborated by the Department of Economic Studies, BCRP.





**APPENDIX 32**  
**EXCHANGE RATE OF THE MAIN CURRENCIES AGAINST THE US DOLLAR AND INTERNATIONAL INTERESTS RATES**  
 (End of period data)

	Euro (€)	Yen (¥)	Brazilian Real (R)	Pound (£)	Chilean Peso (\$)	Mexican Peso (\$)	Argentinian Peso (\$)	SDR 1/ 1/	3 month Libor US\$ (%)	Libor Euro 3 Month (%)
2004	0.738	102.465	2.656	0.521	555.750	11.135	2.973	1.553	2.564	2.154
2005	0.844	117.960	2.338	0.581	514.300	10.629	3.048	1.429	4.536	2.487
2006	0.758	119.020	2.137	0.510	532.350	10.803	3.089	1.504	5.360	3.723
2007	0.685	111.355	1.780	0.504	497.950	10.909	3.171	1.578	4.703	4.679
2008	0.715	90.610	2.315	0.684	638.000	13.666	3.475	1.548	1.425	2.894
2009	0.698	92.915	1.743	0.619	507.450	13.064	3.858	1.568	0.251	0.655
2010	0.747	81.175	1.660	0.641	468.000	12.358	3.970	1.540	0.303	0.939
2011	0.772	76.960	1.863	0.644	519.500	13.955	4.303	1.535	0.581	1.292
2012	0.758	86.745	2.049	1.625	478.710	12.866	4.916	1.537	0.306	0.129
2013	0.727	105.315	2.362	1.656	525.450	13.037	6.518	1.540	0.246	0.266

1/ US dollars per SDR.  
 Source: IMF and Reuters.  
 Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 33  
BALANCE OF PAYMENTS  
(Million US\$)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. CURRENT ACCOUNT BALANCE</b>	<b>60</b>	<b>1,159</b>	<b>2,912</b>	<b>1,521</b>	<b>-5,285</b>	<b>-614</b>	<b>-3,545</b>	<b>-3,177</b>	<b>-6,281</b>	<b>-9,126</b>
1. Trade balance	3,004	5,286	8,986	8,503	2,569	6,060	6,988	9,224	5,232	-40
a. FOB Exports	12,809	17,368	23,830	28,094	31,018	27,071	35,803	46,376	46,367	42,177
b. FOB Imports	-9,805	-12,082	-14,844	-19,591	-28,449	-21,011	-28,815	-37,152	-41,135	-42,217
2. Services	-732	-834	-737	-1,192	-2,056	-1,176	-2,353	-2,244	-2,420	-1,801
a. Exports	1,993	2,289	2,660	3,152	3,649	3,636	3,693	4,264	4,915	5,814
b. Imports	-2,725	-3,123	-3,397	-4,344	-5,704	-4,812	-6,046	-6,508	-7,335	-7,615
3. Investment income	-3,645	-5,065	-7,522	-8,299	-8,742	-8,385	-11,205	-13,357	-12,399	-10,631
a. Private	-2,758	-4,238	-6,870	-7,895	-8,746	-8,450	-10,976	-12,821	-11,670	-9,773
b. Public	-888	-827	-652	-403	4	65	-230	-537	-729	-858
4. Current transfers	1,433	1,772	2,185	2,508	2,943	2,887	3,026	3,201	3,307	3,346
which: Remittances	1,133	1,440	1,837	2,131	2,444	2,409	2,534	2,697	2,788	2,707
<b>II. FINANCIAL ACCOUNT</b>	<b>2,091</b>	<b>211</b>	<b>273</b>	<b>8,497</b>	<b>8,624</b>	<b>2,287</b>	<b>13,638</b>	<b>8,716</b>	<b>19,812</b>	<b>11,407</b>
1. Private sector	983	896	2,495	8,154	9,569	4,200	11,467	9,271	15,792	14,881
a. Assets	-258	-868	-1,327	-1,052	-535	-3,586	-1,304	-1,597	-2,408	-1,291
b. Liabilities	1,240	1,764	3,822	9,207	10,104	7,786	12,771	10,868	18,200	16,173
2. Public sector	879	-449	-993	-1,722	-1,507	172	2,429	662	1,447	-1,350
a. Assets	-159	-378	-125	-166	65	-320	-37	-273	-457	113
b. Liabilities 2/	1,037	-71	-869	-1,556	-1,572	492	2,466	935	1,904	-1,463
3. Short-term capital	230	-236	-1,229	2,065	562	-2,085	-258	-1,217	2,572	-2,125
a. Assets	-8	-671	-927	-1,046	416	601	-1,844	-1,258	0	356
b. Liabilities	238	435	-302	3,111	146	-1,484	1,587	42	2,572	-2,481
<b>III. EXCEPTIONAL FINANCING</b>	<b>26</b>	<b>100</b>	<b>27</b>	<b>67</b>	<b>57</b>	<b>36</b>	<b>19</b>	<b>33</b>	<b>19</b>	<b>5</b>
<b>IV. NET ERRORS AND OMISSIONS</b>	<b>174</b>	<b>158</b>	<b>-459</b>	<b>-430</b>	<b>-226</b>	<b>-666</b>	<b>1,079</b>	<b>-886</b>	<b>1,257</b>	<b>622</b>
<b>V. RESULT OF THE BALANCE OF PAYMENTS</b>	<b>2,351</b>	<b>1,628</b>	<b>2,753</b>	<b>9,654</b>	<b>3,169</b>	<b>1,043</b>	<b>11,192</b>	<b>4,686</b>	<b>14,806</b>	<b>2,907</b>
(V = I + II + III + IV) = (1-2)										
1. Change in the balance of NIRS	2,437	1,466	3,178	10,414	3,507	1,939	10,970	4,711	15,176	1,672
2. Valuation effect	86	-162	425	760	338	896	-222	25	369	-1,235

1/ Preliminary data.

2/ Government bonds issued abroad and in the hands of residents are excluded from foreign liabilities of the public sector. Government bonds issued locally, in the hands of non-residents, are included foreign liabilities of this sector.

Source: BCRP, MEF, SBS, SUNAT, Mincetur, Promperú, Ministry of Foreign Affairs, Cofide, ONP, FCR, Tacna Free Trade Zone, Banco de la Nación, Cavali S.A. ICLV, Proinversión, Bank for International Settlements (BIS), and companies.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 34  
BALANCE OF PAYMENTS  
(% GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. CURRENT ACCOUNT BALANCE</b>	<b>0.1</b>	<b>1.6</b>	<b>3.3</b>	<b>1.5</b>	<b>-4.3</b>	<b>-0.5</b>	<b>-2.4</b>	<b>-1.9</b>	<b>-3.3</b>	<b>-4.5</b>
1. Trade balance	4.6	7.1	10.3	8.3	2.1	5.0	4.7	5.4	2.7	0.0
a. FOB Exports	19.5	23.4	27.2	27.4	25.5	22.2	24.1	27.2	24.0	20.8
b. FOB Imports	-14.9	-16.3	-17.0	-19.1	-23.3	-17.3	-19.4	-21.8	-21.3	-20.9
2. Services	-1.1	-1.1	-0.8	-1.2	-1.7	-1.0	-1.6	-1.3	-1.3	-0.9
a. Exports	3.0	3.1	3.0	3.1	3.0	3.0	2.5	2.5	2.5	2.9
b. Imports	-4.1	-4.2	-3.9	-4.2	-4.7	-4.0	-4.1	-3.8	-3.8	-3.8
3. Investment income	-5.5	-6.8	-8.6	-8.1	-7.2	-6.9	-7.5	-7.8	-6.4	-5.3
a. Private	-4.2	-5.7	-7.8	-7.7	-7.2	-6.9	-7.4	-7.5	-6.0	-4.8
b. Public	-1.4	-1.1	-0.7	-0.4	0.0	0.1	-0.2	-0.3	-0.4	-0.4
4. Current transfers	2.2	2.4	2.5	2.4	2.4	2.4	2.0	1.9	1.7	1.7
of which: Remittances	1.7	1.9	2.1	2.1	2.0	2.0	1.7	1.6	1.4	1.3
<b>II. FINANCIAL ACCOUNT</b>	<b>3.2</b>	<b>0.3</b>	<b>0.3</b>	<b>8.3</b>	<b>7.1</b>	<b>1.9</b>	<b>9.2</b>	<b>5.1</b>	<b>10.3</b>	<b>5.6</b>
1. Private sector	1.5	1.2	2.8	8.0	7.9	3.5	7.7	5.4	8.2	7.4
a. Assets	-0.4	-1.2	-1.5	-1.0	-0.4	-2.9	-0.9	-0.9	-1.2	-0.6
b. Liabilities	1.9	2.4	4.4	9.0	8.3	6.4	8.6	6.4	9.4	8.0
2. Public sector	1.3	-0.6	-1.1	-1.7	-1.2	0.1	1.6	0.4	0.8	-0.7
a. Assets	-0.2	-0.5	-0.1	-0.2	0.1	-0.3	0.0	-0.2	-0.2	0.1
b. Liabilities 2/	1.6	-0.1	-1.0	-1.5	-1.3	0.4	1.7	0.5	1.0	-0.7
3. Short-term capital	0.3	-0.3	-1.4	2.0	0.5	-1.7	-0.2	-0.7	1.3	-1.1
a. Assets	0.0	-0.9	-1.1	-1.0	0.3	-0.5	-1.2	-0.7	0.0	0.2
b. Liabilities	0.4	0.6	-0.3	3.0	0.1	-1.2	1.1	0.0	1.3	-1.2
<b>III. EXCEPTIONAL FINANCING</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>IV. NET ERRORS AND OMISSIONS</b>	<b>0.3</b>	<b>0.2</b>	<b>-0.5</b>	<b>-0.4</b>	<b>-0.2</b>	<b>-0.5</b>	<b>0.7</b>	<b>-0.5</b>	<b>0.7</b>	<b>0.3</b>
<b>V. RESULT OF THE BALANCE OF PAYMENTS</b>	<b>3.6</b>	<b>2.2</b>	<b>3.1</b>	<b>9.4</b>	<b>2.6</b>	<b>0.9</b>	<b>7.5</b>	<b>2.7</b>	<b>7.7</b>	<b>1.4</b>
(V = I + II + III + IV) = (1-2)										
1. Change in the balance of NIRS	3.7	2.0	3.6	10.2	2.9	1.6	7.4	2.8	7.9	0.8
2. Valuation effect	0.1	-0.2	0.5	0.7	0.3	0.7	-0.1	0.0	0.2	-0.6
Memo:										
GDP (million US\$)	65,716	74,159	87,564	102,371	121,844	121,699	148,649	170,746	192,905	202,336
1/ Preliminary data.										
2/ Government bonds issued abroad and in the hands of residents are excluded from foreign liabilities of the public sector. Government bonds issued locally, in the hands of non-residents, are included foreign liabilities of this sector.										
Source: BCRP, MEF, SBS, SUNAT, Mincetur, Promperú, Ministry of Foreign Affairs, Cofide, ONP, FCR, Tacna Free Trade Zone, Banco de la Nación, Cavali S.A. ICLV, Proinversión, Bank for International Settlements (BIS), and companies.										
Elaborated by the Department of Economic Studies, BCRP.										

APPENDIX 35  
**TRADE BALANCE**  
 (FOB values in million US\$)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>1. EXPORTS</b>	<b>12,809</b>	<b>17,368</b>	<b>23,830</b>	<b>28,094</b>	<b>31,018</b>	<b>27,071</b>	<b>35,803</b>	<b>46,376</b>	<b>46,367</b>	<b>42,177</b>
Traditional products	9,199	12,950	18,461	21,666	23,266	20,720	27,850	35,896	34,825	30,954
Non-traditional products	3,479	4,277	5,279	6,313	7,562	6,196	7,699	10,176	11,197	10,985
Others	131	141	91	114	190	154	254	304	345	238
<b>2. IMPORTS</b>	<b>9,805</b>	<b>12,082</b>	<b>14,844</b>	<b>19,591</b>	<b>28,449</b>	<b>21,011</b>	<b>28,815</b>	<b>37,152</b>	<b>41,135</b>	<b>42,217</b>
Consumer goods	1,995	2,308	2,616	3,189	4,520	3,962	5,489	6,734	8,252	8,837
Inputs	5,364	6,600	7,981	10,429	14,556	10,076	14,023	18,332	19,273	19,512
Capital goods	2,361	3,064	4,123	5,854	9,233	6,850	9,074	11,730	13,347	13,654
Others	85	110	123	119	140	122	229	356	262	213
<b>3. TRADE BALANCE</b>	<b>3,004</b>	<b>5,286</b>	<b>8,986</b>	<b>8,503</b>	<b>2,569</b>	<b>6,060</b>	<b>6,988</b>	<b>9,224</b>	<b>5,232</b>	<b>- 40</b>
Memo:										
<b>Annual % change: 2/</b>										
Index of X prices	26.4	18.5	36.3	14.1	3.8	- 12.7	30.4	21.5	- 2.2	- 5.5
Index of M prices	11.0	11.6	6.4	9.4	16.5	- 10.6	7.8	13.3	- 0.2	- 0.8
Terms of trade	13.9	6.1	28.1	4.3	- 10.9	- 2.4	21.0	7.2	- 2.1	- 4.7
Index of X volume	11.5	14.4	0.7	3.4	6.4	0.0	1.4	6.6	2.2	- 3.8
Index of M volume	7.6	10.4	15.4	20.7	24.6	- 17.4	27.3	13.8	10.9	3.5
Index of X value	40.9	35.6	37.2	17.9	10.4	- 12.7	32.3	29.5	0.0	- 9.0
Index of M value	19.5	23.2	22.9	32.0	45.2	- 26.1	37.1	28.9	10.7	2.6

1/ Preliminary data.

2/ X: Exports; M: Imports.

Source: BCRP, SUNAT, Tacna Free Trade Zone, Banco de la Nación, and companies.  
 Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 36  
**EXPORTS BY GROUP OF PRODUCTS**  
 (FOB values in million US\$)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
								1/	1/	1/
<b>1. Traditional products</b>	<b>9,199</b>	<b>12,950</b>	<b>18,461</b>	<b>21,666</b>	<b>23,266</b>	<b>20,720</b>	<b>27,850</b>	<b>35,896</b>	<b>34,825</b>	<b>30,954</b>
Fishing	1,104	1,303	1,335	1,460	1,797	1,683	1,884	2,114	2,312	1,707
Agriculture	325	331	574	460	686	634	975	1,689	1,095	785
Mining	7,124	9,790	14,735	17,439	18,101	16,482	21,903	27,526	26,423	23,257
Oil and Natural gas	646	1,526	1,818	2,306	2,681	1,921	3,088	4,568	4,996	5,205
<b>2. Non-traditional products</b>	<b>3,479</b>	<b>4,277</b>	<b>5,279</b>	<b>6,313</b>	<b>7,562</b>	<b>6,196</b>	<b>7,699</b>	<b>10,176</b>	<b>11,197</b>	<b>10,985</b>
Agriculture and livestock	801	1,008	1,220	1,512	1,913	1,828	2,203	2,836	3,083	3,434
Fishing	277	323	433	500	622	518	644	1,049	1,017	1,028
Textiles	1,092	1,275	1,473	1,736	2,026	1,495	1,561	1,990	2,177	1,926
Wood and paper manufacture	214	261	333	362	428	336	359	402	438	426
Chemicals	415	538	602	805	1,041	838	1,228	1,655	1,636	1,503
Non-metallic minerals	94	118	135	165	176	148	252	492	722	720
Basic metal industries and jewelry	391	493	829	906	909	571	949	1,130	1,301	1,258
Metal-mechanic	136	191	164	220	328	369	393	476	545	534
Others 2/	58	70	89	107	121	94	110	147	277	156
<b>3. Others 3/</b>	<b>131</b>	<b>141</b>	<b>91</b>	<b>114</b>	<b>190</b>	<b>154</b>	<b>254</b>	<b>304</b>	<b>345</b>	<b>238</b>
<b>4. TOTAL EXPORTS</b>	<b>12,809</b>	<b>17,368</b>	<b>23,830</b>	<b>28,094</b>	<b>31,018</b>	<b>27,071</b>	<b>35,803</b>	<b>46,376</b>	<b>46,367</b>	<b>42,177</b>
<b>PERCENTAGE STRUCTURE (%)</b>										
Fishing	8.6	7.5	5.6	5.2	5.8	6.2	5.3	4.6	5.0	4.0
Agriculture	2.5	1.9	2.4	1.6	2.2	2.3	2.7	3.6	2.4	1.9
Mining	55.6	56.4	61.8	62.1	58.4	60.9	61.2	59.4	57.0	55.1
Oil and Natural gas	5.0	8.8	7.6	8.2	8.6	7.1	8.6	9.8	10.8	12.3
TRADITIONAL	71.7	74.6	77.4	77.1	75.0	76.5	77.8	77.4	75.2	73.3
NON-TRADITIONAL	27.2	24.6	22.2	22.5	24.4	22.9	21.5	21.9	24.1	26.0
OTHERS	1.1	0.8	0.4	0.4	0.6	0.6	0.7	0.7	0.7	0.7
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

1/ Preliminary data.

2/ Includes mainly fur and leather and handicrafts.

3/ Fuel and food sold to foreign ships and aircrafts and repairs of capital goods.

Source: BCRP, SUNAT, and companies.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 37  
**EXPORTS OF TRADITIONAL PRODUCTS**  
 (FOB in million US\$)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>FISHING</b>										
Fishmeal	1,104	1,303	1,335	1,460	1,797	1,683	1,884	2,114	2,312	1,707
Volume (Thousand MT)	954	1,147	1,139	1,211	1,413	1,426	1,610	1,780	1,770	1,364
Price (US\$/MT)	1,750.7	2,000.3	1,340.0	1,261.7	1,564.9	1,539.5	1,083.2	1,300.8	1,322.5	851.4
Fishoil	149	156	196	249	385	258	274	333	542	343
Volume (Thousand MT)	285.1	286.4	298.5	320.7	257.7	304.4	254.1	234.9	311.9	126.1
Price (US\$/MT)	523.4	543.2	657.1	777.2	1,493.2	846.7	1,079.2	1,419.2	1,736.8	2,718.0
<b>AGRICULTURE</b>										
Cotton	325	331	574	460	686	634	975	1,689	1,095	785
Volume (Thousand MT)	6	3	7	3	2	3	1	8	4	2
Price (US\$/MT)	3.3	2.0	3.8	1.5	0.9	1.6	0.5	2.1	1.9	0.8
Sugar	1,883.3	1,640.4	1,833.2	2,093.6	2,505.2	1,722.0	2,417.9	3,762.2	2,357.6	2,142.3
Volume (Thousand MT)	15	13	43	19	25	35	65	48	6	14
Price (US\$/MT)	41.4	32.2	108.5	48.3	70.4	81.3	112.0	62.6	8.4	26.5
Coffee	352.5	395.1	395.7	388.9	350.9	429.2	577.9	759.9	691.0	524.9
Volume (Thousand MT)	290	307	515	427	645	585	889	1,597	1,024	696
Price (US\$/MT)	191.1	142.2	238.1	173.6	225.1	197.8	230.1	296.4	266.4	237.4
Other agriculture products 2/	1,516.7	2,157.0	2,163.3	2,459.0	2,865.9	2,956.7	3,863.2	5,388.4	3,842.5	2,929.9
Volume (Thousand MT)	14	8	9	11	14	12	21	37	61	74
Price (US\$/MT)										
<b>MINING</b>										
Copper 3/	7,124	9,790	14,735	17,439	18,101	16,482	21,903	27,526	26,423	23,257
Volume (Thousand MT)	2,481	3,472	5,996	7,219	7,277	5,935	8,879	10,721	10,731	9,813
Price (US\$/tray ounce)	940.5	984.2	980.6	1,121.9	1,243.1	1,246.2	1,256.1	1,262.2	1,405.6	1,402.1
Refined Silver	119.6	160.0	277.3	291.9	265.5	216.0	320.6	385.3	346.3	317.4
Volume (million tray ounce)	346	501	409	595	663	591	842	776	558	496
Price (US\$/tray ounce)	40.2	41.8	46.5	41.1	38.3	37.1	39.0	31.9	25.5	22.3
Iron	390.3	326.9	398.7	656.6	785.7	723.4	978.3	1,102.8	991.2	1,009.6
Volume (Thousand MT)	129	216	256	285	385	298	523	1,030	845	857
Price (US\$/MT)	6.0	6.6	7.2	6.8	6.8	6.8	8.0	9.3	9.8	10.4
Gold	21.5	32.7	38.3	39.8	56.3	43.9	65.7	111.3	86.3	82.6
Volume (thousand tray ounce)	2,424	3,095	4,032	4,187	5,586	6,791	7,745	10,235	9,702	8,061
Price (US\$/tray ounce)	5,955.6	6,875.8	6,673.7	5,967.4	6,417.7	6,972.2	6,334.6	6,492.2	5,803.0	5,722.3
Refined Silver	407.1	450.2	604.2	701.7	870.4	974.0	1,222.6	1,576.5	1,671.8	1,408.8
Volume (million tray ounce)	260	281	480	538	595	214	118	219	210	479
Price (US\$/tray ounce)	39.1	38.5	41.8	40.4	39.7	16.2	6.2	6.5	6.9	21.2
Lead 3/	6.7	7.3	11.5	13.3	15.0	13.2	19.2	33.7	30.2	22.6
Volume (Thousand MT)	389	491	713	1,033	1,136	1,116	1,579	2,427	2,575	1,759
Price (US\$/pd.)	281.4	322.8	377.5	416.6	525.0	681.5	770.0	987.7	1,169.7	845.5
Zinc	577	805	1,991	2,539	1,468	1,233	1,696	1,523	1,352	1,413
Volume (Thousand MT)	1,035.4	1,089.8	1,063.2	1,272.7	1,457.1	1,372.5	1,314.1	1,007.3	1,016.3	1,079.0
Price (US\$/pd.)	25.3	33.5	84.9	90.5	45.7	40.8	58.5	68.6	60.4	59.4
Molybdenum	506	1,107	834	991	943	276	492	564	428	356
Volume (Thousand MT)	13.5	18.6	17.8	16.2	18.3	12.2	16.7	19.5	17.9	18.4
Price (US\$/pd.)	1,695.7	2,700.5	2,120.7	2,781.8	2,343.2	1,023.6	1,336.7	1,314.5	1,086.6	875.5
Other mining products 4/	12.1	21.2	24.1	50.6	47.6	27.5	29.1	31.2	21.6	23.2
<b>OIL AND NATURAL GAS</b>										
Crude oil and derivatives	646	1,526	1,818	2,306	2,681	1,921	3,088	4,568	4,996	5,205
Volume (Millions bl.)	20.0	32.3	32.7	35.7	31.1	33.5	36.8	32.3	35.6	38.7
Price (US\$/bl.)	32.3	47.2	55.5	64.6	86.1	57.4	76.2	101.8	102.9	99.0
Natural gas	0	0	0	0	0	0	284	1,284	1,331	1,372
Volume (Thousand m3)	0.0	0.0	0.0	0.0	0.0	0.0	3,605.1	8,969.2	8,737.5	9,562.1
Price (US\$/m3)	0.0	0.0	0.0	0.0	0.0	0.0	78.6	143.1	152.3	143.5
<b>TRADITIONAL PRODUCTS</b>	<b>9,199</b>	<b>12,950</b>	<b>18,461</b>	<b>21,666</b>	<b>23,266</b>	<b>20,720</b>	<b>27,850</b>	<b>35,896</b>	<b>34,825</b>	<b>30,954</b>

1/ Preliminary data.  
 2/ Comprises coca leaves and derivatives, molasses, wool and furs.  
 3/ Includes silver content.  
 4/ Includes mainly bismuth and tungsten.  
 Source: BCRP and SUNAT.  
 Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 38  
NON-TRADITIONAL EXPORTS  
(FOB values in million US\$)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>AGRICULTURE AND LIVESTOCK</b>	<b>801</b>	<b>1,008</b>	<b>1,220</b>	<b>1,512</b>	<b>1,913</b>	<b>1,828</b>	<b>2,203</b>	<b>2,836</b>	<b>3,083</b>	<b>3,434</b>
Vegetables	380	452	563	713	798	739	866	995	1,044	1,078
Fruits	140	178	259	311	412	463	594	888	969	1,185
Various plant products	75	100	108	135	180	173	225	225	350	383
Cereals and its preparations	47	53	66	77	121	124	127	172	199	252
Tea, coffee, cocoa, and essences	96	132	116	151	217	185	196	264	239	249
Other	75	92	108	125	185	144	195	282	282	287
<b>FISHING</b>	<b>277</b>	<b>323</b>	<b>433</b>	<b>500</b>	<b>622</b>	<b>518</b>	<b>644</b>	<b>1,049</b>	<b>1,017</b>	<b>1,028</b>
Frozen crustaceans and molluscs	143	182	202	225	262	231	354	423	423	566
Frozen fish	62	72	92	117	137	127	109	213	263	172
Preparations and canned products	61	56	121	127	190	122	141	310	269	242
Dried fish	6	8	11	16	16	22	26	31	31	30
Other	6	5	6	15	17	16	13	16	31	19
<b>TEXTILES</b>	<b>1,092</b>	<b>1,275</b>	<b>1,473</b>	<b>1,736</b>	<b>2,026</b>	<b>1,495</b>	<b>1,561</b>	<b>1,990</b>	<b>2,177</b>	<b>1,926</b>
Clothes and other garments	887	1,063	1,209	1,411	1,652	1,174	1,202	1,543	1,641	1,416
Fabrics	64	71	95	138	185	174	145	204	312	273
Textile fibers	67	67	92	92	85	69	100	106	85	87
Yarns	74	75	87	95	103	78	114	136	139	151
<b>WOOD AND PAPER, AND ITS MANUFACTURING</b>	<b>214</b>	<b>261</b>	<b>333</b>	<b>362</b>	<b>428</b>	<b>336</b>	<b>359</b>	<b>402</b>	<b>438</b>	<b>426</b>
Timber	101	124	168	167	169	126	138	127	124	117
Printed materials	45	56	66	64	98	75	66	82	97	82
Manufacturing of paper and cardboard products	32	36	52	63	105	101	119	145	173	180
Manufacturing of wood products	21	29	31	29	40	24	27	33	35	35
Wooden furnitures	14	16	16	18	14	8	7	8	7	8
Other	1	1	1	1	0	1	3	6	2	5
<b>CHEMICALS</b>	<b>415</b>	<b>538</b>	<b>602</b>	<b>805</b>	<b>1,041</b>	<b>838</b>	<b>1,228</b>	<b>1,655</b>	<b>1,636</b>	<b>1,503</b>
Organic and inorganic chemicals	78	109	179	256	347	218	288	490	492	414
Plastic manufacturing	58	85	83	103	114	103	131	162	194	191
Dyeing, tanning and coloring products	57	58	64	67	74	77	232	280	134	96
Rubber manufacturing	33	34	43	47	53	41	63	93	91	97
Essential oils and toiletries	82	98	56	80	121	107	120	139	208	194
Other	107	153	178	251	332	275	375	492	518	509
<b>NON-METALLIC MINERALS</b>	<b>94</b>	<b>118</b>	<b>135</b>	<b>165</b>	<b>176</b>	<b>148</b>	<b>252</b>	<b>492</b>	<b>720</b>	<b>720</b>
Cement and construction materials	52	71	88	105	99	65	89	106	123	148
Fertilizers and raw minerals	13	16	17	22	32	32	93	284	481	467
Glass and manufactures	13	12	13	16	19	27	33	52	60	62
Ceramic products	5	5	5	6	6	6	5	8	7	6
Other	11	15	13	16	19	18	31	42	52	37
<b>IRON-METALLIC AND JEWELRY</b>	<b>391</b>	<b>493</b>	<b>829</b>	<b>906</b>	<b>909</b>	<b>571</b>	<b>949</b>	<b>1,130</b>	<b>1,301</b>	<b>1,258</b>
Copper products	130	184	345	377	402	205	391	461	451	438
Zinc products	87	87	212	215	194	103	171	284	238	242
Iron products	50	69	80	90	145	123	126	139	177	149
Common manufacturing metals	15	20	47	67	62	43	83	88	117	117
Non-ferrous waste	4	4	7	7	4	5	10	12	11	8
Lead products	3	5	4	4	9	8	11	12	11	12
Silver products	1	2	3	10	24	8	69	22	207	170
Jewelry	91	108	112	104	86	64	72	79	84	86
Other	10	14	21	22	21	13	26	38	35	35
<b>METAL-MECHANIC</b>	<b>136</b>	<b>191</b>	<b>164</b>	<b>220</b>	<b>328</b>	<b>369</b>	<b>393</b>	<b>476</b>	<b>545</b>	<b>534</b>
Highway vehicles	5	5	6	7	9	16	21	29	39	67
Industrial machinery, equipment, and parts	17	23	23	29	51	77	63	57	67	60
Electrical appliances, machinery, and parts	15	22	21	41	53	45	34	53	66	51
Iron and steel manufactured article	11	27	20	23	30	25	32	29	34	27
Office machines and data processing	9	5	5	6	7	8	9	10	13	12
Domestic equipment	7	7	11	13	18	7	6	7	2	1
Machinery and equipment for civil engineering	8	12	10	10	27	39	54	56	61	73
Force generating machinery and equipment	4	10	12	16	26	31	54	51	44	53
Common metal household items	5	7	7	8	23	10	10	15	13	10
Other	58	72	49	68	84	112	110	160	216	180
<b>OTHER</b>	<b>58</b>	<b>70</b>	<b>89</b>	<b>107</b>	<b>121</b>	<b>94</b>	<b>110</b>	<b>147</b>	<b>277</b>	<b>156</b>
<b>NON-TRADITIONAL PRODUCTS</b>	<b>3,479</b>	<b>4,277</b>	<b>5,279</b>	<b>6,313</b>	<b>7,562</b>	<b>6,196</b>	<b>7,699</b>	<b>10,176</b>	<b>11,197</b>	<b>10,985</b>

1/ Preliminary data.  
Source: BCRP and SUNAT.  
Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 39  
**IMPORTS BY USE OR ECONOMIC DESTINATION**  
 (FOB values in million US\$)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
								1/	1/	1/
<b>1. CONSUMER GOODS</b>	<b>1,995</b>	<b>2,308</b>	<b>2,616</b>	<b>3,189</b>	<b>4,520</b>	<b>3,962</b>	<b>5,489</b>	<b>6,734</b>	<b>8,252</b>	<b>8,837</b>
Non-durable	1,153	1,338	1,463	1,751	2,328	2,137	2,809	3,489	4,082	4,499
Durable	842	970	1,154	1,438	2,192	1,825	2,680	3,245	4,170	4,338
<b>2. INPUTS</b>	<b>5,364</b>	<b>6,600</b>	<b>7,981</b>	<b>10,429</b>	<b>14,556</b>	<b>10,076</b>	<b>14,023</b>	<b>18,332</b>	<b>19,273</b>	<b>19,512</b>
Fuel, lubricants, and related	1,754	2,325	2,808	3,631	5,225	2,929	4,063	5,752	5,885	6,453
Raw materials for agriculture	349	384	436	588	874	773	868	1,092	1,292	1,244
Raw materials for industry	3,261	3,890	4,738	6,209	8,458	6,374	9,093	11,488	12,096	11,815
<b>3. CAPITAL GOODS</b>	<b>2,361</b>	<b>3,064</b>	<b>4,123</b>	<b>5,854</b>	<b>9,233</b>	<b>6,850</b>	<b>9,074</b>	<b>11,730</b>	<b>13,347</b>	<b>13,654</b>
Materials for construction	192	305	470	590	1,305	854	1,087	1,449	1,488	1,443
For agriculture	29	37	31	50	90	72	80	111	137	130
For industry	1,661	2,114	2,784	3,958	5,765	4,498	5,539	7,345	8,168	8,319
Transport equipments	480	607	838	1,256	2,073	1,426	2,369	2,825	3,554	3,762
<b>4. OTHER GOODS 2/</b>	<b>85</b>	<b>110</b>	<b>123</b>	<b>119</b>	<b>140</b>	<b>122</b>	<b>229</b>	<b>356</b>	<b>262</b>	<b>213</b>
<b>5. TOTAL IMPORTS</b>	<b>9,805</b>	<b>12,082</b>	<b>14,844</b>	<b>19,591</b>	<b>28,449</b>	<b>21,011</b>	<b>28,815</b>	<b>37,152</b>	<b>41,135</b>	<b>42,217</b>
Memo:										
Temporary admission	214	275	365	322	361	196	420	698	734	648
Free zone 3/	99	104	104	108	113	110	131	136	140	238
<b>Foodstuffs 4/</b>	<b>722</b>	<b>746</b>	<b>880</b>	<b>1,201</b>	<b>1,703</b>	<b>1,349</b>	<b>1,725</b>	<b>2,304</b>	<b>2,528</b>	<b>2,372</b>
Wheat	220	209	224	345	489	346	368	536	516	569
Corn and/or sorghum	119	123	172	258	310	266	372	564	507	502
Rice	26	43	14	31	88	49	55	118	149	110
Sugar 5/	45	68	100	84	72	57	121	138	188	78
Dairy products	36	34	46	60	77	37	81	98	167	127
Soybean	255	246	299	396	625	561	679	795	936	920
Meat	21	23	24	27	42	34	49	55	64	66

1/ Preliminary data.

2/ Includes donations fuel and food bought by Peruvian ships and aircrafts, repairs of capital goods and other good, and other goods not considered in the classification used.

3/ Imports into the Tacna Free Trade Zone.

4/ Excludes food donations.

5/ Includes unrefined raw sugar cane, classified as raw material.

Source: BCRP, SUNAT, Tacna Free Trade Zone, Banco de la Nación, and companies

Elaborated by the Department of Economic Studies, BCRP.





APPENDIX 40  
TERMS OF TRADE  
(Year 2007 = 100)

	Exports 1/			Imports 1/			Terms of trade	
	Nominal prices		Volume	Nominal prices		Volume	Index	% Chg.
	Index	% Chg.	Index	% Chg.	Index	% Chg.		
<b>2004</b>	54.3	26.4	84.0	11.5	77.0	65.0	70.6	13.9
<b>2005</b>	64.3	18.5	96.1	14.4	85.9	71.8	74.9	6.1
<b>2006</b>	87.7	36.3	96.7	0.7	91.4	82.9	95.9	28.1
<b>2007</b>	100.0	14.1	100.0	3.4	100.0	100.0	100.0	4.3
<b>2008</b>	103.8	3.8	106.4	6.4	116.5	124.6	89.1	- 10.9
<b>2009</b>	90.6	- 12.7	106.3	0.0	104.2	102.9	86.9	- 2.4
<b>2010</b>	118.2	30.4	107.8	1.4	112.3	130.9	105.2	21.0
<b>2011</b>	143.7	21.5	114.9	6.6	127.3	149.0	112.8	7.2
<b>2012</b>	140.5	- 2.2	117.5	2.2	127.1	165.2	110.5	- 2.1
<b>2013</b>	132.8	- 5.5	113.0	- 3.8	126.1	170.9	105.3	- 4.7

1/ Weighted according to the structure of trade in the previous year. Laspeyres index.  
Source: BCRP, SUNAT, Tacna Free Trade Zone, Banco de la Nación, and companies.  
Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 41  
**COMMODITY PRICES**  
 (Average data)

	Fishmeal	Sugar	Coffee	Copper	Tin	Gold	Silver	Lead	Zinc	Nicquel	Oil	Oil	Wheat	Maize	Rice	Soybean Oil	Soybean Flour
	Hamburg	Cont.14	Oth.S.Aráb.	LME	LME	LME	Hi.Harman	LME	LME	LME	Residual N° 6	WTI	USA	USA	Tailand	USA	USA
	US\$/MT	US\$/MT	US\$/MT	€US\$/pd.	€US\$/pd.	US\$/tr.oz.	US\$/tr.oz.	€US\$/pd.	€US\$/pd.	€US\$/pd.	US\$/bar.	US\$/bar.	US\$/MT	US\$/MT	US\$/MT	US\$/MT	US\$/MT
<b>2004</b>	624.87	450.90	1,770.02	129.99	386.13	409.85	6.69	40.21	47.53	627.33	28.67	41.44	134.41	93.66	244.79	629.82	279.61
<b>2005</b>	685.83	470.03	2,523.94	166.87	334.84	445.47	7.34	44.29	62.68	668.77	43.45	56.45	129.66	74.44	293.54	506.84	223.62
<b>2006</b>	1,080.29	488.57	2,509.88	304.91	398.29	604.58	11.57	58.50	148.56	1,100.16	51.84	66.05	169.12	93.91	313.01	538.83	214.14
<b>2007</b>	1,074.88	463.45	2,717.34	322.93	659.47	697.41	13.42	117.03	147.07	1,688.72	55.28	72.28	231.19	137.85	337.20	768.16	306.74
<b>2008</b>	1,051.08	469.01	3,050.21	315.51	839.60	872.72	15.01	94.83	85.04	957.56	78.76	99.59	293.12	192.12	684.53	1,092.22	447.73
<b>2009</b>	1,130.44	541.45	3,128.68	233.52	615.83	973.62	14.68	77.91	75.05	663.91	59.52	61.68	192.54	139.38	561.45	728.93	384.49
<b>2010</b>	1,596.69	792.90	4,300.67	342.28	926.63	1,225.29	20.19	97.61	98.18	991.00	76.71	79.37	195.07	157.22	503.16	859.36	387.41
<b>2011</b>	1,443.50	839.03	6,026.08	400.20	1,183.96	1,569.53	35.17	108.97	99.50	1,038.10	97.14	94.95	280.37	262.45	552.04	1,191.44	485.65
<b>2012</b>	1,563.94	635.96	4,133.95	360.55	958.08	1,669.87	31.17	93.54	88.35	795.01	99.55	94.14	276.15	273.37	566.74	1,124.82	543.14
<b>2013</b>	1,643.86	450.43	3,107.97	332.31	1,012.24	1,411.00	23.86	97.17	86.65	681.38	94.49	97.92	265.68	234.77	489.54	992.17	531.01

Source: Reuters and Bloomberg.  
 Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 42  
**COMMODITY PRICES**  
 (End of period data)

	Fishmeal	Sugar	Coffee	Copper	Tin	Gold	Silver	Lead	Zinc	Nicquel	Oil	Oil	Wheat	Maize	Rice	Soybean Oil	Soybean Flour	
	Hamburg	Cont.14	Oth.S.Arab.	LME	LME	LME	H.Harman	LME	LME	LME	Residual N°6	WTI	USA	USA	Tailand	USA	USA	
	US\$/MT	US\$/MT	US\$/MT	€US\$/pd.	€US\$/pd.	US\$/tr.oz.	US\$/tr.oz.	€US\$/pd.	€US\$/pd.	€US\$/pd.	US\$/bar.	US\$/bar.	US\$/MT	US\$/MT	US\$/MT	US\$/MT	US\$/MT	
<b>2004</b>	610.00	456.36	2,386.50	148.76	352.21	438.00	6.85	47.90	57.61	689.69	29.45	43.45	124.19	73.03	288.00	475.76	203.45	182.54
<b>2005</b>	800.00	493.84	2,378.35	207.95	299.37	513.00	8.91	49.90	86.86	606.91	51.25	61.04	145.32	77.36	287.00	464.07	222.12	225.53
<b>2006</b>	1,075.00	434.97	2,802.74	285.31	539.77	635.70	12.83	80.51	196.45	1,551.51	45.05	61.05	176.00	144.09	318.00	623.03	249.67	200.29
<b>2007</b>	990.00	451.51	3,058.91	302.84	742.98	833.75	14.81	114.85	103.87	1,170.50	71.28	96.00	324.81	167.53	380.00	1,046.53	429.17	365.86
<b>2008</b>	920.00	441.59	2,612.48	131.63	469.69	869.75	11.02	43.05	50.83	490.33	38.40	44.60	214.95	147.04	500.00	698.20	359.61	318.46
<b>2009</b>	1,610.00	772.28	3,472.28	333.21	758.63	1,087.50	16.92	108.64	116.57	838.24	74.90	79.36	171.78	147.06	640.00	819.46	382.98	370.82
<b>2010</b>	1,500.00	859.80	5,718.35	441.78	1,222.20	1,418.01	30.40	117.34	110.34	1,132.17	82.00	91.38	281.64	230.72	540.00	1,181.90	500.27	406.09
<b>2011</b>	1,200.00	799.18	5,282.94	342.64	859.56	1,574.95	28.26	89.81	82.92	829.17	97.60	98.83	254.27	249.22	570.00	1,145.74	439.27	329.70
<b>2012</b>	2,030.00	493.84	3,337.36	359.02	1,065.94	1,663.02	30.00	106.14	92.28	774.96	96.65	91.82	289.72	272.03	560.00	1,033.09	527.93	493.06
<b>2013</b>	1,425.00	448.86	2,863.36	335.41	1,022.85	1,204.50	19.49	100.06	94.60	633.67	93.10	98.42	234.98	157.67	400.00	806.23	483.73	550.60

Source: Reuters and Bloomberg.  
 Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 43  
SERVICES  
(Million US\$)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
								1/	1/	1/
<b>I. TRANSPORT</b>										
1. Credit	- 726	- 858	- 874	- 1,198	- 1,741	- 979	- 1,599	- 1,531	- 1,628	- 1,367
2. Debit	360	440	545	646	818	758	854	994	1,223	1,524
a. Freight	- 1,086	- 1,298	- 1,419	- 1,844	- 2,560	- 1,737	- 2,453	- 2,524	- 2,850	- 2,891
Credit	- 740	- 917	- 1,010	- 1,370	- 2,043	- 1,266	- 1,882	- 1,964	- 2,227	- 2,227
Debit	43	60	64	80	84	32	37	49	46	39
b. Passengers	- 783	- 978	- 1,074	- 1,450	- 2,126	- 1,298	- 1,919	- 2,013	- 2,273	- 2,267
Credit	- 119	- 88	- 44	9	94	110	95	140	170	403
Debit	90	130	205	284	405	426	467	552	631	916
c. Others 2/	- 209	- 218	- 249	- 275	- 310	- 316	- 372	- 412	- 461	- 513
Credit	133	147	179	163	207	177	188	293	430	457
Debit	227	250	275	281	330	300	350	393	546	569
	- 93	- 103	- 96	- 119	- 123	- 124	- 162	- 99	- 116	- 111
<b>II. TRAVEL</b>	<b>499</b>	<b>557</b>	<b>772</b>	<b>755</b>	<b>870</b>	<b>926</b>	<b>732</b>	<b>906</b>	<b>1,004</b>	<b>1,408</b>
1. Credit	1,142	1,308	1,570	1,723	1,991	2,014	2,008	2,262	2,443	3,009
2. Debit	- 643	- 752	- 798	- 968	- 1,121	- 1,088	- 1,276	- 1,356	- 1,439	- 1,601
<b>III. COMMUNICATIONS</b>	<b>- 21</b>	<b>- 28</b>	<b>- 27</b>	<b>- 21</b>	<b>- 8</b>	<b>- 69</b>	<b>- 78</b>	<b>- 47</b>	<b>- 74</b>	<b>- 146</b>
1. Credit	60	69	82	88	125	91	102	132	147	131
2. Debit	- 81	- 96	- 109	- 110	- 133	- 161	- 180	- 179	- 221	- 278
<b>IV. INSURANCE AND REINSURANCE</b>	<b>- 127</b>	<b>- 115</b>	<b>- 163</b>	<b>- 23</b>	<b>- 152</b>	<b>- 176</b>	<b>- 325</b>	<b>- 359</b>	<b>- 366</b>	<b>- 404</b>
1. Credit	82	118	103	289	227	271	166	230	361	400
2. Debit	- 209	- 233	- 265	- 311	- 379	- 447	- 491	- 588	- 728	- 803
<b>V. OTHERS 3/</b>	<b>- 357</b>	<b>- 391</b>	<b>- 446</b>	<b>- 705</b>	<b>- 1,024</b>	<b>- 878</b>	<b>- 1,083</b>	<b>- 1,214</b>	<b>- 1,355</b>	<b>- 1,293</b>
1. Credit	350	354	361	406	487	501	562	646	742	749
2. Debit	- 706	- 744	- 806	- 1,111	- 1,511	- 1,379	- 1,645	- 1,861	- 2,097	- 2,042
<b>VI. TOTAL SERVICES</b>	<b>- 732</b>	<b>- 834</b>	<b>- 737</b>	<b>- 1,192</b>	<b>- 2,056</b>	<b>- 1,176</b>	<b>- 2,353</b>	<b>- 2,244</b>	<b>- 2,420</b>	<b>- 1,801</b>
1. Credit	1,993	2,289	2,660	3,152	3,649	3,636	3,693	4,264	4,915	5,814
2. Debit	- 2,725	- 3,123	- 3,397	- 4,344	- 5,704	- 4,812	- 6,046	- 6,508	- 7,335	- 7,615

1/ Preliminary data.

2/ Includes ship and airship port expenses and transport fees.

3/ Includes government, financial, and IT services, as well as royalties, equipment leasing, and business services.

Source: BCRP, SUNAT, Ministry of Foreign Affairs, Mincetur, Promperu, and companies.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 44  
INVESTMENT INCOME  
(Million US\$)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
								1/	1/	1/
<b>I. CREDITS</b>	<b>289</b>	<b>590</b>	<b>985</b>	<b>1,500</b>	<b>1,804</b>	<b>1,400</b>	<b>1,148</b>	<b>1,111</b>	<b>1,152</b>	<b>1,222</b>
1. Private	87	173	319	527	438	294	281	339	409	460
2. Public	203	417	666	973	1,366	1,105	867	772	742	762
<b>II. DEBITS</b>	<b>3,935</b>	<b>5,655</b>	<b>8,506</b>	<b>9,799</b>	<b>10,546</b>	<b>9,785</b>	<b>12,354</b>	<b>14,468</b>	<b>13,551</b>	<b>11,853</b>
1. Private	2,844	4,411	7,189	8,423	9,184	8,744	11,257	13,160	12,080	10,232
Profits 2/	2,567	4,030	6,741	7,788	8,346	8,172	10,714	12,511	11,402	9,301
Interests	277	381	448	635	838	573	543	649	677	932
· Interests on long-term loans	170	213	218	302	425	383	365	458	421	445
· Interests on bonds	4	7	19	40	44	43	53	54	140	368
· Interests on short-term loans 3/	103	162	211	293	369	147	125	137	116	119
2. Public	1,091	1,244	1,317	1,376	1,362	1,041	1,097	1,309	1,472	1,621
Interests on long-term loans	739	738	695	716	559	448	337	289	286	421
Interests on bonds	346	501	618	641	708	583	757	1,019	1,185	1,199
Interests on BCRP liabilities 4/	6	5	5	20	95	10	3	0	0	0
<b>III. INCOME BALANCE (I-II)</b>	<b>- 3,645</b>	<b>- 5,065</b>	<b>- 7,522</b>	<b>- 8,299</b>	<b>- 8,742</b>	<b>- 8,385</b>	<b>- 11,205</b>	<b>- 13,357</b>	<b>- 12,399</b>	<b>- 10,631</b>
1. Private	- 2,758	- 4,238	- 6,870	- 7,895	- 8,746	- 8,450	- 10,976	- 12,821	- 11,670	- 9,773
2. Public	- 888	- 827	- 652	- 403	4	65	- 230	- 537	- 729	- 858

1/ Preliminary data.  
2/ Accrued profits and losses in the period, including profits and dividends transferred abroad and non-distributed profits.  
3/ Includes interests of non-financial public institutions.  
4/ Includes interests on short- and long-term debts.  
Source: BCRP, MEF, Cofide, ONP and companies.  
Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 45  
PRIVATE SECTOR FINANCIAL ACCOUNT  
(Million US\$)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>1. ASSETS</b>	<b>- 258</b>	<b>- 868</b>	<b>- 1,327</b>	<b>- 1,052</b>	<b>- 535</b>	<b>- 3,586</b>	<b>- 1,304</b>	<b>- 1,597</b>	<b>- 2,408</b>	<b>- 1,291</b>
Direct investment abroad	0	0	0	- 66	- 736	- 411	- 266	- 147	- 78	- 137
Portfolio investment abroad 2/	- 258	- 868	- 1,327	- 987	200	- 3,176	- 1,038	- 1,450	- 2,330	- 1,154
<b>2. LIABILITIES</b>	<b>1,240</b>	<b>1,764</b>	<b>3,822</b>	<b>9,207</b>	<b>10,104</b>	<b>7,786</b>	<b>12,771</b>	<b>10,868</b>	<b>18,200</b>	<b>16,173</b>
Foreign direct investment	1,599	2,579	3,467	5,491	6,924	6,431	8,455	7,665	11,918	9,298
a. Reinvestment	1,864	2,724	2,353	3,835	3,287	5,385	5,317	4,652	7,033	3,764
b. Contributions and other capital operations	- 265	- 145	874	733	2,981	1,828	2,445	896	5,393	2,460
c. Net loans with parent companies	0	0	240	924	656	- 782	693	2,117	- 508	3,075
Portfolio investment in the country	- 78	152	153	831	527	347	378	218	2,246	5,876
a. Capital participations 3/	- 74	25	- 45	70	85	47	87	147	- 142	585
b. Other liabilities 4/	- 4	127	198	761	442	301	291	71	2,389	5,292
Long-term loans	- 281	- 967	202	2,885	2,653	1,008	3,939	2,985	4,036	998
a. Disbursements	726	647	728	4,389	3,427	2,167	5,254	4,503	6,841	4,111
b. Amortization	- 1,007	- 1,614	- 525	- 1,504	- 774	- 1,158	- 1,315	- 1,517	- 2,805	- 3,112
<b>3. TOTAL</b>	<b>983</b>	<b>896</b>	<b>2,495</b>	<b>8,154</b>	<b>9,569</b>	<b>4,200</b>	<b>11,467</b>	<b>9,271</b>	<b>15,792</b>	<b>14,881</b>

Memo:

Net Foreign Direct Investment

1,599 2,579 3,467 5,425 6,188 6,020 8,189 11,840 9,161

1/ Preliminary data.

2/ Equity and other financial assets from other countries acquired by the financial and non-financial sectors. The negative sign implies an increase of assets.

3/ Considers non-residents' net purchases of financial assets listed at Cavali (security settlement institution) and placements of American Depositary Receipts (ADRs).

4/ Includes bonds, promissory notes, and securitization instruments expressed in net terms (issuance minus redemption).

Source: BCRP, Cavali (CLV S.A, Proinversión, and companies).

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 46  
PUBLIC SECTOR FINANCIAL ACCOUNT 1/  
(Million US\$)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
								5/	5/	5/
<b>I. DISBURSEMENTS</b>	<b>2,535</b>	<b>2,656</b>	<b>609</b>	<b>3,384</b>	<b>1,166</b>	<b>3,229</b>	<b>4,261</b>	<b>990</b>	<b>1,448</b>	<b>1,277</b>
Investment projects	371	379	288	290	283	616	722	679	333	652
Central government	281	324	259	245	206	521	509	616	317	195
Public enterprises	90	54	29	45	78	95	213	63	16	457
- Financial	62	28	0	0	1	4	0	0	0	430
- Non-financial	28	26	29	45	77	91	213	63	16	27
Food imports	6	0	5	3	0	0	0	0	0	0
Defense	0	0	0	0	0	0	0	0	0	0
Freely disposable funds	862	595	315	800	883	580	875	311	115	125
Bonds 2/	1,295	1,682	0	2,290	0	2,033	2,664	0	1,000	500
- Brady bonds	0	0	0	0	0	0	0	0	0	0
- Global bonds 3/	1,295	1,682	0	2,290	0	2,033	2,664	0	1,000	500
<b>II. AMORTIZATION 4/</b>	<b>- 1,389</b>	<b>- 3,719</b>	<b>- 1,223</b>	<b>- 5,691</b>	<b>- 2,635</b>	<b>- 1,879</b>	<b>- 5,268</b>	<b>- 868</b>	<b>- 1,215</b>	<b>- 2,618</b>
<b>III. NET EXTERNAL ASSETS 5/</b>	<b>- 159</b>	<b>- 378</b>	<b>- 125</b>	<b>- 166</b>	<b>65</b>	<b>- 320</b>	<b>- 37</b>	<b>- 273</b>	<b>- 457</b>	<b>113</b>
<b>IV. OTHER OPERATIONS WITH DEBT SECURITIES (a-b)</b>	<b>- 109</b>	<b>992</b>	<b>- 255</b>	<b>751</b>	<b>- 103</b>	<b>- 858</b>	<b>3,474</b>	<b>813</b>	<b>1,671</b>	<b>- 122</b>
a. Sovereign bonds purchased by non residents	0	806	179	585	86	- 368	2,866	360	1,797	219
b. Global bonds purchased by residents	109	-186	434	-166	189	490	- 608	- 452	126	341
<b>V. TOTAL</b>	<b>879</b>	<b>- 449</b>	<b>- 993</b>	<b>- 1,722</b>	<b>- 1,507</b>	<b>172</b>	<b>2,429</b>	<b>662</b>	<b>1,447</b>	<b>- 1,350</b>

1/ Medium- and long-term accounts; excludes loans to BCRP to support the balance of payments.

2/ Bonds are classified according to the market where they are issued. Brady, Global, Cofide and MIVivenda Bonds were issued abroad so they are considered to be part of the public external debt, including the ones purchased by residents.

3/ The 2007 figure corresponds to debt management operations (repurchases and swaps of Global Bonds 2012 and Brady Bonds).

The 2009 figure corresponds to the issuance of the Global Bond 2019 (US\$ 995 million) and Global Bond 2025 (US\$ 1,038 million).

The 2010 figure corresponds to the issuance of the Global Bond 2033 (US\$ 1,664 million) and Global Bond 2050 (US\$ 1,000 million).

The 2012 figure corresponds to the issuance of the Global Bond 2050 (US\$ 500 million) and Cofide Corporate Bond 2022 (US\$ 500 million).

The 2013 figure corresponds to the issuance of the MIVivenda Corporate Bond 2023 (US\$ 500 million).

4/ 2005 includes prepayments to country members of the Paris Club (US\$ 1,555 million) and to Japan Peru Oil Co. Ltd JAPECO (US\$ 757 million).

2006 includes prepayments to Japan Peru Oil Co. Ltd JAPECO (US\$ 85.8 million).

2007 includes amortization of Global Bonds 2012 and Brady Bonds (US\$ 2,435 million) and prepayments to Paris Club member countries (US\$ 1,793 million) and to the CAF (US\$ 262 million).

2008 includes amortization due to prepayments of Brady Bonds (US\$ 838 million) and to the CAF (US\$ 317 million).

2009 includes the prepayment made to the country members of the Paris Club (US\$ 893 million).

2010 includes the swap of Global Bonds (US\$ 2,213 million) and prepayments of external debt to the government of Japan, BID and CAF (US\$ 2,020 million).

2012 includes amortization of Global Bond 2012 (US\$ 312 million).

2013 includes the prepayment made to the BID and BIRF (US\$ 1,616 million).

5/ Preliminary data.

Source: BCRP, MEF, Cofide, and FCR.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 47  
**SHORT-TERM CAPITAL FINANCIAL ACCOUNT**  
(Million US\$)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>1. COMMERCIAL BANKS</b>	<b>86</b>	<b>103</b>	<b>- 497</b>	<b>1 552</b>	<b>- 1,384</b>	<b>- 87</b>	<b>855</b>	<b>- 912</b>	<b>2,123</b>	<b>- 2,329</b>
Assets 2/	54	- 249	- 94	76	- 819	224	- 194	- 180	- 24	- 360
Liabilities 3/	32	352	- 403	1,476	- 566	- 311	1,049	- 732	2,147	- 1,969
<b>2. BCRP 4/</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>850</b>	<b>- 181</b>	<b>- 583</b>	<b>- 80</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>3. BANCO DE LA NACION</b>	<b>17</b>	<b>- 39</b>	<b>- 55</b>	<b>45</b>	<b>43</b>	<b>- 30</b>	<b>- 11</b>	<b>- 4</b>	<b>- 51</b>	<b>66</b>
Assets 2/	17	- 39	- 55	45	43	- 30	- 11	- 4	- 51	66
Liabilities 3/	0	0	0	0	0	0	0	0	0	0
<b>4. NON-BANK FINANCIAL COMPANIES</b>	<b>12</b>	<b>- 18</b>	<b>- 15</b>	<b>91</b>	<b>- 74</b>	<b>- 45</b>	<b>42</b>	<b>9</b>	<b>50</b>	<b>- 53</b>
Assets 2/	- 59	- 10	- 23	- 44	- 6	- 20	3	2	- 16	- 46
Liabilities 3/	71	- 8	8	136	- 68	- 25	39	7	67	- 7
<b>5. NON-FINANCIAL SECTOR</b>	<b>115</b>	<b>- 283</b>	<b>- 662</b>	<b>- 474</b>	<b>2,159</b>	<b>- 1,340</b>	<b>- 1,063</b>	<b>- 310</b>	<b>450</b>	<b>192</b>
Assets 2/	- 20	- 373	- 755	- 1,123	1,197	- 774	- 1,642	- 1,077	92	696
Liabilities 3/	135	91	94	649	961	- 565	579	767	358	- 505
<b>6. TOTAL SHORT-TERM CAPITAL</b>	<b>230</b>	<b>- 236</b>	<b>- 1,229</b>	<b>2,065</b>	<b>562</b>	<b>- 2,085</b>	<b>- 258</b>	<b>- 1,217</b>	<b>2,572</b>	<b>- 2,125</b>
Assets 2/	- 8	- 671	- 927	- 1,046	416	- 601	- 1,844	- 1,258	0	356
Liabilities 3/	238	435	- 302	3,111	146	- 1,484	1,587	42	2,572	- 2,481

1/ Preliminary data.

2/ Negative sign indicates increase of assets.

3/ Positive sign indicates increase of liabilities.

4/ Obligations in domestic currency with non-residents due to Certificates of Deposit issued by the BCRP.

Source: BCRP, Bank for International Settlements (BIS) and companies.

Elaborated by the Department of Economic Studies, BCRP.





APPENDIX 48  
INTERNATIONAL INVESTMENT POSITION  
(Million US\$ at the end of period)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. ASSETS</b>	<b>20,062</b>	<b>24,005</b>	<b>31,448</b>	<b>46,189</b>	<b>46,783</b>	<b>55,651</b>	<b>72,066</b>	<b>79,984</b>	<b>100,222</b>	<b>102,092</b>
1. BCRP reserve assets	12,649	14,120	17,329	27,720	31,233	33,175	44,150	48,859	64,049	65,710
2. Financial system assets (excluding BCRP)	3,682	5,431	8,040	10,333	9,266	14,006	16,606	18,757	22,823	23,778
3. Other assets	3,731	4,454	6,079	8,135	6,284	8,470	11,309	12,368	13,350	12,604
<b>II. LIABILITIES</b>	<b>47,214</b>	<b>50,936</b>	<b>57,914</b>	<b>79,124</b>	<b>78,657</b>	<b>89,312</b>	<b>114,910</b>	<b>120,571</b>	<b>146,084</b>	<b>154,701</b>
<b>1. Bonds and private and public external debt 2/</b>	<b>29,975</b>	<b>28,342</b>	<b>28,387</b>	<b>33,239</b>	<b>34,997</b>	<b>35,157</b>	<b>43,674</b>	<b>48,090</b>	<b>59,376</b>	<b>60,823</b>
a. Medium- and long-term debt	27,347	25,274	25,167	27,141	28,757	30,431	37,358	41,736	50,435	54,373
Private sector 3/	4,009	3,170	3,566	6,587	9,264	10,314	14,424	17,504	23,982	30,341
Public sector (i - ii + iii) 4/	23,337	22,105	21,601	20,555	19,494	20,117	22,934	24,232	26,452	24,032
i. External public debt	24,466	22,279	21,972	20,081	19,237	20,600	19,905	20,204	20,402	18,778
ii. Public debt issued abroad										
purchased by residents	1,129	943	1,377	1,211	1,401	1,891	1,283	831	957	1,298
iii. Public debt issued locally										
purchased by non-residents	0	769	1,007	1,685	1,657	1,408	4,313	4,859	7,008	6,552
b. Short-term debt	2,629	3,068	3,220	6,098	6,240	4,726	6,315	6,354	8,941	6,450
Financial system (excluding BCRP)	694	1,038	783	2,395	1,761	1,425	2,514	1,789	4,003	2,026
BCRP	18	23	54	921	736	124	45	43	57	47
Others 5/	1,917	2,007	2,383	2,782	3,743	3,177	3,756	4,523	4,881	4,376
<b>2. Direct investment</b>	<b>13,310</b>	<b>15,889</b>	<b>20,484</b>	<b>26,808</b>	<b>32,340</b>	<b>34,521</b>	<b>42,976</b>	<b>50,641</b>	<b>62,559</b>	<b>71,857</b>
<b>3. Capital participation</b>	<b>3,928</b>	<b>6,705</b>	<b>9,043</b>	<b>19,077</b>	<b>11,319</b>	<b>19,634</b>	<b>28,260</b>	<b>21,840</b>	<b>24,149</b>	<b>22,021</b>

1/ Preliminary data

2/ External public debt includes the debt of the central government and state enterprises.

3/ Includes bonds.

4/ Government bonds issued abroad and in the hands of residents are excluded from foreign liabilities of the public sector. Government bonds issued locally, in the hands of non-residents, are included foreign liabilities of this sector.

5/ Includes mainly the short-term debt of the non-financial private sector.

Source: BCRP, MEF, Cavalari (CLV S.A., Proinversión, BIS, and companies).

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 49  
INTERNATIONAL INVESTMENT POSITION  
(% GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
								1/	1/	1/
<b>I. ASSETS</b>	<b>30.5</b>	<b>32.4</b>	<b>35.9</b>	<b>45.1</b>	<b>38.4</b>	<b>45.7</b>	<b>48.5</b>	<b>46.8</b>	<b>52.0</b>	<b>50.5</b>
1. BCRP reserve assets	19.3	19.0	19.8	27.1	25.6	27.3	29.7	28.6	33.2	32.5
2. Financial system assets (excluding BCRP)	5.6	7.3	9.2	10.1	7.6	11.5	11.2	11.0	11.8	11.8
3. Other assets	5.7	6.0	6.9	7.9	5.2	7.0	7.6	7.2	6.9	6.2
<b>II. LIABILITIES</b>	<b>71.9</b>	<b>68.7</b>	<b>66.1</b>	<b>77.3</b>	<b>64.6</b>	<b>73.4</b>	<b>77.3</b>	<b>70.6</b>	<b>75.7</b>	<b>76.5</b>
<b>1. Bonds and private and public external debt 2/</b>	<b>45.6</b>	<b>38.2</b>	<b>32.4</b>	<b>32.5</b>	<b>28.7</b>	<b>28.9</b>	<b>29.4</b>	<b>28.2</b>	<b>30.8</b>	<b>30.1</b>
a. Medium- and long-term debt	41.6	34.1	28.7	26.5	23.6	25.0	25.1	24.4	26.1	26.9
Private sector 3/	6.1	4.3	4.1	6.4	7.6	8.5	9.7	10.3	12.4	15.0
Public sector (i - ii + iii) 4/	35.5	29.8	24.7	20.1	16.0	16.5	15.4	14.2	13.7	11.9
i. External public debt	37.2	30.0	25.1	19.6	15.8	16.9	13.4	11.8	10.6	9.3
ii. Public debt issued abroad										
purchased by residents	1.7	1.3	1.6	1.2	1.1	1.6	0.9	0.5	0.5	0.6
Public debt issued locally										
purchased by non-residents	0.0	1.0	1.1	1.6	1.4	1.2	2.9	2.8	3.6	3.2
b. Short-term debt	4.0	4.1	3.7	6.0	5.1	3.9	4.2	3.7	4.6	3.2
Financial system (excluding BCRP)	1.1	1.4	0.9	2.3	1.4	1.2	1.7	1.0	2.1	1.0
BCRP	0.0	0.0	0.1	0.9	0.6	0.1	0.0	0.0	0.0	0.0
Others 5/	2.9	2.7	2.7	2.7	3.1	2.6	2.5	2.6	2.5	2.2
<b>2. Direct investment</b>	<b>20.3</b>	<b>21.4</b>	<b>23.4</b>	<b>26.2</b>	<b>26.5</b>	<b>28.4</b>	<b>28.9</b>	<b>29.7</b>	<b>32.4</b>	<b>35.5</b>
<b>3. Capital participation</b>	<b>6.0</b>	<b>9.0</b>	<b>10.3</b>	<b>18.6</b>	<b>9.3</b>	<b>16.1</b>	<b>19.0</b>	<b>12.8</b>	<b>12.5</b>	<b>10.9</b>

1/ Preliminary data.

2/ External public debt includes the debt of the central government and state enterprises.

3/ Includes bonds.

4/ Government bonds issued abroad and in the hands of residents are excluded from foreign liabilities of the public sector. Government bonds issued locally, in the hands of non-residents, are included foreign liabilities of this sector.

5/ Includes mainly the short-term debt of the non-financial private sector.

Source: BCRP, MEF, Cavalli ICLV S.A., Proinversión, BIS, and companies.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 50  
**BALANCE OF THE EXTERNAL PUBLIC DEBT BY FINANCIAL SOURCE 1/**  
 (Million US\$)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
								3/	3/	3/
<b>Multilateral organizations</b>	7,875	7,983	7,843	7,851	7,926	8,311	7,810	7,913	7,634	5,736
<b>Paris Club</b>	8,508	5,696	5,629	3,883	4,170	3,133	2,548	2,648	2,430	1,959
<b>Bonds</b>	6,944	8,393	8,392	8,262	6,880	8,906	9,308	9,299	10,008	10,520
<b>Suppliers</b>	1,070	158	73	60	56	51	40	30	26	23
<b>Commercial banks</b>	4	1	1	1	186	186	181	296	289	532
<b>Latin America</b>	42	33	25	20	15	11	9	7	5	4
<b>Other bilateral organizations 2/</b>	23	16	9	5	3	2	10	10	8	4
<b>TOTAL</b>	<b>24,466</b>	<b>22,279</b>	<b>21,972</b>	<b>20,081</b>	<b>19,237</b>	<b>20,600</b>	<b>19,905</b>	<b>20,204</b>	<b>20,402</b>	<b>18,778</b>

1/ Medium- and long-term accounts; excludes loans to BCRP to support the balance of payments.

2/ Former socialist countries. Includes the People's Republic of China.

3/ Preliminary data.

Source: IIEF.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 51  
**BALANCE OF THE EXTERNAL PUBLIC DEBT BY FINANCIAL SOURCE 1/**  
 (% GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
								3/	3/	3/
<b>Multilateral organizations</b>	12.0	10.8	9.0	7.7	6.5	6.8	5.3	4.6	4.0	2.8
<b>Paris Club</b>	12.9	7.7	6.4	3.8	3.4	2.6	1.7	1.6	1.3	1.0
<b>Bonds</b>	10.6	11.3	9.6	8.1	5.6	7.3	6.3	5.4	5.2	5.2
<b>Suppliers</b>	1.6	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
<b>Commercial banks</b>	0.0	0.0	0.0	0.0	0.2	0.2	0.1	0.2	0.2	0.3
<b>Latin America</b>	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Other bilateral organizations 2/</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>37.2</b>	<b>30.0</b>	<b>25.1</b>	<b>19.6</b>	<b>15.8</b>	<b>16.9</b>	<b>13.4</b>	<b>11.8</b>	<b>10.6</b>	<b>9.3</b>

1/ Medium- and long-term accounts; excludes loans to BCRP to support the balance of payments.

2/ Former socialist countries. Includes the People's Republic of China.

3/ Preliminary data.

Source: BCRP and IMF.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 52  
**OPERATIONS OF THE NON-FINANCIAL PUBLIC SECTOR 1/**  
(Million nuevos soles)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
								1/	1/	1/
<b>1. GENERAL GOVERNMENT CURRENT REVENUES</b>	<b>41,493</b>	<b>47,601</b>	<b>60,260</b>	<b>69,565</b>	<b>78,656</b>	<b>72,214</b>	<b>87,148</b>	<b>102,134</b>	<b>113,528</b>	<b>121,065</b>
a. Tax revenue	31,774	36,311	46,574	53,531	59,689	53,890	65,961	77,261	86,097	91,698
b. Non-tax revenue	9,719	11,291	13,685	16,034	18,966	18,325	21,187	24,873	27,431	29,367
<b>2. GENERAL GOVERNMENT NON-FINANCIAL EXPENDITURE</b>	<b>39,713</b>	<b>44,492</b>	<b>48,847</b>	<b>54,777</b>	<b>64,377</b>	<b>73,394</b>	<b>83,169</b>	<b>87,542</b>	<b>97,899</b>	<b>111,914</b>
a. Current expenditure	33,388	37,234	39,578	43,701	48,824	51,921	57,103	63,191	68,948	78,398
b. Capital expenditure	6,325	7,258	9,269	11,075	15,553	21,473	26,066	24,350	28,951	33,515
<b>3. OTHERS</b>	<b>528</b>	<b>1,082</b>	<b>1,308</b>	<b>1,017</b>	<b>537</b>	<b>1,242</b>	<b>192</b>	<b>557</b>	<b>1,396</b>	<b>1,771</b>
<b>4. PRIMARY BALANCE (1-2+3)</b>	<b>2,308</b>	<b>4,192</b>	<b>12,721</b>	<b>15,805</b>	<b>14,816</b>	<b>62</b>	<b>4,171</b>	<b>15,149</b>	<b>17,024</b>	<b>10,922</b>
<b>5. INTEREST PAYMENTS</b>	<b>4,865</b>	<b>5,061</b>	<b>5,660</b>	<b>6,007</b>	<b>5,883</b>	<b>5,006</b>	<b>5,083</b>	<b>5,541</b>	<b>5,568</b>	<b>6,090</b>
a. External debt	3,951	4,175	4,337	4,287	3,350	3,101	2,927	2,655	2,755	3,065
b. Domestic debt	914	886	1,323	1,720	2,533	1,905	2,156	2,886	2,813	3,025
<b>6. OVERALL BALANCE</b>	<b>- 2,558</b>	<b>- 870</b>	<b>7,061</b>	<b>9,799</b>	<b>8,932</b>	<b>- 4,944</b>	<b>- 912</b>	<b>9,608</b>	<b>11,456</b>	<b>4,832</b>
<b>7. NET FINANCING</b>	<b>2,558</b>	<b>870</b>	<b>- 7,061</b>	<b>- 9,799</b>	<b>- 8,932</b>	<b>4,944</b>	<b>912</b>	<b>- 9,608</b>	<b>- 11,456</b>	<b>- 4,832</b>
1. Foreign	3,600	-3,813	- 1,790	- 6,398	- 3,472	4,069	- 2,077	748	- 1,388	- 4,388
(Million US\$) (a-b+c)	\$ 1,076	- \$ 1,167	- \$ 542	- \$ 2,085	- \$ 1,205	\$ 1,317	- \$ 728	\$ 277	- \$ 531	- \$ 1,689
a. Disbursements	\$ 2,474	\$ 2,628	\$ 609	\$ 3,384	\$ 1,165	\$ 3,225	\$ 4,261	\$ 990	\$ 948	\$ 348
b. Amortization	\$ 1,348	\$ 3,678	\$ 1,193	\$ 5,661	\$ 2,604	\$ 1,843	\$ 5,184	\$ 831	\$ 1,175	\$ 2,367
c. Others 2/	- \$ 49	- \$ 117	\$ 42	\$ 193	\$ 234	- \$ 65	\$ 195	\$ 118	- \$ 304	\$ 330
2. Domestic	- 1,432	4,498	- 5,575	- 3,850	- 5,617	773	2,570	- 10,491	- 10,094	- 1,182
3. Privatization	389	185	304	449	156	102	419	135	26	737

1/ Preliminary data.

2/ Includes exceptional and short-term financing

Source: MEF, Banco de la Nación, SUNAT, EsSalud, public welfare agencies, state-owned enterprises, and public institutions. Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 53  
OPERATIONS OF THE NON-FINANCIAL PUBLIC SECTOR 1/  
(% GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
								1/	1/	1/
<b>1. GENERAL GOVERNMENT CURRENT REVENUES</b>	<b>18.5</b>	<b>19.5</b>	<b>21.0</b>	<b>21.8</b>	<b>22.1</b>	<b>19.8</b>	<b>20.8</b>	<b>21.7</b>	<b>22.3</b>	<b>22.1</b>
a. Tax revenue	14.2	14.9	16.3	16.7	16.8	14.8	15.7	16.4	16.9	16.8
b. Non-tax revenue	4.3	4.6	4.8	5.0	5.3	5.0	5.0	5.3	5.4	5.4
<b>2. GENERAL GOVERNMENT NON-FINANCIAL EXPENDITURE</b>	<b>17.7</b>	<b>18.2</b>	<b>17.1</b>	<b>17.1</b>	<b>18.1</b>	<b>20.1</b>	<b>19.8</b>	<b>18.6</b>	<b>19.3</b>	<b>20.5</b>
a. Current expenditure	14.9	15.2	13.8	13.7	13.7	14.2	13.6	13.4	13.6	14.3
b. Capital expenditure	2.8	3.0	3.2	3.5	4.4	5.9	6.2	5.2	5.7	6.1
<b>3. OTHERS</b>	<b>0.2</b>	<b>0.4</b>	<b>0.5</b>	<b>0.3</b>	<b>0.2</b>	<b>0.3</b>	<b>0.0</b>	<b>0.1</b>	<b>0.3</b>	<b>0.3</b>
<b>4. PRIMARY BALANCE (1-2+3)</b>	<b>1.0</b>	<b>1.7</b>	<b>4.4</b>	<b>4.9</b>	<b>4.2</b>	<b>0.0</b>	<b>1.0</b>	<b>3.2</b>	<b>3.3</b>	<b>2.0</b>
<b>5. INTEREST PAYMENTS</b>	<b>2.2</b>	<b>2.1</b>	<b>2.0</b>	<b>1.9</b>	<b>1.7</b>	<b>1.4</b>	<b>1.2</b>	<b>1.2</b>	<b>1.1</b>	<b>1.1</b>
a. External debt	1.8	1.7	1.5	1.3	0.9	0.8	0.7	0.6	0.5	0.6
b. Domestic debt	0.4	0.4	0.5	0.5	0.7	0.5	0.5	0.6	0.6	0.6
<b>6. OVERALL BALANCE</b>	<b>- 1.1</b>	<b>- 0.4</b>	<b>2.5</b>	<b>3.1</b>	<b>2.5</b>	<b>- 1.4</b>	<b>- 0.2</b>	<b>2.0</b>	<b>2.3</b>	<b>0.9</b>
<b>7. NET FINANCING</b>	<b>1.1</b>	<b>0.4</b>	<b>- 2.5</b>	<b>- 3.1</b>	<b>- 2.5</b>	<b>1.4</b>	<b>0.2</b>	<b>- 2.0</b>	<b>- 2.3</b>	<b>- 0.9</b>
1. Foreign (Million US\$) (a-b+c)	1.6	- 1.6	- 0.6	- 2.0	- 1.0	1.1	- 0.5	0.2	- 0.3	- 0.8
a. Disbursements	3.7	3.6	0.7	3.3	1.0	2.7	2.9	0.6	0.5	0.2
b. Amortization	2.0	5.0	1.4	5.5	2.1	1.5	3.5	0.5	0.6	1.1
c. Others 2/	- 0.1	- 0.2	0.0	0.2	0.2	- 0.1	0.1	0.1	- 0.2	0.2
2. Domestic	- 0.6	1.8	- 1.9	- 1.2	- 1.6	0.2	0.6	- 2.2	- 2.0	- 0.2
3. Privatization	0.2	0.1	0.1	0.1	0.0	0.0	0.1	0.0	0.0	0.1

1/ Preliminary data.

2/ Includes exceptional and short-term financing.

Source: MEF, Banco de la Nación, BCRP, SUNAT, EsSalud, public welfare agencies, state-owned enterprises, and public institutions. Department of Economic Studies, BCRP.

Elaborated by the



APPENDIX 54  
GENERAL GOVERNMENT OPERATIONS  
(Million nuevos soles)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
								1/	1/	1/
<b>I. CURRENT REVENUE</b>	<b>41,493</b>	<b>47,601</b>	<b>60,260</b>	<b>69,565</b>	<b>78,656</b>	<b>72,214</b>	<b>87,148</b>	<b>102,134</b>	<b>113,528</b>	<b>121,065</b>
1. Tax revenues	31,774	36,311	46,574	53,531	59,689	53,890	65,961	77,261	86,097	91,698
2. Contributions	3,738	4,023	4,588	5,191	6,728	7,218	7,967	9,071	10,281	11,493
3. Others	5,981	7,268	9,097	10,843	12,238	11,107	13,221	15,802	17,150	17,873
<b>II. NON-FINANCIAL EXPENDITURE</b>	<b>39,713</b>	<b>44,492</b>	<b>48,847</b>	<b>54,777</b>	<b>64,377</b>	<b>73,394</b>	<b>83,169</b>	<b>87,542</b>	<b>97,899</b>	<b>111,914</b>
1. Current expenditure	33,388	37,234	39,578	43,701	48,824	51,921	57,103	63,191	68,948	78,398
2. Capital expenditure	6,325	7,258	9,269	11,075	15,553	21,473	26,066	24,350	28,951	33,515
<b>III. CAPITAL REVENUE</b>	<b>218</b>	<b>412</b>	<b>455</b>	<b>401</b>	<b>421</b>	<b>445</b>	<b>782</b>	<b>310</b>	<b>267</b>	<b>901</b>
<b>IV. PRIMARY BALANCE</b>	<b>1,999</b>	<b>3,522</b>	<b>11,868</b>	<b>15,190</b>	<b>14,700</b>	<b>- 735</b>	<b>4,761</b>	<b>14,902</b>	<b>15,895</b>	<b>10,051</b>
<b>V. INTERESTS PAYMENT</b>	<b>4,799</b>	<b>4,966</b>	<b>5,552</b>	<b>5,911</b>	<b>5,749</b>	<b>4,897</b>	<b>4,990</b>	<b>5,428</b>	<b>5,458</b>	<b>5,958</b>
<b>VI. OVERALL BALANCE</b>	<b>- 2,800</b>	<b>- 1,444</b>	<b>6,315</b>	<b>9,279</b>	<b>8,950</b>	<b>- 5,632</b>	<b>- 229</b>	<b>9,474</b>	<b>10,438</b>	<b>4,093</b>
<b>VII. NET FINANCING</b>	<b>2,800</b>	<b>1,444</b>	<b>- 6,315</b>	<b>- 9,279</b>	<b>- 8,950</b>	<b>5,632</b>	<b>229</b>	<b>- 9,474</b>	<b>- 10,438</b>	<b>- 4,093</b>
1. External funding	3,614	- 3,816	- 1,932	- 6,842	- 3,902	4,174	- 2,909	505	- 530	- 5,100
(Million US\$) (a-b+c)	\$ 1,078	- \$ 1,167	- \$ 585	- \$ 2,231	- \$ 1,379	\$ 1,331	- \$ 1,022	\$ 1,187	- \$ 205	- \$ 1,958
a. Disbursements	\$ 2,445	\$ 2,602	\$ 580	\$ 3,339	\$ 1,089	\$ 3,134	\$ 4,048	\$ 927	\$ 932	\$ 320
b. Amortization	\$ 1,328	\$ 3,654	\$ 1,159	\$ 5,621	\$ 2,556	\$ 1,792	\$ 5,129	\$ 741	\$ 1,129	\$ 2,317
c. Others	- \$ 39	- \$ 114	- \$ 6	\$ 50	\$ 89	- \$ 11	\$ 59	\$ 1	- \$ 8	\$ 39
2. Domestic funding	- 1,203	5,074	- 4,687	- 2,886	- 5,205	1,356	2,719	- 10,114	- 9,934	269
3. Privatization	389	185	304	449	156	102	419	135	26	737

1/ Preliminary data.  
Source: MEF, BCRP, Banco de la Nación, SUNAT, EsSalud, and public institutions.  
Elaborated by the Department of Economic Studies, BCRP

APPENDIX 55  
GENERAL GOVERNMENT OPERATIONS  
(% GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. CURRENT REVENUE</b>	<b>18.5</b>	<b>19.5</b>	<b>21.0</b>	<b>21.8</b>	<b>22.1</b>	<b>19.8</b>	<b>20.8</b>	<b>21.7</b>	<b>22.3</b>	<b>22.1</b>
1. Tax revenues	14.2	14.9	16.3	16.7	16.8	14.8	15.7	16.4	16.9	16.8
2. Contributions	1.7	1.6	1.6	1.6	1.9	2.0	1.9	1.9	2.0	2.1
3. Others	2.7	3.0	3.2	3.4	3.4	3.0	3.2	3.4	3.4	3.3
<b>II. NON-FINANCIAL EXPENDITURE</b>	<b>17.7</b>	<b>18.2</b>	<b>17.1</b>	<b>17.1</b>	<b>18.1</b>	<b>20.1</b>	<b>19.8</b>	<b>18.6</b>	<b>19.3</b>	<b>20.5</b>
1. Current expenditure	14.9	15.2	13.8	13.7	13.7	14.2	13.6	13.4	13.6	14.3
2. Capital expenditure	2.8	3.0	3.2	3.5	4.4	5.9	6.2	5.2	5.7	6.1
<b>III. CAPITAL REVENUE</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>
<b>IV. PRIMARY BALANCE</b>	<b>0.9</b>	<b>1.4</b>	<b>4.1</b>	<b>4.8</b>	<b>4.1</b>	<b>-0.2</b>	<b>1.1</b>	<b>3.2</b>	<b>3.1</b>	<b>1.8</b>
<b>V. INTEREST PAYMENTS</b>	<b>2.1</b>	<b>2.0</b>	<b>1.9</b>	<b>1.8</b>	<b>1.6</b>	<b>1.3</b>	<b>1.2</b>	<b>1.2</b>	<b>1.1</b>	<b>1.1</b>
<b>VI. OVERALL BALANCE</b>	<b>-1.2</b>	<b>-0.6</b>	<b>2.2</b>	<b>2.9</b>	<b>2.5</b>	<b>-1.5</b>	<b>-0.1</b>	<b>2.0</b>	<b>2.1</b>	<b>0.7</b>
<b>VII. NET FINANCING</b>	<b>1.2</b>	<b>0.6</b>	<b>-2.2</b>	<b>-2.9</b>	<b>-2.5</b>	<b>1.5</b>	<b>0.1</b>	<b>-2.0</b>	<b>-2.1</b>	<b>-0.7</b>
1. External funding (a-b+c)	1.6	-1.6	-0.7	-2.1	-1.1	1.1	-0.7	0.1	-0.1	-0.9
a. Disbursements	3.7	3.5	0.7	3.3	0.9	2.6	2.7	0.5	0.5	0.2
b. Amortization	2.0	4.9	1.3	5.5	2.1	1.5	3.5	0.4	0.6	1.1
c. Others	-0.1	-0.2	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
2. Domestic funding	-0.5	2.1	-1.6	-0.9	-1.5	0.4	0.6	-2.2	-2.0	0.0
3. Privatization	0.2	0.1	0.1	0.1	0.0	0.0	0.1	0.0	0.0	0.1

1/ Preliminary data.

Source: MEF, Banco de la Nación, BCRP, SUNAT, Essalud, and public institutions.  
Elaborated by the Department of Economic Studies, BCRP.





APPENDIX 56  
CENTRAL GOVERNMENT OPERATIONS  
(Million nuevos soles)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
								1/	1/	1/
<b>I. CURRENT REVENUE</b>	35,334	41,029	53,048	60,795	68,039	60,895	74,726	88,225	97,287	103,203
<b>II. NON-FINANCIAL EXPENDITURE</b>	34,172	38,446	43,328	50,338	55,420	62,006	70,254	78,728	85,658	95,865
1. Current expenditure	29,877	33,550	37,349	43,108	46,538	47,539	51,332	58,329	63,239	70,158
2. Capital expenditure	4,295	4,896	5,979	7,230	8,882	14,466	18,922	20,399	22,419	25,707
<b>III. CAPITAL REVENUE</b>	189	386	361	385	394	444	781	295	344	902
<b>IV. PRIMARY BALANCE</b>	1,351	2,970	10,080	10,842	13,013	- 667	5,253	9,793	11,973	8,240
<b>V. INTEREST PAYMENT</b>	4,381	4,795	5,418	5,525	5,128	4,867	4,766	5,039	5,233	5,724
<b>VI. OVERALL BALANCE</b>	- 3,030	- 1,825	4,663	5,317	7,885	- 5,534	487	4,754	6,740	2,516
<b>VII. NET FINANCING</b>	3,030	1,825	- 4,663	- 5,317	- 7,885	5,534	- 487	- 4,754	- 6,740	- 2,516
1. External funding	3,840	- 3,121	- 1,832	- 6,831	- 4,083	4,229	- 3,055	593	- 459	- 5,195
(Million US\$) (a-b+c)	\$ 1,144	- \$ 955	- \$ 554	- \$ 2,229	- \$ 1,441	\$ 1,350	- \$ 1,074	\$ 219	- \$ 179	- \$ 1,992
a. Disbursements	\$ 2,445	\$ 2,599	\$ 578	\$ 3,325	\$ 1,059	\$ 3,106	\$ 4,036	\$ 927	\$ 932	\$ 320
b. Amortization	\$ 1,328	\$ 3,654	\$ 1,159	\$ 5,621	\$ 2,556	\$ 1,792	\$ 5,129	\$ 741	\$ 1,129	\$ 2,317
c. Others	\$ 26	\$ 100	\$ 27	\$ 67	\$ 57	\$ 36	\$ 19	\$ 33	\$ 19	\$ 5
2. Domestic funding	- 1,200	4,761	- 3,135	1,065	- 3,958	1,204	2,149	- 5,482	- 6,307	1,942
3. Privatization	389	185	304	449	156	102	419	135	26	737

1/ Preliminary data.  
Source: MEF, BCRP, Banco de la Nación, and SUNAT.  
Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 57  
CENTRAL GOVERNMENT OPERATIONS  
(% GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. CURRENT REVENUE</b>	15.8	16.8	18.5	19.0	19.1	16.7	17.8	18.8	19.1	18.9
<b>II. NON-FINANCIAL EXPENDITURE</b>	15.2	15.7	15.1	15.7	15.6	17.0	16.7	16.8	16.9	17.5
1. Current expenditure	13.3	13.7	13.0	13.5	13.1	13.0	12.2	12.4	12.4	12.8
2. Capital expenditure	1.9	2.0	2.1	2.3	2.5	4.0	4.5	4.3	4.4	4.7
<b>III. CAPITAL REVENUE</b>	0.1	0.2	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.2
<b>IV. PRIMARY BALANCE</b>	0.6	1.2	3.5	3.4	3.7	-0.2	1.3	2.1	2.4	1.5
<b>V. INTEREST PAYMENT</b>	2.0	2.0	1.9	1.7	1.4	1.3	1.1	1.1	1.0	1.0
<b>VI. OVERALL BALANCE</b>	-1.4	-0.7	1.6	1.7	2.2	-1.5	0.1	1.0	1.3	0.5
<b>VII. NET FINANCING</b>	1.4	0.7	-1.6	-1.7	-2.2	1.5	-0.1	-1.0	-1.3	-0.5
1. External funding (a-b+c)	1.7	-1.3	-0.6	-2.1	-1.1	1.2	-0.7	0.1	-0.1	-1.0
a. Disbursements	3.7	3.5	0.7	3.3	0.9	2.6	2.7	0.5	0.5	0.2
b. Amortization	2.0	4.9	1.3	5.5	2.1	1.5	3.5	0.4	0.6	1.1
c. Others	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
2. Domestic funding	-0.5	1.9	-1.1	0.3	-1.1	0.3	0.5	-1.2	-1.2	0.4
3. Privatization	0.2	0.1	0.1	0.1	0.0	0.0	0.1	0.0	0.0	0.1

1/ Preliminary data.

Source: MEF, Banco de la Nación, BCRP, and SUNAT.  
Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 58  
**GENERAL GOVERNMENT CURRENT REVENUES**  
(Million nuevos soles)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
								1/	1/	1/
<b>I. TAX REVENUES</b>	<b>31,774</b>	<b>36,311</b>	<b>46,574</b>	<b>53,531</b>	<b>59,689</b>	<b>53,890</b>	<b>65,961</b>	<b>77,261</b>	<b>86,097</b>	<b>91,698</b>
1. Income tax	9,026	11,188	18,414	22,847	24,146	20,346	25,802	33,628	37,278	36,512
- Individuals	2,798	3,196	3,926	4,477	5,356	5,608	6,285	7,931	9,070	10,149
- Corporate	5,230	5,953	11,205	14,373	16,313	12,269	16,428	21,432	23,429	22,914
- Regularization	999	2,038	3,283	3,997	2,477	2,470	3,089	4,265	4,779	3,450
2. Import duties	2,744	3,143	2,847	2,198	1,911	1,493	1,803	1,380	1,526	1,706
3. Value-added tax (VAT)	16,203	18,302	21,517	25,258	31,587	29,520	35,536	40,424	44,042	47,819
- Domestic VAT	9,513	10,587	11,982	13,586	15,752	17,322	19,629	22,029	24,543	27,164
- VAT on imports	6,689	7,715	9,535	11,673	15,835	12,198	15,908	18,395	19,499	20,655
4. Excise tax	4,469	4,066	4,042	4,291	3,459	4,145	4,668	4,718	4,918	5,480
- Fuel	3,176	2,607	2,399	2,419	1,457	2,255	2,410	2,231	2,149	2,501
- Others	1,292	1,459	1,643	1,872	2,003	1,890	2,258	2,487	2,769	2,979
5. Other tax revenues	2,849	3,728	4,136	5,033	5,770	5,725	6,098	6,818	8,920	11,444
6. Tax refunds	- 3,517	- 4,116	- 4,382	- 6,097	- 7,184	- 7,339	- 7,947	- 9,707	- 10,587	- 11,264
<b>II. NON-TAX REVENUES</b>	<b>9,719</b>	<b>11,291</b>	<b>13,685</b>	<b>16,034</b>	<b>18,966</b>	<b>18,325</b>	<b>21,187</b>	<b>24,873</b>	<b>27,431</b>	<b>29,367</b>
1. Contributions to Essalud and ONP	3,738	4,023	4,588	5,191	6,728	7,218	7,967	9,071	10,281	11,493
2. Royalties: oil, gas, and mining	462	1,103	1,559	1,788	2,459	1,597	2,523	3,756	2,850	2,875
3. Oil canon	513	878	1,105	1,181	1,633	1,241	1,840	2,673	2,910	3,005
4. Other revenues 2/	5,006	5,287	6,433	7,874	8,146	8,269	8,858	9,373	11,391	11,993
<b>III. TOTAL (I+ II)</b>	<b>41,493</b>	<b>47,601</b>	<b>60,260</b>	<b>69,565</b>	<b>78,656</b>	<b>72,214</b>	<b>87,148</b>	<b>102,134</b>	<b>113,528</b>	<b>121,065</b>

1/ Preliminary data.

2/ Includes equity and current transfers, interest and earnings transfer of the Banco de la Nación and BCRP.

Source: MEF, Banco de la Nación, BCRP and SUNAT.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 59  
**GENERAL GOVERNMENT CURRENT REVENUES**  
 (% GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. TAX REVENUES</b>	<b>14.2</b>	<b>14.9</b>	<b>16.3</b>	<b>16.7</b>	<b>16.8</b>	<b>14.8</b>	<b>15.7</b>	<b>16.4</b>	<b>16.9</b>	<b>16.8</b>
1. Income tax	4.0	4.6	6.4	7.1	6.8	5.6	6.1	7.2	7.3	6.7
- Individuals	1.2	1.3	1.4	1.4	1.5	1.5	1.5	1.7	1.8	1.9
- Corporate	2.3	2.4	3.9	4.5	4.6	3.4	3.9	4.6	4.6	4.2
- Regularization	0.4	0.8	1.1	1.3	0.7	0.7	0.7	0.9	0.9	0.6
2. Import duties	1.2	1.3	1.0	0.7	0.5	0.4	0.4	0.3	0.3	0.3
3. Value-added tax (VAT)	7.2	7.5	7.5	7.9	8.9	8.1	8.5	8.6	8.7	8.7
- Domestic VAT	4.2	4.3	4.2	4.2	4.4	4.7	4.7	4.7	4.8	5.0
- VAT on imports	3.0	3.2	3.3	3.7	4.5	3.3	3.8	3.9	3.8	3.8
4. Excise tax	2.0	1.7	1.4	1.3	1.0	1.1	1.1	1.0	1.0	1.0
- Fuel	1.4	1.1	0.8	0.8	0.4	0.6	0.6	0.5	0.4	0.5
- Others	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5
5. Other tax revenues	1.3	1.5	1.4	1.6	1.6	1.6	1.5	1.5	1.8	2.1
6. Tax refunds	- 1.6	- 1.7	- 1.5	- 1.9	- 2.0	- 2.0	- 1.9	- 2.1	- 2.1	- 2.1
<b>II. NON-TAX REVENUES</b>	<b>4.3</b>	<b>4.6</b>	<b>4.8</b>	<b>5.0</b>	<b>5.3</b>	<b>5.0</b>	<b>5.0</b>	<b>5.3</b>	<b>5.4</b>	<b>5.4</b>
1. Contributions to Essalud and ONP	1.7	1.6	1.6	1.6	1.9	2.0	1.9	1.9	2.0	2.1
2. Royalties: oil, gas, and mining	0.2	0.5	0.5	0.6	0.7	0.4	0.6	0.8	0.6	0.5
3. Oil canon	0.2	0.4	0.4	0.4	0.5	0.3	0.4	0.6	0.6	0.5
4. Other revenues 2/	2.2	2.2	2.2	2.5	2.3	2.3	2.1	2.0	2.2	2.2
<b>III. TOTAL (I+ II)</b>	<b>18.5</b>	<b>19.5</b>	<b>21.0</b>	<b>21.8</b>	<b>22.1</b>	<b>19.8</b>	<b>20.8</b>	<b>21.7</b>	<b>22.3</b>	<b>22.1</b>

1/ Preliminary data.

2/ Includes equity and current transfers, interest and earnings transfer of the Banco de la Nación and BCRP.

Source: MEF, Banco de la Nación, BCRP, and SUNAT.

Elaborated by the Department of Economic Studies, BCRP.



<b>APPENDIX 60</b>											
<b>GENERAL GOVERNMENT EXPENDITURE</b>											
(Million nuevos soles)											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
								1/	1/	1/	
<b>I. NON-FINANCIAL EXPENDITURE</b>	<b>39,713</b>	<b>44,492</b>	<b>48,847</b>	<b>54,777</b>	<b>64,377</b>	<b>73,394</b>	<b>83,169</b>	<b>87,542</b>	<b>97,899</b>	<b>111,914</b>	
<b>1. Current</b>	<b>33,388</b>	<b>37,234</b>	<b>39,578</b>	<b>43,701</b>	<b>48,824</b>	<b>51,921</b>	<b>57,103</b>	<b>63,191</b>	<b>68,948</b>	<b>78,398</b>	
a. Wages and salaries	13,293	14,801	15,921	16,665	18,006	19,652	20,801	22,842	25,254	29,369	
b. Goods and services	10,639	12,134	13,382	14,536	16,281	19,134	22,294	23,884	28,433	31,444	
c. Transfers	9,455	10,299	10,275	12,500	14,537	13,135	14,008	16,466	15,261	17,586	
<b>2. Capital expenditure</b>	<b>6,325</b>	<b>7,258</b>	<b>9,269</b>	<b>11,075</b>	<b>15,553</b>	<b>21,473</b>	<b>26,066</b>	<b>24,350</b>	<b>28,951</b>	<b>33,515</b>	
a. Gross capital formation	5,828	6,863	8,580	10,370	14,875	19,621	23,975	22,820	27,253	30,812	
b. Others	497	395	689	706	678	1,852	2,090	1,530	1,698	2,703	
<b>II. INTEREST PAYMENTS</b>	<b>4,799</b>	<b>4,966</b>	<b>5,552</b>	<b>5,911</b>	<b>5,749</b>	<b>4,897</b>	<b>4,990</b>	<b>5,428</b>	<b>5,458</b>	<b>5,958</b>	
1. Domestic debt	878	828	1,256	1,665	2,436	1,831	2,099	2,818	2,749	2,941	
2. External debt	3,921	4,138	4,297	4,247	3,314	3,066	2,891	2,609	2,709	3,018	
<b>III. TOTAL (+II)</b>	<b>44,511</b>	<b>49,458</b>	<b>54,399</b>	<b>60,688</b>	<b>70,127</b>	<b>78,292</b>	<b>88,159</b>	<b>92,969</b>	<b>103,357</b>	<b>117,872</b>	

1/ Preliminary data.

Source: MEF, BCRP, and Banco de la Nación.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 61  
GENERAL GOVERNMENT EXPENDITURE  
(% GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
								1/	1/	1/
<b>I. NON-FINANCIAL EXPENDITURE</b>	<b>17.7</b>	<b>18.2</b>	<b>17.1</b>	<b>17.1</b>	<b>18.1</b>	<b>20.1</b>	<b>19.8</b>	<b>18.6</b>	<b>19.3</b>	<b>20.5</b>
<b>1. Current</b>	<b>14.9</b>	<b>15.2</b>	<b>13.8</b>	<b>13.7</b>	<b>13.7</b>	<b>14.2</b>	<b>13.6</b>	<b>13.4</b>	<b>13.6</b>	<b>14.3</b>
a. Wages and salaries	5.9	6.1	5.6	5.2	5.1	5.4	5.0	4.9	5.0	5.4
b. Goods and services	4.7	5.0	4.7	4.5	4.6	5.2	5.3	5.1	5.6	5.8
c. Transfers	4.2	4.2	3.6	3.9	4.1	3.6	3.3	3.5	3.0	3.2
<b>2. Capital expenditure</b>	<b>2.8</b>	<b>3.0</b>	<b>3.2</b>	<b>3.5</b>	<b>4.4</b>	<b>5.9</b>	<b>6.2</b>	<b>5.2</b>	<b>5.7</b>	<b>6.1</b>
a. Gross capital formation	2.6	2.8	3.0	3.2	4.2	5.4	5.7	4.9	5.4	5.6
b. Others	0.2	0.2	0.2	0.2	0.2	0.5	0.5	0.3	0.3	0.5
<b>II. INTEREST PAYMENTS</b>	<b>2.1</b>	<b>2.0</b>	<b>1.9</b>	<b>1.8</b>	<b>1.6</b>	<b>1.3</b>	<b>1.2</b>	<b>1.2</b>	<b>1.1</b>	<b>1.1</b>
1. Domestic debt	0.4	0.3	0.4	0.5	0.7	0.5	0.5	0.6	0.5	0.5
2. External debt	1.7	1.7	1.5	1.3	0.9	0.8	0.7	0.6	0.5	0.6
<b>III. TOTAL (I+II)</b>	<b>19.9</b>	<b>20.2</b>	<b>19.0</b>	<b>19.0</b>	<b>19.7</b>	<b>21.4</b>	<b>21.0</b>	<b>19.8</b>	<b>20.3</b>	<b>21.6</b>

1/ Preliminary data.

Source: MEF, Banco de la Nación, and BCRP.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 62  
**GENERAL GOVERNMENT GROSS CAPITAL FORMATION**  
 (% structure)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
								1/	1/	1/
<b>ECONOMIC SECTORS</b>	<b>50</b>	<b>45</b>	<b>48</b>	<b>49</b>	<b>47</b>	<b>52</b>	<b>55</b>	<b>53</b>	<b>51</b>	<b>49</b>
1. Agriculture	12	10	12	13	11	9	8	7	8	8
2. Transport and communications	32	29	31	29	31	37	42	42	39	38
3. Energy and mining	4	4	2	5	4	4	4	3	3	2
4. Industry, commerce, tourism, and integration	1	1	2	1	2	2	1	1	1	1
5. Fishing	0	0	0	1	0	0	0	0	0	0
<b>SOCIAL SECTORS</b>	<b>33</b>	<b>35</b>	<b>34</b>	<b>33</b>	<b>36</b>	<b>30</b>	<b>29</b>	<b>33</b>	<b>31</b>	<b>31</b>
1. Education	14	17	14	10	15	14	15	15	13	13
2. Health	11	14	18	21	20	16	14	18	18	18
3. Labor and other sectors	7	5	2	2	2	0	0	0	0	0
<b>GENERAL SECTORS 2/</b>	<b>9</b>	<b>10</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>12</b>	<b>10</b>	<b>12</b>	<b>11</b>	<b>13</b>
<b>MULTISECTOR PROGRAMS 3/</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>10</b>	<b>8</b>	<b>7</b>	<b>6</b>	<b>2</b>	<b>7</b>	<b>7</b>
<b>TOTAL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

1/ Preliminary data.

2/ Includes Presidency of Council of Ministers, Ministry of Justice, Ministry of Interior, Ministry of Foreign Affairs, MEF, and others.

3/ Includes projects in different sectors.

Source: MEF.

Elaborated by the Department of Economic Studies, BCRP.

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>APPENDIX 63</b>										
<b>LOCAL GOVERNMENT OPERATIONS</b>										
(Million nuevos soles)										
<b>I. CURRENT REVENUE</b>	5,375	6,487	8,056	11,872	12,736	11,586	12,482	15,028	16,817	16,996
<b>II. NON-FINANCIAL EXPENDITURE</b>	<b>5,123</b>	<b>5,866</b>	<b>7,858</b>	<b>9,162</b>	<b>13,332</b>	<b>15,569</b>	<b>17,396</b>	<b>16,670</b>	<b>21,998</b>	<b>24,406</b>
1. Current expenditure	3,124	3,537	3,941	4,780	5,826	6,274	7,284	7,946	9,590	10,064
2. Capital expenditure	1,998	2,329	3,918	4,382	7,507	9,296	10,111	8,724	12,408	14,342
<b>III. CAPITAL REVENUE</b>	<b>73</b>	<b>123</b>	<b>423</b>	<b>783</b>	<b>1,439</b>	<b>2,875</b>	<b>3,539</b>	<b>4,872</b>	<b>6,196</b>	<b>6,953</b>
<b>IV. PRIMARY BALANCE (I-II+III)</b>	<b>325</b>	<b>745</b>	<b>621</b>	<b>3,494</b>	<b>843</b>	<b>- 1,108</b>	<b>- 1,375</b>	<b>3,230</b>	<b>1,015</b>	<b>- 457</b>
<b>V. INTEREST PAYMENTS</b>	<b>84</b>	<b>66</b>	<b>45</b>	<b>27</b>	<b>32</b>	<b>34</b>	<b>36</b>	<b>26</b>	<b>26</b>	<b>26</b>
<b>VI. OVERALL BALANCE</b>	<b>241</b>	<b>679</b>	<b>577</b>	<b>3,466</b>	<b>811</b>	<b>- 1,142</b>	<b>- 1,411</b>	<b>3,204</b>	<b>989</b>	<b>- 484</b>
1/ Preliminary data										
Source: MEF.										
Elaborated by the Department of Economic Studies, BCRP.										





APPENDIX 64  
**LOCAL GOVERNMENT OPERATIONS**  
 (% GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
								1/	1/	1/
<b>I. CURRENT REVENUE</b>	2.4	2.7	2.8	3.7	3.6	3.2	3.0	3.2	3.3	3.1
<b>II. NON-FINANCIAL EXPENDITURE</b>	2.3	2.4	2.7	2.9	3.7	4.3	4.1	3.5	4.3	4.5
1. Current expenditure	1.4	1.4	1.4	1.5	1.6	1.7	1.7	1.7	1.9	1.8
2. capital expenditure	0.9	1.0	1.4	1.4	2.1	2.5	2.4	1.9	2.4	2.6
<b>III. CAPITAL REVENUE</b>	0.0	0.1	0.1	0.2	0.4	0.8	0.8	1.0	1.2	1.3
<b>IV. PRIMARY BALANCE (I-II+III)</b>	0.1	0.3	0.2	1.1	0.2	-0.3	-0.3	0.7	0.2	-0.1
<b>V. INTEREST PAYMENTS</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>VI. OVERALL BALANCE</b>	0.1	0.3	0.2	1.1	0.2	-0.3	-0.3	0.7	0.2	-0.1

1/ Preliminary data  
 Source: MEF.  
 Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 65  
OPERATION OF NON-FINANCIAL STATE ENTERPRISES  
(Million nuevos soles)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. CURRENT REVENUE</b>	<b>14,077</b>	<b>16,257</b>	<b>16,394</b>	<b>16,812</b>	<b>20,985</b>	<b>19,068</b>	<b>21,700</b>	<b>26,158</b>	<b>26,544</b>	<b>30,006</b>
1. Petroperú	8,818	10,427	10,259	10,061	13,408	10,609	13,306	17,349	17,117	19,290
2. Electroperú	1,323	1,659	1,701	1,406	1,498	1,486	1,112	1,067	1,371	1,345
3. Regionales de Electricidad	1,709	1,865	1,981	2,310	2,467	2,846	2,798	3,207	3,733	3,989
4. Sedapal	702	766	805	892	986	1,112	1,099	1,275	1,371	1,557
5. Others	1,525	1,600	1,648	2,142	2,625	3,016	3,385	3,260	2,951	3,824
<b>II. NON-FINANCIALL CURRENT EXPENDITURE</b>	<b>13,226</b>	<b>14,852</b>	<b>14,922</b>	<b>15,502</b>	<b>19,748</b>	<b>16,698</b>	<b>20,402</b>	<b>24,557</b>	<b>24,482</b>	<b>28,137</b>
1. Petroperú	8,648	10,096	10,074	9,994	13,858	10,083	13,387	17,312	16,786	19,513
2. Electroperú	1,332	1,331	1,379	1,498	1,202	1,213	1,134	941	1,163	1,006
3. Regionales de Electricidad	1,365	1,470	1,666	1,804	2,002	2,377	2,379	2,688	3,140	3,449
4. Sedapal	464	498	476	547	616	696	701	798	907	1,088
5. Others	1,417	1,457	1,328	1,659	2,070	2,329	2,802	2,818	2,486	3,082
<b>III. CAPITAL EXPENDITURE</b>	<b>797</b>	<b>850</b>	<b>909</b>	<b>1,252</b>	<b>1,465</b>	<b>2,022</b>	<b>2,180</b>	<b>1,597</b>	<b>1,414</b>	<b>1,996</b>
1. Petroperú	17	32	70	78	99	90	165	201	223	361
2. Electroperú	91	150	134	138	116	202	369	26	22	43
3. Regionales de Electricidad	389	352	251	435	438	686	590	399	347	588
4. Sedapal	194	222	257	352	530	664	567	447	271	431
5. Others	106	96	196	248	282	381	489	523	551	573
<b>IV. CAPITAL REVENUE</b>	<b>255</b>	<b>115</b>	<b>290</b>	<b>558</b>	<b>344</b>	<b>449</b>	<b>293</b>	<b>243</b>	<b>481</b>	<b>998</b>
<b>V. PRIMARY BALANCE (I-II-III+IV)</b>	<b>309</b>	<b>670</b>	<b>853</b>	<b>615</b>	<b>116</b>	<b>797</b>	<b>- 590</b>	<b>247</b>	<b>1,129</b>	<b>870</b>
1. Petroperú	153	300	162	- 12	- 549	435	- 245	- 164	108	- 583
2. Electroperú	- 100	178	188	- 230	180	71	- 391	99	186	297
3. Regionales de Electricidad	210	178	199	328	150	228	47	188	306	226
4. Sedapal	44	- 13	162	170	136	- 192	- 169	87	424	444
5. Others	2	27	142	359	199	255	169	37	104	486
<b>VI. INTEREST PAYMENT</b>	<b>67</b>	<b>95</b>	<b>107</b>	<b>96</b>	<b>134</b>	<b>109</b>	<b>93</b>	<b>114</b>	<b>110</b>	<b>132</b>
<b>VII. OVERALL BALANCE 2/</b>	<b>242</b>	<b>574</b>	<b>746</b>	<b>520</b>	<b>- 18</b>	<b>688</b>	<b>- 683</b>	<b>134</b>	<b>1,018</b>	<b>739</b>
1. Petroperú	143	287	144	- 27	- 607	401	- 255	- 174	96	- 615
2. Electroperú	- 100	178	188	- 230	180	71	- 391	99	186	297
3. Regionales de Electricidad	190	158	168	300	119	194	34	165	288	203
4. Sedapal	19	- 66	111	124	97	- 228	- 233	13	349	374
5. Others	- 10	17	134	354	193	249	163	31	100	480

1/ Preliminary data.

2/ The difference between revenue and payments in cash is reflected in the cash flow. "Profits" refers to the difference between revenue and expenses recorded as accruals and included in the Income Statement.

Source: State-owned companies and FONAFE.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 66  
OPERATION OF NON-FINANCIAL STATE ENTERPRISES  
(% GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
								1/	1/	1/
<b>I. CURRENT REVENUE</b>	<b>6.3</b>	<b>6.7</b>	<b>5.7</b>	<b>5.3</b>	<b>5.9</b>	<b>5.2</b>	<b>5.2</b>	<b>5.6</b>	<b>5.2</b>	<b>5.5</b>
1. Petroperú	3.9	4.3	3.6	3.1	3.8	2.9	3.2	3.7	3.4	3.5
2. Electropetrú	0.6	0.7	0.6	0.4	0.4	0.4	0.3	0.2	0.3	0.2
3. Regionales de Electricidad	0.8	0.8	0.7	0.7	0.7	0.8	0.7	0.7	0.7	0.7
4. Sedapal	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
5. Others	0.7	0.7	0.6	0.7	0.7	0.8	0.8	0.7	0.6	0.7
<b>II. NON-FINANCIAL CURRENT EXPENDITURE</b>	<b>5.9</b>	<b>6.1</b>	<b>5.2</b>	<b>4.8</b>	<b>5.6</b>	<b>4.6</b>	<b>4.9</b>	<b>5.2</b>	<b>4.8</b>	<b>5.1</b>
1. Petroperú	3.9	4.1	3.5	3.1	3.9	2.8	3.2	3.7	3.3	3.6
2. Electropetrú	0.6	0.5	0.5	0.5	0.3	0.3	0.3	0.2	0.2	0.2
3. Regionales de Electricidad	0.6	0.6	0.6	0.6	0.6	0.7	0.6	0.6	0.6	0.6
4. Sedapal	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
5. Others	0.6	0.6	0.5	0.5	0.6	0.6	0.7	0.6	0.5	0.6
<b>III. CAPITAL EXPENDITURE</b>	<b>0.4</b>	<b>0.3</b>	<b>0.3</b>	<b>0.4</b>	<b>0.4</b>	<b>0.6</b>	<b>0.5</b>	<b>0.3</b>	<b>0.3</b>	<b>0.4</b>
1. Petroperú	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
2. Electropetrú	0.0	0.1	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0
3. Regionales de Electricidad	0.2	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1
4. Sedapal	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1
5. Others	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>IV. CAPITAL REVENUE</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>
<b>V. PRIMARY BALANCE (I-II-III+IV)</b>	<b>0.1</b>	<b>0.3</b>	<b>0.3</b>	<b>0.2</b>	<b>0.0</b>	<b>0.2</b>	<b>-0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>
1. Petroperú	0.1	0.1	0.1	0.0	-0.2	0.1	-0.1	0.0	0.0	-0.1
2. Electropetrú	0.0	0.1	0.1	-0.1	0.1	0.0	-0.1	0.0	0.0	0.1
3. Regionales de Electricidad	0.1	0.1	0.1	0.1	0.0	0.1	0.0	0.0	0.1	0.0
4. Sedapal	0.0	0.0	0.1	0.1	0.0	-0.1	0.0	0.0	0.1	0.1
5. Others	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.1
<b>VI. INTEREST PAYMENTS</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>VII. OVERALL BALANCE 2/</b>	<b>0.1</b>	<b>0.2</b>	<b>0.3</b>	<b>0.2</b>	<b>0.0</b>	<b>0.2</b>	<b>-0.2</b>	<b>0.0</b>	<b>0.2</b>	<b>0.1</b>
1. Petroperú	0.1	0.1	0.1	0.0	-0.2	0.1	-0.1	0.0	0.0	-0.1
2. Electropetrú	0.0	0.1	0.1	-0.1	0.1	0.0	-0.1	0.0	0.0	0.1
3. Regionales de Electricidad	0.1	0.1	0.1	0.1	0.0	0.1	0.0	0.0	0.1	0.0
4. Sedapal	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	0.0	0.1	0.1
5. Others	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.1

1/ Preliminary data.

2/ The difference between revenue and payments in cash is reflected in the cash flow. "Profits" refers to the difference between revenue and expenses recorded as accruals and included in the Income Statement.

Source: State-owned companies, and FONAFE.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 67  
NET DEBT OF NON-FINANCIAL PUBLIC SECTOR

Years	Million nuevos soles			% GDP		
	Assets	Liabilities	Net debt	Assets	Liabilities	Net debt
2004	18,808	101,389	82,581	8.4	45.2	36.8
2005	20,792	102,938	82,146	8.5	42.1	33.6
2006	25,435	97,586	72,151	8.9	34.1	25.2
2007	38,061	95,604	57,543	11.9	29.9	18.0
2008	45,649	95,674	50,025	12.8	26.9	14.1
2009	47,003	99,215	52,212	12.9	27.2	14.3
2010	50,852	102,150	51,298	12.1	24.3	12.2
2011 1/	63,531	103,856	40,325	13.5	22.1	8.6
2012 1/	78,455	103,811	25,356	15.4	20.4	5.0
2013 1/	86,683	107,044	20,361	15.9	19.6	3.7

1/ Preliminary data.  
Source: BCRP and MEF.  
Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 68  
EVOLUTION OF LIQUIDITY AND CREDIT TO THE PRIVATE SECTOR 1/  
(% GDP)

	Currency	Money	Quasi money	Broad money in domestic currency	Broad money in foreign currency	Total broad money	Credit to the private sector in domestic currency	Credit to the private sector in foreign currency	Total credit to the private sector
<b>2004</b>	3.6	5.5	4.0	9.6	12.6	22.1	6.0	14.5	20.5
<b>2005</b>	4.1	6.3	5.2	11.6	13.4	25.0	7.4	14.8	22.2
<b>2006</b>	4.1	6.6	5.0	11.6	12.1	23.8	8.3	12.6	20.9
<b>2007</b>	4.6	7.7	6.4	14.0	12.2	26.2	10.3	13.6	23.9
<b>2008</b>	4.9	8.1	7.9	16.0	13.5	29.6	13.6	15.3	28.9
<b>2009</b>	5.3	9.1	8.8	17.9	12.9	30.8	15.6	13.7	29.3
<b>2010</b>	5.8	10.2	10.2	20.3	12.3	32.6	16.4	14.1	30.5
<b>2011</b>	5.8	10.4	10.8	21.2	12.3	33.5	17.7	14.3	31.9
<b>2012</b>	6.3	11.3	12.8	24.1	10.7	34.8	19.0	14.3	33.2
<b>2013</b>	6.4	11.3	13.5	24.8	12.2	37.1	21.6	14.9	36.5

1/ Data at end-of-period.  
Source: Depository corporations.  
Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 69  
EVOLUTION OF LIQUIDITY AND CREDIT TO THE PRIVATE SECTOR 1/  
(% change)

	Currency	Money	Quasi money	Broad money in domestic currency	Broad money in foreign currency	Total broad money	Credit to the private sector in domestic currency	Credit to the private sector in foreign currency	Total credit to the private sector
<b>2003</b>	9.6	10.7	4.8	7.9	0.7	3.1	13.7	- 5.7	- 1.5
<b>2004</b>	21.4	24.9	12.8	19.5	- 0.5	6.2	8.6	- 1.6	1.0
<b>2005</b>	28.5	29.5	43.1	35.3	2.1	14.7	20.4	2.7	7.5
<b>2006</b>	17.3	17.0	17.4	17.2	14.3	15.6	37.2	4.5	14.5
<b>2007</b>	24.6	29.7	35.9	32.5	9.4	19.9	35.9	11.6	20.5
<b>2008</b>	28.5	32.2	58.3	44.2	9.5	27.0	42.9	18.8	28.7
<b>2009</b>	8.2	8.1	8.4	8.2	21.3	13.8	32.2	7.9	19.0
<b>2010</b>	20.7	28.0	23.7	25.8	- 1.4	13.4	19.3	5.0	12.3
<b>2011</b>	19.9	18.6	24.3	21.5	14.9	18.9	20.8	29.3	24.7
<b>2012</b>	15.2	17.6	27.1	22.4	1.0	14.2	17.8	1.7	10.1
<b>2013</b>	15.2	13.8	22.7	18.5	8.2	15.0	18.5	10.7	15.0

1/ Data at end-of-period.

Source: Depository corporations.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 70  
**MONETARY ACCOUNTS OF THE DEPOSITORY CORPORATIONS 1/**  
 (Million nuevos soles)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
									3/	3/
<b>I. SHORT-TERM EXTERNAL ASSETS</b>										
(Million US\$)	41,332	48,030	56,511	79,503	98,480	96,516	126,018	132,815	158,915	185,568
A. Assets	12,601	14,003	17,660	26,501	31,363	33,397	44,846	49,191	62,320	66,274
B. Liabilities	43,336	51,349	58,683	85,824	103,294	100,126	128,771	136,939	168,259	190,230
	2,004	3,319	2,172	6,321	4,814	3,609	2,753	4,124	9,344	4,662
<b>II. OTHER NET OPERATIONS ABROAD</b>										
(Million US\$) 2/	770	758	638	- 8,920	-13,745	- 9,631	- 18,071	- 21,575	- 27,093	- 33,353
A. Credits	230	233	133	- 1,996	- 3,334	- 2,817	- 5,916	- 7,398	- 9,786	- 11,098
B. Liabilities	4,820	4,747	5,142	4,719	4,784	5,377	4,979	5,008	5,192	5,561
	4,050	3,989	4,504	13,639	18,528	15,008	23,050	26,583	32,285	38,914
<b>III. DOMESTIC CREDIT (A+B+C+D)</b>										
<b>A. Public sector</b>	7,541	12,315	10,967	13,234	20,513	25,536	28,885	46,219	44,903	50,381
1. Credits	- 12,798	- 14,092	- 17,595	- 29,767	- 36,287	- 34,740	- 41,179	- 53,115	- 68,663	- 72,548
- Central government	6,751	6,969	6,211	6,662	7,613	10,642	8,090	8,916	8,336	12,852
- Rest of the public sector	6,218	6,602	5,983	6,465	6,820	10,050	7,583	8,185	7,890	11,432
	533	367	228	197	793	592	507	730	445	1,420
2. Deposits	19,548	21,061	23,806	36,429	43,900	45,382	49,269	62,031	76,999	85,399
- Central government	9,759	11,817	13,830	21,418	29,553	31,897	36,068	47,988	59,428	65,879
- Rest of the public sector	9,789	9,244	9,976	15,011	14,347	13,484	13,201	14,042	17,570	19,521
<b>B. Sector privado</b>	44,607	52,610	57,027	74,150	99,257	104,189	121,587	147,861	167,588	198,483
Domestic currency	13,372	18,124	23,708	32,849	48,268	56,925	68,981	83,034	96,346	118,022
Foreign currency	31,235	34,486	33,319	41,302	50,989	47,263	52,606	64,828	71,242	80,461
(Million US\$)	9,523	10,054	10,412	13,767	16,239	16,354	18,721	24,010	27,938	28,736
<b>C. Capital, reserves, provisions and balances</b>	23,390	24,446	25,336	28,907	35,128	38,815	42,864	45,684	49,537	52,460
<b>D. Other assets and liabilities (Net)</b>	- 878	- 1,756	- 3,128	- 2,242	- 7,329	- 5,097	- 8,659	- 2,844	- 4,486	- 23,095
<b>IV. MONETARY LIABILITIES</b>										
<b>WITH PRIVATE SECTOR (I+II+III)</b>	49,643	61,104	68,116	83,818	105,249	112,422	136,832	157,459	176,725	202,595
<b>A. Domestic currency</b>	21,446	28,264	33,340	44,866	57,083	65,324	85,366	99,520	122,476	135,644
1. Money	12,420	15,489	18,975	24,476	28,930	33,147	42,651	48,766	57,488	61,822
Notes and coins held by the public	7,982	10,036	11,688	14,858	17,336	19,241	24,131	27,261	32,244	35,239
Demand deposits in domestic currency	4,438	5,453	7,288	9,618	11,595	13,905	18,519	21,505	25,244	26,584
<b>2. Quasimoney</b>	9,027	12,775	14,364	20,390	28,153	32,178	42,715	50,754	64,988	73,822
Saving deposits	4,174	5,739	6,613	8,534	11,659	13,808	18,084	22,409	26,935	30,958
Term deposits	4,403	6,458	7,052	11,213	15,755	17,668	23,485	26,863	36,073	40,255
Other securities	451	578	700	643	739	703	1,145	1,481	1,979	2,609
<b>B. Quasimoney in foreign currency</b>	28,197	32,840	34,776	38,952	48,165	47,097	51,467	57,939	54,250	66,951
(Million US\$)	8,597	9,574	10,868	12,984	15,339	16,297	18,316	21,459	21,274	23,911

1/ Foreign currency is valued at the average bid and ask exchange rate at the end of period.

2/ Balance of operations in foreign currency.

3/ Preliminary data.

Source: Depository corporations.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 71  
**MONETARY ACCOUNT OF CENTRAL RESERVE BANK OF PERU 1/**  
(Million nuevos soles)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. NET INTERNATIONAL RESERVES</b>	<b>41,430</b>	<b>48,353</b>	<b>55,279</b>	<b>83,066</b>	<b>97,955</b>	<b>95,760</b>	<b>123,935</b>	<b>131,803</b>	<b>163,178</b>	<b>183,857</b>
(Million US\$)	<b>12,631</b>	<b>14,097</b>	<b>17,275</b>	<b>27,689</b>	<b>31,196</b>	<b>33,135</b>	<b>44,105</b>	<b>48,816</b>	<b>63,991</b>	<b>65,663</b>
A. Assets	41,488	48,430	55,453	83,161	98,070	95,877	124,063	131,918	163,325	183,989
B. Liabilities	59	77	174	94	115	117	127	115	146	132
<b>II. OTHER NET LIABILITIES ABROAD</b>	<b>35</b>	<b>34</b>	<b>29</b>	<b>-2,583</b>	<b>-2,111</b>	<b>-168</b>	<b>73</b>	<b>55</b>	<b>50</b>	<b>54</b>
(Million US\$) 2/	<b>11</b>	<b>10</b>	<b>9</b>	<b>28</b>	<b>28</b>	<b>27</b>	<b>26</b>	<b>21</b>	<b>20</b>	<b>20</b>
A. Credits	3,263	3,187	3,138	3,171	3,172	2,405	2,307	1,870	1,727	1,797
B. Liabilities	3,228	3,153	3,109	5,754	5,283	2,573	2,234	1,815	1,678	1,743
<b>III. DOMESTIC CREDIT (A+B+C- D+E)</b>	<b>-14,574</b>	<b>-13,701</b>	<b>-22,561</b>	<b>-31,663</b>	<b>-37,840</b>	<b>-41,831</b>	<b>-45,590</b>	<b>-53,586</b>	<b>-57,994</b>	<b>-70,426</b>
A. Public sector	<b>-10,475</b>	<b>-9,712</b>	<b>-12,988</b>	<b>-17,558</b>	<b>-24,586</b>	<b>-25,318</b>	<b>-30,327</b>	<b>-41,681</b>	<b>-52,917</b>	<b>-57,756</b>
1. Credits 3/	39	0	0	0	0	0	0	0	817	1,569
2. Liabilities	10,514	9,712	12,988	17,558	24,586	25,318	30,327	41,681	53,734	59,325
- Central government	4,835	5,295	9,004	14,317	22,073	24,674	28,083	40,506	52,560	57,322
- Other public sector 4/	5,678	4,417	3,984	3,241	2,513	644	2,244	1,175	1,174	2,003
B. Private sector	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
C. Banking system 5/	<b>-1,941</b>	<b>-1,127</b>	<b>-6,642</b>	<b>-11,264</b>	<b>-5,316</b>	<b>-9,547</b>	<b>-10,123</b>	<b>-11,225</b>	<b>-10,832</b>	<b>-10,422</b>
- Banco de la Nación	-1,941	-3,977	-6,642	-11,264	-10,728	-9,547	-10,123	-11,225	-10,832	-11,372
- Banks	0	2,850	0	0	5,412	0	0	0	0	950
D. Capital, reserves, provisions and balance	<b>592</b>	<b>598</b>	<b>1,317</b>	<b>2,429</b>	<b>3,697</b>	<b>4,167</b>	<b>3,609</b>	<b>3,078</b>	<b>1,851</b>	<b>-450</b>
E. Other assets and liabilities (Net)	<b>-1,566</b>	<b>-2,263</b>	<b>-1,614</b>	<b>-412</b>	<b>-4,240</b>	<b>-2,799</b>	<b>-1,551</b>	<b>2,397</b>	<b>7,605</b>	<b>-2,699</b>
<b>IV. MONETARY LIABILITIES</b>	<b>26,890</b>	<b>34,686</b>	<b>32,747</b>	<b>48,821</b>	<b>58,004</b>	<b>53,762</b>	<b>78,418</b>	<b>78,271</b>	<b>105,234</b>	<b>113,484</b>
WITH THE PRIVATE SECTOR (I+II+III)	<b>17,478</b>	<b>20,511</b>	<b>21,902</b>	<b>35,436</b>	<b>38,140</b>	<b>37,717</b>	<b>59,362</b>	<b>56,332</b>	<b>80,198</b>	<b>73,471</b>
A. Domestic currency	9,327	11,724	13,864	17,779	22,311	23,548	34,208	39,967	52,735	51,937
1. Monetary base	9,047	11,448	13,651	16,999	20,458	22,539	28,077	32,300	37,824	42,530
- In vault	1,065	1,412	1,963	2,142	3,122	3,298	3,946	5,040	5,579	7,292
- In circulation	7,982	10,036	11,688	14,858	17,336	19,241	24,131	27,261	32,244	35,239
1.2. Deposits	280	276	212	780	1,853	1,009	6,131	7,667	14,911	9,406
- Banks	208	76	89	199	944	503	3,687	4,911	10,274	4,678
- Banco de la Nación 6/	0	0	0	410	720	330	1,700	1,370	2,350	2,600
- Other financial entities	72	199	124	171	188	176	744	1,386	2,287	2,129
2. Other deposits 7/	52	60	247	20	23	842	21,467	3,757	9,743	3,097
3. Securities issued 8/	8,100	8,728	7,792	17,636	15,807	13,327	3,687	12,608	17,720	18,437
B. Foreign currency	<b>9,412</b>	<b>14,174</b>	<b>10,845</b>	<b>13,385</b>	<b>19,864</b>	<b>16,045</b>	<b>19,056</b>	<b>21,939</b>	<b>25,036</b>	<b>40,014</b>
(Million US\$)	<b>2,869</b>	<b>4,132</b>	<b>3,389</b>	<b>4,462</b>	<b>6,326</b>	<b>5,552</b>	<b>6,782</b>	<b>8,125</b>	<b>9,818</b>	<b>14,291</b>
1. Deposits	9,411	14,174	10,844	13,384	19,863	16,044	19,055	21,937	25,034	40,013
1.1. Banks	9,219	13,979	10,599	13,189	19,772	15,787	18,701	21,567	24,603	39,182
1.2. Other financial entities	192	195	246	195	91	257	354	370	431	831
2. Certificates	0	1	1	1	1	1	1	1	1	1

1/ Foreign currency is valued at the average bid and ask exchange rate at the end of period.

2/ Includes only operations in foreign currency.

3/ Includes the issuance of Public sector bonds purchased by the BCRP (Article 61 of the Central Bank Organic Act).

4/ Includes COFIDE.

5/ Since January 31, 1994, the balances of credits to Banco de la Nación and development banks in process of dissolution are net of their deposits at the BCRP.

6/ Since December 31, 2007, the monetary base includes deposits in domestic currency in the current account of Banco de la Nación.

7/ Financial entities' sterilization deposits in domestic currency (overnight deposits and auctions of term deposits) are also included here.

8/ Includes BCRP securities purchased by banks and the private sector. The value of Indexed Certificates of Deposits is indexed to the exchange rate.

Source: BCRP.

Elaborated by the Department of Economic Studies, BCRP.





APPENDIX 72  
**OPERATIONS OF THE CENTRAL RESERVE BANK OF PERU**  
 (Million nuevos soles)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. EXCHANGE OPERATIONS</b>	<b>6,239</b>	<b>2,360</b>	<b>9,141</b>	<b>21,914</b>	<b>311</b>	<b>- 562</b>	<b>25,362</b>	<b>669</b>	<b>31,172</b>	<b>- 12,681</b>
(Million US\$)	<b>1,854</b>	<b>767</b>	<b>2,861</b>	<b>7,070</b>	<b>488</b>	<b>- 48</b>	<b>9,010</b>	<b>329</b>	<b>11,837</b>	<b>- 4,270</b>
1. Over the Counter operations	2,340	2,699	3,944	10,306	2,754	108	8,963	3,537	13,179	5
2. Public sector	- 487	- 1,935	- 1,084	- 3,275	- 2,316	- 261	- 50	- 3,039	- 1,353	- 4,298
3. Other	2	3	1	39	50	105	96	- 169	11	24
<b>II. NET DOMESTIC ASSETS</b>	<b>- 4,576</b>	<b>- 306</b>	<b>- 7,490</b>	<b>- 18,744</b>	<b>2,167</b>	<b>2,468</b>	<b>- 20,472</b>	<b>2,461</b>	<b>- 26,188</b>	<b>15,675</b>
1. Public sector deposits	- 721	- 2,821	- 5,434	- 6,751	- 6,644	2,561	- 5,720	- 5,214	- 7,999	3,293
2. Repos	0	2,850	- 2,850	0	5,412	- 5,412	0	0	0	950
3. BCRP Certificates of Deposit (CDBCRP)	- 4,158	578	- 389	- 13,393	13,737	- 6,399	14,091	- 13,550	- 7,225	1,812
4. BCRP Indexed Certificates of Deposit (CDR)	0	- 1,202	1,202	0	- 4,425	4,425	0	0	0	- 3,111
5. BCRP Certificates of Deposit with restricted negotiation	0	0	0	0	- 6,483	6,483	0	0	0	0
6. BCRP Certificates of Deposit payable in dollars	0	0	0	0	0	0	- 450	450	0	0
7. BCRP Variable rate Certificates of Deposit	0	0	0	0	0	0	- 3,196	3,196	0	0
8. Term deposits	0	0	0	0	0	0	- 20,788	17,151	- 5,611	9,248
9. <i>Overnight</i> deposits	- 52	- 8	- 188	227	- 3	- 819	163	559	- 375	- 2,602
10. Reserve requirements in domestic currency	- 223	- 343	- 488	- 745	- 2,054	668	- 5,770	- 2,630	- 7,784	3,793
11. Rest	577	639	657	1,919	2,626	961	1,198	2,499	2,805	2,292
<b>III. CURRENCY</b>	<b>1,663</b>	<b>2,054</b>	<b>1,652</b>	<b>3,170</b>	<b>2,478</b>	<b>1,906</b>	<b>4,890</b>	<b>3,130</b>	<b>4,984</b>	<b>2,994</b>
Memo: Balance at end of period										
- Currency	7,982	10,036	11,688	14,858	17,336	19,241	24,131	27,261	32,244	35,239
- CDBCRP	8,255	7,676	8,066	21,458	7,721	14,121	30	13,580	20,805	18,992
- CDR BCRP	0	1,201	0	0	4,465	0	0	0	0	3,111
- CDBCRP with restricted negotiation	0	0	0	0	6,483	0	0	0	0	0
- CDLD BCRP	0	0	0	0	0	0	450	0	0	0
- CDV BCRP 1/	0	0	0	0	0	0	3,207	0	0	0
- Term deposits (DP BCRP)	0	0	0	0	0	0	20,788	3,637	9,248	0
- Public sector deposits	1,918	4,738	10,172	16,924	23,568	21,006	26,726	31,940	39,939	36,646

1/ Includes the readjustment of the balance due to change in the BCRP reference rate.

Memo:

CD BCRP: BCRP Certificates of Deposit.

CDR BCRP: BCRP Indexed Certificates of Deposit.

CDLD BCRP: BCRP Certificates of Deposit payable in dollars.

CDV BCRP: BCRP Certificates of Deposit with variable rate.

Source: BCRP.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 73  
**FLOWS OF NET INTERNATIONAL RESERVES (NIR)**  
 (Million US\$)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. FOREIGN EXCHANGE OPERATIONS</b>	<b>1,854</b>	<b>767</b>	<b>2,861</b>	<b>7,070</b>	<b>488</b>	<b>-48</b>	<b>9,010</b>	<b>329</b>	<b>11,837</b>	<b>-4,270</b>
1. Over the Counter operations	2,340	2,699	3,944	10,306	2,754	108	8,963	3,537	13,179	5
a. Purchases of FC	2,340	3,130	4,299	10,306	8,733	1,256	8,963	4,733	13,855	5,210
b. Sales of FC	0	-431	-355	0	-5,979	1,149	0	1,196	676	5,205
2. Net purchases to the public sector	-487	-1,935	-1,084	-3,275	-2,316	-261	-50	-3,039	-1,353	-4,298
3. Other operations (net)	2	3	1	39	50	105	96	-169	11	24
<b>II. DEPOSITS OF THE FINANCIAL SYSTEM</b>	<b>23</b>	<b>1,251</b>	<b>-684</b>	<b>1,154</b>	<b>1,946</b>	<b>-728</b>	<b>1,473</b>	<b>1,473</b>	<b>1,269</b>	<b>4,315</b>
<b>III. PUBLIC SECTOR DEPOSITS</b>	<b>359</b>	<b>-587</b>	<b>245</b>	<b>630</b>	<b>-134</b>	<b>1,030</b>	<b>36</b>	<b>2,392</b>	<b>1,467</b>	<b>2,561</b>
<b>IV. NET INTEREST</b>	<b>188</b>	<b>261</b>	<b>329</b>	<b>773</b>	<b>1,049</b>	<b>827</b>	<b>670</b>	<b>579</b>	<b>573</b>	<b>649</b>
<b>V. OTHERS</b>	<b>13</b>	<b>-226</b>	<b>427</b>	<b>787</b>	<b>158</b>	<b>858</b>	<b>-218</b>	<b>-62</b>	<b>30</b>	<b>-1,583</b>
<b>VI. TOTAL</b>	<b>2,437</b>	<b>1,466</b>	<b>3,178</b>	<b>10,414</b>	<b>3,507</b>	<b>1,939</b>	<b>10,970</b>	<b>4,711</b>	<b>15,176</b>	<b>1,672</b>

Source: BCRP.  
 Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 74  
**MONETARY ACCOUNT OF COMMERCIAL BANKS 1/**  
 (Million nuevos soles)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. NET EXTERNAL ASSETS</b>										
(Million US\$)										
A. Assets	- 55	- 158	266	- 1,262	136	200	671	299	- 1,799	550
B. Liabilities	1,763	2,698	2,847	2,442	5,126	4,071	4,505	4,815	4,610	6,069
	1,945	3,241	1,997	6,227	4,699	3,493	2,620	4,009	9,198	4,530
<b>II. OTHER NET OPERATIONS ABROAD</b>										
(Million US\$) 2/										
A. Credits	202	180	136	- 2,001	- 3,275	- 2,796	- 5,810	- 7,252	- 9,662	- 10,918
B. Liabilities	1,465	1,330	1,889	1,417	1,461	2,594	2,351	2,952	3,148	3,463
	778	745	1,214	7,622	12,595	11,409	19,644	23,522	29,235	35,384
<b>III. DOMESTIC CREDIT (A+B+C-D+E)</b>										
<b>A. Public sector</b>										
1. Credits	42,476	51,789	54,614	77,900	99,936	100,162	128,827	143,174	166,007	194,578
- Central government	- 4,472	- 4,533	- 4,929	- 7,608	- 8,813	- 6,376	- 6,483	- 7,754	- 13,132	- 13,051
- Rest of the public sector 3/	2,134	2,585	3,335	3,167	4,007	5,846	4,735	4,871	3,372	6,269
2. Deposits	1,802	2,228	3,051	2,894	3,648	5,111	3,723	3,704	2,583	4,158
- Central government	332	357	284	273	360	735	1,011	1,167	789	2,112
- Rest of the public sector 3/	6,606	7,118	8,263	10,775	12,820	12,221	11,218	12,625	16,504	19,320
3. Credits	2,323	2,778	1,065	1,464	1,688	1,256	708	671	514	931
- Central government	4,282	4,340	7,198	9,310	11,132	10,965	10,509	11,954	15,989	18,389
- Rest of the public sector 3/	39,700	46,456	49,392	65,397	88,470	89,300	101,922	124,475	140,255	167,855
<b>B. Private sector</b>	9,911	13,628	17,876	25,461	38,848	43,585	51,768	62,236	71,783	90,281
1. Domestic currency	29,788	32,828	31,516	39,936	49,622	45,714	50,155	62,239	68,472	77,574
2. Foreign currency	9,082	9,571	9,849	13,312	15,803	15,818	17,849	23,052	26,852	27,705
<b>C. Interbank operations (net)</b>										
(Million US\$)										
1. BCRP	15,360	19,126	18,828	29,548	31,966	30,770	49,651	44,083	59,253	64,729
- Cash	15,347	19,113	18,808	29,527	31,950	31,112	49,751	44,130	59,287	64,744
- Deposits and securities	766	1,040	1,531	1,609	2,373	2,471	3,041	3,942	4,094	5,906
- Liabilities	14,581	20,923	17,277	27,919	34,989	28,642	46,710	40,188	55,193	59,788
2. Banco de la Nación	0	2,850	0	0	5,412	0	0	0	0	950
- Credits and deposits	13	13	19	21	16	- 342	- 100	- 47	- 34	- 15
- Liabilities	15	18	23	26	20	28	36	45	64	31
<b>D. Capital, reserves, provisions and balances</b>										
<b>E. Other assets and liabilities (net)</b>										
	17,668	18,180	18,325	20,029	23,950	26,599	29,991	32,223	35,873	40,528
	9,557	8,919	9,648	10,592	12,263	13,067	13,727	14,593	15,504	15,573
<b>IV. MONETARY LIABILITIES</b>										
<b>WITH THE PRIVATE SECTOR (I+II+III)</b>										
<b>A. Liquidity in domestic currency</b>										
1. Demand deposits	42,981	51,831	56,140	67,911	89,229	91,926	113,418	123,411	135,332	164,196
2. Savings deposits	12,782	16,182	19,851	27,091	36,982	40,345	57,585	62,526	75,982	81,913
3. Term deposits	3,912	4,843	6,473	8,624	10,203	12,191	16,588	18,943	21,960	22,814
4. Negotiable securities	3,094	4,143	4,698	6,161	8,733	10,254	13,436	16,271	19,971	22,889
5. Other	5,311	6,685	7,807	10,535	15,826	15,351	24,879	24,156	30,053	32,411
<b>B. Liquidity in foreign currency</b>										
(Million US\$)										
	30,199	35,649	36,288	40,821	52,248	51,581	55,833	60,885	59,350	82,284
	9,207	10,393	11,340	13,607	16,639	17,848	19,869	22,550	23,275	29,387

1/ Foreign currency is valued at the average bid and ask exchange rate at the end of period.

2/ Includes only operations in foreign currency.

3/ Includes operations with COFIDE.

4/ Preliminary data.

Source: Commercial banks

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 75  
**MONETARY ACCOUNT OF BANCO DE LA NACION 1/**  
(Million nuevos soles)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. NET EXTERNAL ASSETS (Million US\$)</b>	<b>84</b>	<b>221</b>	<b>382</b>	<b>221</b>	<b>97</b>	<b>177</b>	<b>199</b>	<b>206</b>	<b>325</b>	<b>172</b>
A. Assets	26	64	119	74	31	61	71	76	128	62
B. Liabilities	84	221	382	222	98	178	204	206	325	172
	0	0	0	0	0	0	5	0	0	0
<b>II. OTHER NET OBLIGATIONS ABROAD (Million US\$)</b>	<b>44</b>	<b>170</b>	<b>16</b>	<b>56</b>	<b>32</b>	<b>281</b>	<b>214</b>	<b>76</b>	<b>215</b>	<b>194</b>
A. Credits	13	50	5	14	10	89	67	26	84	69
B. Liabilities	44	170	16	56	32	281	214	76	215	194
	0	0	0	0	0	0	0	0	0	0
<b>III. DOMESTIC CREDIT (A+B+C-D+E)</b>	<b>1,729</b>	<b>1,954</b>	<b>2,594</b>	<b>3,335</b>	<b>4,209</b>	<b>4,736</b>	<b>5,836</b>	<b>7,327</b>	<b>8,756</b>	<b>10,213</b>
A. Public sector	1,405	-360	-2,488	-7,660	-6,040	-4,697	-6,034	-5,354	-4,592	-4,925
1. Credits	4,655	4,557	2,967	3,686	4,053	5,557	4,243	4,883	5,289	6,735
- Central government	4,342	4,326	2,887	3,528	3,133	4,902	3,821	4,444	4,452	5,671
- Rest of the public sector 2/	312	231	80	157	920	655	422	439	837	1,065
2. Deposits	3,250	4,916	5,455	11,346	10,092	10,254	10,277	10,236	9,880	11,660
- Central government	2,388	3,499	3,734	5,582	5,791	5,968	7,271	6,806	6,100	7,626
- Rest of the public sector 2/	862	1,417	1,721	5,764	4,301	4,286	3,006	3,431	3,780	4,034
B. Private sector	1,124	1,353	1,385	2,304	2,143	2,469	2,974	3,119	3,191	3,800
C. Interbank operations (net)	2,174	4,257	6,947	12,059	12,010	10,790	12,510	13,345	14,269	14,905
1. BCRP	2,186	4,270	6,965	12,079	12,026	10,448	12,410	13,298	14,235	14,891
- Cash	245	292	323	406	578	572	586	703	1,052	919
- Deposits	1,941	3,977	6,642	11,674	11,448	9,877	11,823	12,596	13,182	13,972
- Liabilities	0	0	0	0	0	0	0	0	0	0
2. Commercial banks	-12	-13	-19	-21	-16	342	100	47	34	15
- Credits and deposits	3	5	4	5	4	370	136	92	98	46
- Liabilities	15	18	23	26	20	28	36	45	64	31
<b>D. Capital, reserves, provisions and balances</b>	<b>3,800</b>	<b>3,917</b>	<b>3,876</b>	<b>4,485</b>	<b>5,006</b>	<b>4,764</b>	<b>4,764</b>	<b>4,899</b>	<b>5,089</b>	<b>4,795</b>
<b>E. Other assets and liabilities (net)</b>	<b>827</b>	<b>620</b>	<b>626</b>	<b>1,118</b>	<b>1,101</b>	<b>938</b>	<b>1,152</b>	<b>1,115</b>	<b>976</b>	<b>1,227</b>
<b>IV. MONETARY LIABILITIES WITH THE PRIVATE SECTOR (I+II+III)</b>	<b>1,857</b>	<b>2,345</b>	<b>2,991</b>	<b>3,613</b>	<b>4,339</b>	<b>5,194</b>	<b>6,249</b>	<b>7,608</b>	<b>9,296</b>	<b>10,580</b>
A. Liquidity in domestic currency	1,549	2,017	2,698	3,272	3,973	4,784	5,865	7,093	8,807	10,022
1. Demand deposits	672	799	1,195	1,465	1,920	2,270	2,726	3,213	4,337	5,026
2. Savings deposits	855	1,193	1,472	1,772	2,010	2,448	3,060	3,823	4,324	4,934
3. Term deposits	23	25	30	35	42	66	78	57	146	62
B. Liquidity in foreign currency (Million US\$)	308	327	294	341	366	409	384	515	489	558
	94	95	92	114	117	142	137	191	192	199

1/ Foreign currency is valued at the average bid and ask exchange rate at the end of period.

2/ Includes operations with COFIDE.

3/ Preliminary data.

Source: Banco de la Nación.

Elaborated by the Department of Economic Studies, BCRP.



**APPENDIX 76**  
**NOMINAL AND REAL INTEREST RATES IN DOMESTIC CURRENCY AND FOREIGN CURRENCY**  
 (Annual effective rate at year-end)

	DOMESTIC CURRENCY						FOREIGN CURRENCY														
	Average lending rate (TAMN)		Loans up to 360 days 1/		Average deposits rate (TIPMN)		Savings		Interbank rate		Average lending rate (TAMEX)		Loans up to 360 days 1/		Average deposits rate (TIPMEX)		Savings		Interbank rate		
	Nominal	Real 2/	Nominal	Real 2/	Nominal	Real 2/	Nominal	Real 2/	Nominal	Real 2/	Nominal	Real 3/	Nominal	Real 3/	Nominal	Real 3/	Nominal	Real 3/	Nominal	Real 3/	Nominal
<b>2004</b>	25.4	21.1	14.7	10.8	2.5	-1.0	1.3	-2.2	3.0	-0.5	9.2	-0.3	7.7	-1.6	1.2	-7.5	0.6	-8.1	2.2	-6.6	
<b>2005</b>	23.6	21.8	13.9	12.3	2.6	1.1	1.2	-0.3	3.3	1.8	10.4	13.5	9.4	12.5	1.8	4.7	0.6	3.4	4.2	7.1	
<b>2006</b>	23.1	21.7	13.8	12.5	3.2	2.0	1.4	0.3	4.5	3.3	10.8	2.5	10.1	1.8	2.2	-5.5	0.7	-6.8	5.4	-2.5	
<b>2007</b>	22.3	17.7	13.2	9.0	3.3	-0.6	1.5	-2.4	5.0	1.0	10.5	-1.2	9.7	-1.8	2.5	-8.3	0.8	-9.8	5.9	-5.2	
<b>2008</b>	23.0	15.3	15.2	8.1	3.8	-2.6	1.4	-4.9	6.5	-0.1	10.5	8.3	9.9	7.6	1.9	-0.2	0.8	-1.2	1.0	-1.1	
<b>2009</b>	19.9	19.7	11.1	10.9	1.6	1.3	0.7	0.5	1.2	1.0	8.6	0.1	6.4	-1.9	0.9	-7.0	0.4	-7.4	0.2	-7.6	
<b>2010</b>	18.7	16.3	4.4	2.3	1.8	-0.3	0.5	-1.5	3.0	0.9	8.5	4.0	2.7	-1.5	0.8	-3.4	0.3	-3.8	1.1	-3.1	
<b>2011</b>	18.9	13.5	5.6	0.8	2.5	-2.2	0.6	-4.0	4.2	-0.5	7.8	-1.5	2.7	-6.1	0.7	-8.0	0.3	-8.3	0.3	-8.3	
<b>2012</b>	19.1	16.0	5.5	2.8	2.4	-0.3	0.6	-2.0	4.2	1.6	8.2	0.3	3.7	-3.9	0.9	-6.4	0.3	-7.0	1.2	-6.2	
<b>2013</b>	15.9	12.7	5.2	2.3	2.3	-0.6	0.5	-2.3	4.1	1.2	8.0	14.0	2.6	8.3	0.4	5.9	0.3	5.8	0.2	5.7	

1/ Since 2010, corresponds to corporate credits.

2/ Nominal interest rate minus last twelve month inflation.

3/ Nominal interest rate adjusted to last 12-month exchange rate variations minus last 12-month inflation.

Source: SBS and BCRP.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 77  
COMMERCIAL BANKS: INDICATORS OF FINANCIAL SOUNDNESS  
(%)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>1. SOLVENCY</b>										
Global Leverage	14.0	12.0	12.5	12.1	11.9	13.5	13.6	13.4	14.1	13.7
<b>2. PORTFOLIO QUALITY</b>										
Non-performing loans / Direct loans	3.7	2.1	1.6	1.3	1.3	1.6	1.5	1.5	1.8	2.1
Non-performing loans in domestic currency / Direct loans in DC	3.0	2.1	1.9	1.6	1.7	2.0	1.9	2.0	2.4	2.8
Non-performing loans in foreign currency / Direct loans in FC	3.9	2.2	1.5	1.1	1.0	1.2	1.1	1.0	1.1	1.4
Refinanced and restructured loans / Direct loans	5.8	4.1	2.5	1.4	0.9	1.2	1.1	1.0	1.0	0.9
Provisions / Non-performing loans	176.5	235.3	251.4	278.4	258.7	242.2	245.6	251.1	223.6	188.1
Provisions / Non-performing loans + refinanced and restructured loans)	68.6	80.2	100.3	131.6	151.0	139.3	141.9	149.8	142.5	131.6
<b>3. MANAGEMENT</b>										
Operative expenses / (Financial margin + non-financial net revenues)	59.9	52.6	51.8	49.7	47.5	45.0	45.1	48.1	47.6	47.1
<b>4. PROFITABILITY</b>										
Net profit / Average equity (ROE)	11.3	22.2	23.9	27.9	31.1	24.5	24.2	24.5	22.4	21.2
Net profit / Average asset (ROA)	1.2	2.2	2.2	2.5	2.6	2.3	2.4	2.3	2.2	2.0
<b>5. LIQUIDITY 1/</b>										
Liquidity ratio in domestic currency	44.8	38.6	43.1	57.3	26.3	38.8	54.6	39.2	46.3	30.8
Liquidity ratio in foreign currency	44.3	49.2	45.0	37.0	53.0	41.7	41.1	45.0	46.2	56.1

1/ Daily average of liquid assets divided by banks' short-term liabilities in domestic currency and foreign currency.  
Source: SBS.  
Elaborated by the Department of Financial Stability, BCRP.



APPENDIX 78  
PRIMARY BOND MARKET  
(Million nuevos soles)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. BONDS ISSUED BY THE PRIVATE SECTOR 1/</b>										
<b>BALANCE BY TYPE OF BOND</b>	<b>11,538</b>	<b>12,898</b>	<b>14,193</b>	<b>16,22</b>	<b>17,290</b>	<b>18,553</b>	<b>18,255</b>	<b>17,372</b>	<b>17,424</b>	<b>17,783</b>
Leasing bonds	1,412	1,401	1,067	1,083	1,458	1,400	1,344	833	718	581
Subordinate bonds	976	1,010	965	976	1,221	1,504	1,490	1,632	1,736	2,225
Mortgage bonds	180	240	212	234	236	204	177	40	20	9
Securitization bonds	1,449	2,215	2,158	2,511	2,137	1,714	1,351	1,103	934	2,311
Corporate	7,521	8,032	9,792	11,425	12,238	13,730	13,892	13,765	14,016	12,657
<b>BALANCE BY MATURITY</b>	<b>11,538</b>	<b>12,898</b>	<b>14,193</b>	<b>16,229</b>	<b>17,290</b>	<b>18,553</b>	<b>18,255</b>	<b>17,372</b>	<b>17,424</b>	<b>17,783</b>
Up to 3 years	2,185	2,046	2,008	1,915	2,270	2,274	2,352	1,630	1,062	1,051
More than 3 years, up to 5 years	3,015	3,689	3,911	3,693	3,788	4,453	3,613	3,304	3,328	3,071
More than 5 years	6,339	7,163	8,274	10,621	11,232	11,826	12,290	12,438	13,034	13,661
<b>% PARTICIPATION BY CURRENCIES</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Fixed-income bonds in nuevos soles	12.3	15.8	25.4	33.6	39.3	43.4	44.0	45.6	52.3	49.9
Variable-income bonds in nuevos soles	18.6	15.2	10.1	11.6	11.0	9.1	9.1	9.9	11.4	11.6
US dollars	69.1	69.0	64.5	54.8	49.7	47.5	46.9	44.5	36.3	37.4
Others	-	-	-	-	-	-	-	-	-	1.1
<b>II. TREASURY BONDS 2/</b>										
<b>1. BALANCE OF FIXED-INCOME BONDS</b>	<b>2,687</b>	<b>8,097</b>	<b>9,730</b>	<b>16,669</b>	<b>17,042</b>	<b>18,905</b>	<b>26,008</b>	<b>26,694</b>	<b>29,632</b>	<b>32,961</b>
Up to 3 years	1,350	1,543	1,133	1,064	1,626	742	459	577	2,262	1,687
More than 3 years, up to 5 years	634	1,067	1,565	1,426	9	-	1,587	1,687	1,212	1,578
More than 5 years, up to 10 years	702	1,832	1,626	4,070	4,070	4,258	10,121	10,043	9,047	11,990
More than 10 years	-	3,655	5,405	10,110	11,337	13,905	13,842	14,387	17,110	17,707
<b>2. BALANCE OF VARIABLE INCOME BONDS</b>	<b>1,064</b>	<b>1,980</b>	<b>2,032</b>	<b>2,122</b>	<b>2,122</b>	<b>2,113</b>	<b>2,153</b>	<b>2,091</b>	<b>2,091</b>	<b>2,287</b>
Up to 10 years	600	600	267	267	267	272	247	185	185	288
More than 10 years, up to 20 years	464	1,023	809	809	809	795	795	795	795	795
More than 20 years, up to 30 years	-	357	911	911	911	911	911	911	911	911
More than 30 years	-	-	45	135	135	135	200	200	200	293
<b>TOTAL BALANCE: (1)+(2)</b>	<b>3,751</b>	<b>10,077</b>	<b>11,762</b>	<b>18,792</b>	<b>19,164</b>	<b>21,018</b>	<b>28,161</b>	<b>28,785</b>	<b>31,723</b>	<b>35,248</b>
<b>Memo:</b>										
<b>Private sector bonds (% GDP)</b>	<b>5.1</b>	<b>5.3</b>	<b>5.0</b>	<b>5.1</b>	<b>4.9</b>	<b>5.1</b>	<b>4.4</b>	<b>3.7</b>	<b>3.4</b>	<b>3.3</b>
<b>Sovereign bonds (% GDP)</b>	<b>1.7</b>	<b>4.1</b>	<b>4.1</b>	<b>5.9</b>	<b>5.4</b>	<b>5.8</b>	<b>6.7</b>	<b>6.1</b>	<b>6.2</b>	<b>6.4</b>

1/ Includes only bonds negotiated through auctions.

2/ Sovereign bonds are classified according to term maturity.

Source: SMV and MEF.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 79  
PRIVATE PENSION SYSTEM

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. FUND VALUE</b>										
Million nuevos soles	25,651	32,223	45,547	60,406	49,380	68,595	86,391	81,052	95,907	101,113
Annual % growth	17.4	25.6	41.4	32.6	- 18.3	38.9	25.9	-6.2	18.3	5.4
% GDP	11.4	13.2	15.9	18.9	13.9	18.8	20.6	17.3	18.9	18.5
<b>II. NUMBER OF MEMBERS</b>										
In thousands	3,397	3,637	3,882	4,101	4,296	4,458	4,642	4,928	5,268	5,482
Annual % growth	6.4	7.1	6.7	5.6	4.8	3.8	4.1	6.2	6.9	4.0
<b>III. ANNUAL YIELD 1/</b>										
Nominal	9.3	20.2	28.3	25.0	- 21.9	33.2	18.4	- 7.1	11.8	0.0
Real	5.6	18.4	26.8	20.2	- 26.7	32.9	16.0	- 11.3	8.9	- 2.8
<b>IV. COMPOSITION OF INVESTMENT PORTFOLIO</b>										
In %										
<b>Government securities</b>	<b>24.2</b>	<b>20.3</b>	<b>19.1</b>	<b>21.9</b>	<b>25.2</b>	<b>20.1</b>	<b>16.1</b>	<b>17.0</b>	<b>17.5</b>	<b>13.5</b>
Central government securities	11.9	14.6	17.0	20.6	24.3	19.6	16.1	15.9	14.6	11.3
Central bank securities	10.4	4.7	1.3	1.3	0.9	0.5	0.0	1.1	2.9	2.1
Brady bonds	1.9	1.0	0.8	0.0	0.9	0.0	0.0	0.0	0.0	0.0
<b>Financial institutions</b>	<b>13.4</b>	<b>14.0</b>	<b>11.7</b>	<b>8.1</b>	<b>17.4</b>	<b>11.7</b>	<b>15.4</b>	<b>14.4</b>	<b>14.7</b>	<b>25.0</b>
Deposits in domestic currency	5.9	4.5	4.9	2.1	4.3	1.8	5.0	3.8	2.2	2.2
Deposits in foreign currency 2/	1.9	3.0	0.6	0.3	3.7	0.7	1.2	0.7	1.9	10.7
Shares	0.6	0.8	0.8	1.6	1.6	2.7	2.5	1.9	2.1	1.5
Bonds	3.6	2.9	2.4	2.4	4.2	3.4	3.4	4.1	4.6	6.3
Others 3/	1.4	2.8	3.0	1.7	3.6	3.1	3.3	3.9	3.9	4.2
<b>Non-financial institutions</b>	<b>52.2</b>	<b>55.6</b>	<b>60.7</b>	<b>56.8</b>	<b>45.0</b>	<b>47.2</b>	<b>42.2</b>	<b>40.1</b>	<b>38.3</b>	<b>26.4</b>
Common and investment stocks	37.0	35.6	41.6	39.7	22.9	29.3	29.2	25.5	23.9	14.7
Corporate bonds	11.3	10.7	12.0	13.0	18.2	14.2	9.5	9.9	9.2	6.3
Others 4/	3.9	9.3	7.1	4.1	3.9	3.7	3.5	4.7	5.3	5.4
<b>Investment abroad</b>	<b>10.2</b>	<b>10.1</b>	<b>8.5</b>	<b>13.2</b>	<b>12.4</b>	<b>21.0</b>	<b>26.3</b>	<b>28.5</b>	<b>29.4</b>	<b>35.2</b>
Other countries' debt bonds	1.2	0.6	2.2	0.3	2.4	1.2	2.5	1.2	1.8	1.3
Foreign mutual funds	8.9	9.5	6.3	10.4	6.4	5.8	7.4	14.1	18.5	24.6
Foreign shares	0.1	0.0	0.0	0.2	0.8	5.4	5.9	5.1	3.9	4.3
American Depository Shares (ADS)	0.0	0.0	0.0	0.2	0.7	5.1	5.0	2.8	0.2	0.8
Others	0.0	0.0	0.0	2.0	2.2	3.4	5.6	5.4	5.1	4.2

1/ Since December 2005, annual yields correspond to the yield of Type 2 Fund.

2/ Includes current account and certificates in foreign currency.

3/ Includes mortgage bonds and guaranteed promissory notes.

4/ Includes commercial bonds, repos, and promissory notes.

Source: SBS.

Elaborated by the Department of Economic Studies, BCRP.





APPENDIX 80  
LIMA STOCK EXCHANGE

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. STOCK EXCHANGE INDICES</b> (Base: 31/12/91 = 100)										
General Index	3,710.4	4,802.3	12,884.2	17,524.8	7,031.8	14,167.2	23,374.6	19,473.7	20,629.4	15,753.7
Blue Chip Index	6,159.6	7,681.1	22,159.3	29,035.5	11,619.1	22,434.1	32,050.4	27,335.2	31,000.6	22,877.8
<b>II. SECTOR INDICES</b> (Base: 31/10/98 = 100)										
Agriculture and livestock	89.8	127.3	434.4	816.3	284.7	599.6	1 071.1	924.6	911.6	509.5
Banks	79.2	162.5	296.7	351.3	259.2	571.0	738.1	576.7	801.1	807.9
Industry	254.9	350.9	599.9	1 016.1	461.0	607.6	900.8	703.9	731.1	659.3
Mining	569.7	743.5	2,701.6	3,395.5	1,222.4	3,071.0	5,205.2	4,146.3	3,999.1	2,312.5
Services	202.5	203.2	263.0	375.9	291.8	367.9	524.5	479.1	587.1	715.1
<b>III. ANNUAL TRADING VOLUME</b> (Million nuevos soles)										
Variable-income instruments	5,316	8,754	17,916	35,197	18,655	13,705	16,871	19,763	18,534	13,510
Fixed-income instruments	3,099	3,268	2,708	3,656	4,386	3,240	2,142	1,824	1,417	2,613
<b>Total</b>	<b>8,415</b>	<b>12,023</b>	<b>20,625</b>	<b>38,853</b>	<b>23,041</b>	<b>16,944</b>	<b>19,013</b>	<b>21,587</b>	<b>19,951</b>	<b>16,124</b>
<b>IV. MARKET CAPITALIZATION</b> (Million nuevos soles)										
Variable-income instruments	66,326	124,062	192,364	324,118	179,163	310,116	451,796	327,823	391,181	337,226
Fixed-income instruments	20,108	36,196	60,020	108,220	57,231	107,325	160,867	121,596	153,404	120,438
<b>Total</b>	<b>29.6</b>	<b>50.8</b>	<b>67.2</b>	<b>101.4</b>	<b>50.4</b>	<b>84.9</b>	<b>107.7</b>	<b>69.8</b>	<b>77.0</b>	<b>61.7</b>
<b>% GDP</b>										
<b>V. DEMATERIALIZED HOLDINGS 1/</b> (Million nuevos soles)										
Variable-income instruments	9,985	14,265	21,805	43,818	24,455	42,030	66,588	56,787	56,588	55,620
Fixed-income instruments	6,105	8,206	9,310	13,123	14,921	17,655	19,278	19,513	20,859	23,093
<b>Total</b>	<b>16,090</b>	<b>22,471</b>	<b>31,115</b>	<b>56,941</b>	<b>39,376</b>	<b>59,685</b>	<b>85,866</b>	<b>76,300</b>	<b>77,447</b>	<b>78,713</b>
<b>% GDP</b>	7.2	9.2	10.9	17.8	11.1	16.3	20.5	16.2	15.2	14.4
<b>VI. NON-RESIDENTS SHARE 2/</b> (%)										
Variable-income instruments	38.9	47.3	42.7	47.6	53.7	51.0	45.2	41.6	45.9	42.8
Fixed-income instruments	2.1	11.4	12.3	14.1	12.8	9.2	22.4	24.1	30.6	29.9
<b>Total</b>	<b>24.9</b>	<b>34.2</b>	<b>33.6</b>	<b>39.9</b>	<b>38.2</b>	<b>38.6</b>	<b>40.0</b>	<b>37.1</b>	<b>41.8</b>	<b>39.1</b>

1/ Dematerialized holdings listed at CAVALI.

2/ Relative to securities listed at CAVALI.

Source: Lima Stock Exchange, CAVALI ICLV.

Elaborated by the Department of Economic Studies, BCRP

APPENDIX 81  
**INVESTMENT MUTUAL FUNDS**  
 (Million nuevos soles)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. FUND VALUE</b>										
<b>BALANCE BY TYPE OF FUND</b>										
Fixed-income	5,803	6,848	8,210	12,759	8,652	14,038	15,669	13,657	17,993	16,488
Mixed-income	5,677	6,633	7,729	9,268	7,521	12,347	12,570	11,714	16,263	15,165
	126	216	481	3,490	1,130	1,691	3,099	1,944	1,731	1,323
<b>BALANCE BY CURRENCIES</b>										
Domestic currencies	5,803	6,848	8,210	12,759	8,652	14,038	15,669	13,657	17,993	16,488
Foreign currency (Million US\$)	1,044	1,495	1,491	3,788	2,270	4,715	5,588	5,605	9,391	8,231
	4,758	5,353	6,719	8,971	6,382	9,323	10,080	8,053	8,603	8,258
	1,449	1,561	2,103	2,992	2,032	3,226	3,589	2,983	3,373	2,949
<b>II. NUMBER OF PARTICIPANTS</b>										
In thousands										
Total	82	115	167	271	194	246	279	263	315	313
Fixed-income	80	112	159	193	158	209	232	225	281	284
Mixed-income	2	4	8	78	36	37	48	38	34	29
<b>III. COMPOSITION OF THE INVESTMENT PORTFOLIO</b>										
In thousands										
Deposits	30.9	28.7	22.9	14.8	39.0	45.5	57.2	50.2	53.2	63.3
Fixed-income instruments	67.1	66.3	70.1	62.1	53.6	44.5	32.9	37.6	33.6	23.6
Sovereign bonds	18.0	12.0	16.4	12.2	5.0	12.9	9.9	11.4	7.4	5.5
BCRP securities	2.7	3.5	9.0	17.5	10.7	8.4	2.7	6.3	11.4	6.4
Others	46.5	50.8	44.8	32.3	37.9	23.3	20.4	19.9	14.8	11.7
Variable income instruments	0.4	0.5	0.8	11.8	4.8	5.3	6.3	7.0	4.7	3.8
Investment abroad	1.1	2.0	5.2	6.5	1.9	4.5	3.1	5.1	7.7	9.0
Repos and derivatives	0.4	2.5	1.0	4.7	0.7	0.2	0.4	0.1	0.8	0.4

Source: SMV.  
 Elaborated by the Department of Economic Studies, BCRP.

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