



# ANNUAL REPORT 2020



CENTRAL RESERVE BANK OF PERU



ANNUAL  
REPORT  
2020



# CENTRAL RESERVE BANK OF PERU

## **BOARD OF DIRECTORS**

As of December 31, 2020

Julio Velarde Flores

**Governor**

Luis Miguel Palomino Bonilla

**Vice Chairman**

José Chlimper Ackerman

Elmer Cuba Bustinza

Javier Escobal D'Angelo

Rafael Rey Rey

Gustavo Yamada Fukusaki

**Members of the Board**



Owl, ceramic work, Vicús Culture.  
*Domingo Seminario Collection.*

# CENTRAL RESERVE BANK OF PERU

## Senior Officers as of December 31, 2020

Renzo Rossini Miñán  
**General Manager (Up to August 10)**

Marylin Choy Chong  
**Acting General Manager (Since August 11)**

Adrián Armas Rivas  
Economic Studies

Marylin Choy Chong  
Operations and Technical Affairs

Teresa Lamas Pérez *Information and Economic  
Manager*

Paul Castillo Bardalez *Financial Stability and Monetary  
Operations Manager*

Carlos Montoro Llamosas *Monetary Policy Manager*

Jorge Patrón Worm *International Operations  
Manager*

Fernando Vásquez Sanabria *Economic Policy  
Manager (i)*

Javier Gutiérrez González *Currency Management  
Manager*

Javier Olivera Vega  
Administration

Arturo Pastor Porras *Procurement and Services Manager*

Felipe Roel Montellanos *Information Technology Manager*

Jose Mariátegui Riglos *Human Resources Manager*

José Rocca Espinoza  
*Communications Manager*

Manuel Monteagudo Valdez  
*Legal Department Manager*

Marco Granadino Cáceres  
*Risk Department Manager*

Guillermo De La Flor Viale  
*Accounting and Supervision  
Manager*

Oscar Solís de la Rosa  
*Audit Department Manager*

Shoschana Zusman Tinman  
*Consultant Attorney*

Dehera Bruce Mitrani  
*General Secretary*





# ECONOMIC ACTIVITY

Man carrying pitcher, ceramic work, Vicús Culture.  
*Domingo Seminario Collection.*



# INTRODUCTION

In 2020, the world economy faced a severe unforeseen shock: the COVID-19 pandemic. The virus, which first broke out in the city of Wuhan, China, in late 2019, spread rapidly to Europe and to the rest of the world. After the coronavirus was detected in a large number of countries in March 2020, the World Health Organization declared the coronavirus outbreak a global pandemic.

Most governments took measures with varying degrees of stringency to contain the spread of infections, including quarantines, border closures, the lockdown of activities with a high degree of human interaction, among other actions. Although such restrictions were gradually relaxed with the cyclical decline in the rate of contagion and mortality, the strong impact of the pandemic on economic activity in the first half of the year led **global economic activity** to drop 3.3 percent on average, the worst fall observed since World War II.

Our country implemented one of the most severe lockdowns in the world at the beginning of the pandemic. In order to contain the spread of the virus, on March 16 the Peruvian government decreed strict sanitary measures, which included mandatory confinement at the national level and the lockdown of sectors considered non-essential, including the execution of public works and e-commerce services. As a result, Peru's gross domestic product (GDP) contracted by 17.3 percent during the first half of the year (30.0 percent in the second quarter). Since the beginning of the pandemic, the Central Reserve Bank of Peru (BCRP) adopted an unprecedented expansionary monetary policy, made possible due to the high credibility achieved by the entity. The fiscal policy implemented by the Government also considered stimulus measures, with transfers to families (2.0 percent of GDP) standing out together with the return to positive growth rates in public investment towards the fourth quarter. These actions boosted a higher than expected recovery of economic activity during the last quarter of the year (-1.7 percent), which allowed the Peruvian economy to reach one of the closest levels to those registered prior to the pandemic in the continent.

With this clear divergence in the quarterly evolution of 2020, **economic activity** in our country contracted 11.1 percent during the year after 21 consecutive years of growth. Such a rate of GDP contraction had not been observed since 1989 (-12.3 percent).

The rapid recovery of economic activity was also driven by a favorable context of **terms of trade**, which increased by 8.2 percent in 2020. This expansion –the largest in the last 10 years– was associated with the increase in the price of the main export commodities and with the fall in the price of oil and industrial inputs, which led to a reduction in import prices.

The increase in relative export prices with respect to import prices had a positive impact on the trade balance which, together with the reduction in the volume of imports due to weak domestic demand,

led the **current account of the balance of payments** to register a surplus of 0.7 percent of GDP. This outturn was also explained by the impact of the COVID-19 crisis on local activity, which translated into lower profits of foreign companies with direct investment in the country. The financial account showed a level equivalent to 3.6 percent of GDP, mainly due to higher net portfolio investment in public assets, which offset lower private sector financing. In addition, net international reserves, which increased by US\$ 6,391 million between the end of 2019 and 2020, recorded a balance of US\$ 74,707 million, a sum equivalent to 37 percent of GDP.

The expansionary fiscal policy included supporting households through different monetary transfers as well as supporting businesses through the reduction or suspension of tax payments. These measures, along with the reduction of tax revenues due to the contraction of local activity, led to a non-financial public sector **fiscal deficit** of 8.9 percent of GDP in 2020, 7.3 percentage points higher than in the previous year, and the highest deficit recorded since 1990. Public debt rose by 8.0 percentage points to 34.8 percent of GDP at the end of 2020, this increase being mostly explained by the issuance of global bonds and by loans from international organizations and, to a lesser extent, by the increase in the balance of sovereign bonds.

Monetary policy was aimed at preserving the flow of payments in the economy and at supporting the recovery of economic activity. To this end, BCRP reduced the benchmark interest rate in 200 basis point between March 19 and April 9 from 2.25 percent to 0.25 percent, its lowest level in history and the lowest policy rate in the region. In addition, BCRP increased the provision of liquidity for terms of up to 3 years to 9.1 percent of GDP through different instruments, with Government Guaranteed Portfolio Repos associated with the Reactiva Peru program standing out among them.

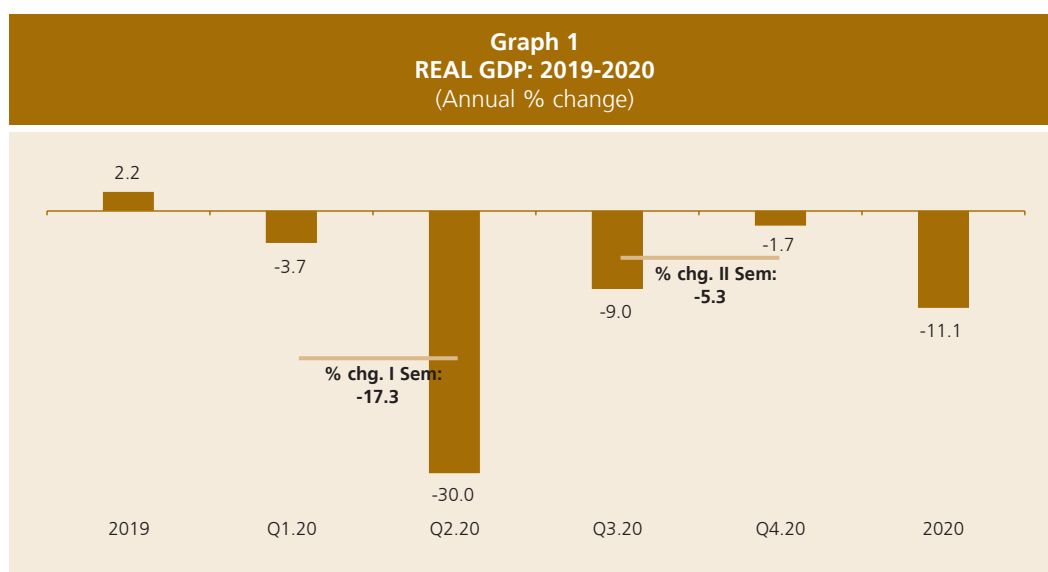
As a result of the expansionary monetary policy and the government-guaranteed credit program, the growth rate of **credit to the private sector** rose from 6.9 percent in 2019 to 11.8 percent in 2020. Moreover, as a percentage of GDP, the balance of credit to the private sector rose from 43.1 percent of GDP in 2019 to 52.9 percent in 2020. The expansion of credit was higher in local currency due to the loans granted through the Reactiva Peru program.

The **inflation** rate rose slightly between 2019 and 2020, from 1.90 to 1.97 percent, around the middle of the BCRP's inflation target range (between 1 and 3 percent), the upward determinants of inflation being mainly the higher costs derived from the health measures, supply factors affecting some food products, and the rise in the exchange rate. The evolution of economic activity below its potential was reflected in lower inflation excluding food and energy prices, which declined from 2.30 percent in 2019 to 1.76 percent in 2020.

# PRODUCTION AND EMPLOYMENT

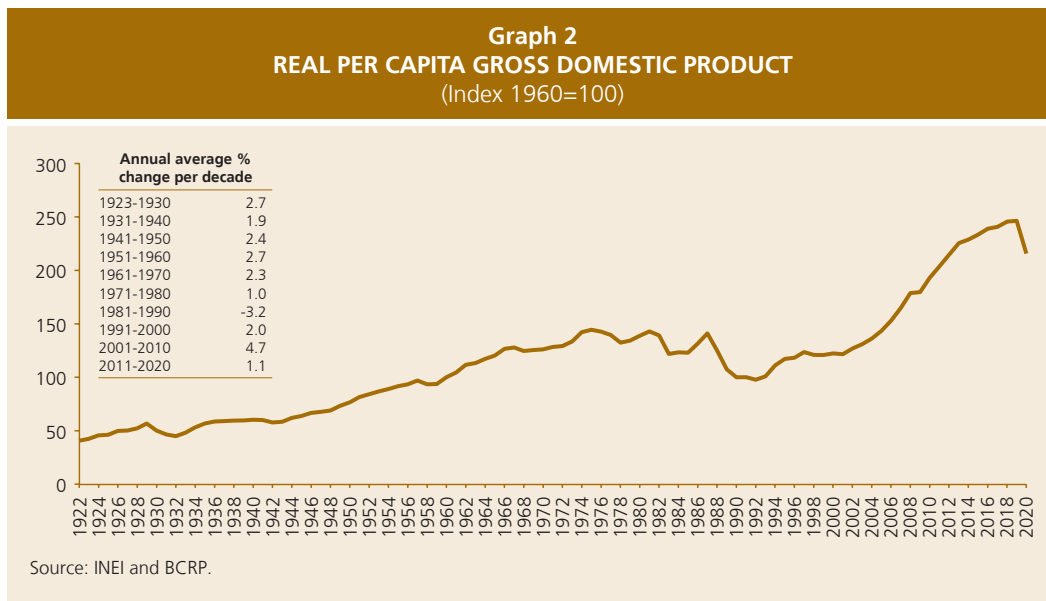
After the first cases of COVID-19 were detected in Peru in March, the government implemented one of the strictest quarantines in the world to contain the spread of the disease. A lockdown was imposed on most production sectors, leaving in operation only those considered essential. This restriction deteriorated employment and production significantly and, consequently, agents' expectations about the future evolution of the economy. In addition, external demand for our products declined due to the global spread of the virus and the sanitary measures imposed in each country. As a result, Peru's GDP contracted 17.3 percent in the first half of the year (-30.0 percent in the second quarter).

A faster than expected pace of economic recovery was observed in the second half of the year with the gradual resumption of operations in the locked-down sectors and the easing of mandatory immobility. Fiscal and monetary policies also played a crucial role in the economic recovery, the former including transfers to households and subsidies to companies to alleviate the economic impact of the crisis, together with a government-guaranteed credit program. On the other hand, the Central Bank increased the provision of credit through a highly expansionary monetary policy, which provided companies with sufficient liquidity to meet their obligations and finance their working capital. These factors contributed to a lower contraction of activity (-5.3 percent) in the second half of the year (-1.7 percent in the fourth quarter).

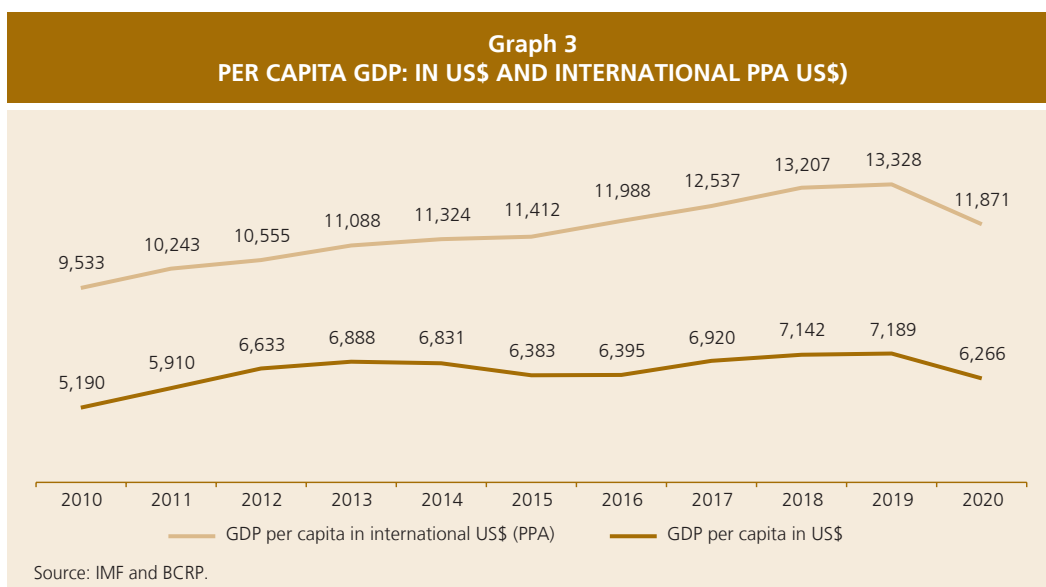


Thus, after 21 years of continuous growth, economic activity in Peru declined 11.1 percent in 2020. This annual contraction rate had not been observed since 1989, when the economy contracted 12.3 percent.

Per capita GDP declined 12.5 percent in 2020, recording a similar decline to that observed in 2012. Consequently, the average growth rate of the last 10 years decreased from 3.2 percent in 2019 to 1.1 percent in 2020, with which this indicator closed the decade with a rate significantly lower than that of the first decade of this century (4.7 percent).



Per capita GDP in dollars fell -12.8 percent, from US\$ 7,189 in 2019 to US\$ 6,266 in 2020 (the lowest level since 2011), which includes in part the effect of currency depreciation. GDP per capita measured in terms of purchasing power parity (PPP) –an indicator based on the same basket of goods that is used for international comparisons– declined 10.9 percent to US\$ 11,871 PPP, a level similar to that of 2016.



## 1. Domestic demand

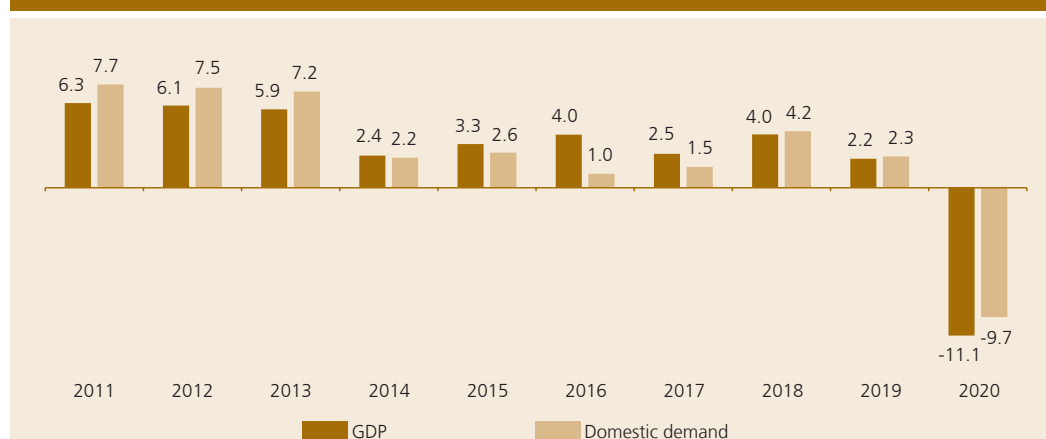
In contrast with the 2.3 percent growth rate recorded in 2019, domestic demand declined 9.7 percent in 2020 due to the sharp contraction of private consumption and investment, indicators in turn affected by mandatory social immobility and reduced access to goods and services. Additional factors weighing on this result were the deterioration of economic agents' expectations and the suspension of construction works and other investment projects of national interest during the first half of the year. As the four phases of the economic reactivation were implemented, there was a reversal in the components of domestic demand, sustained by the easing of sanitary measures, the resumption of operations of most companies and investment plans, greater access to goods and services, and better expectations about the future evolution of the economy.

**Table 1**  
**GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE**  
(Annual % change)

	2018	2019	2020	Average 2001-2010	Average 2011-2020
<b>Domestic demand</b>	<b>4.2</b>	<b>2.3</b>	<b>-9.7</b>	<b>6.2</b>	<b>2.5</b>
a. Private consumption	3.8	3.0	-8.7	5.1	3.2
b. Public consumption	0.4	2.2	7.4	5.1	4.5
c. Gross fixed investment	4.4	3.3	-16.4	9.5	0.7
- Private	4.1	4.5	-16.6	10.0	1.0
- Public	5.4	-1.5	-15.5	8.0	-0.8
Exports	2.4	0.7	-20.1	6.2	1.2
Less:					
Imports	3.2	1.2	-15.7	9.0	1.5
<b>GDP</b>	<b>4.0</b>	<b>2.2</b>	<b>-11.1</b>	<b>5.6</b>	<b>2.4</b>
Memo:					
Total public expenditure	1.8	1.1	0.9	6.0	2.9

Source: INEI and BCRP.

**Graph 4**  
**GDP AND DOMESTIC DEMAND**  
(Real % change)



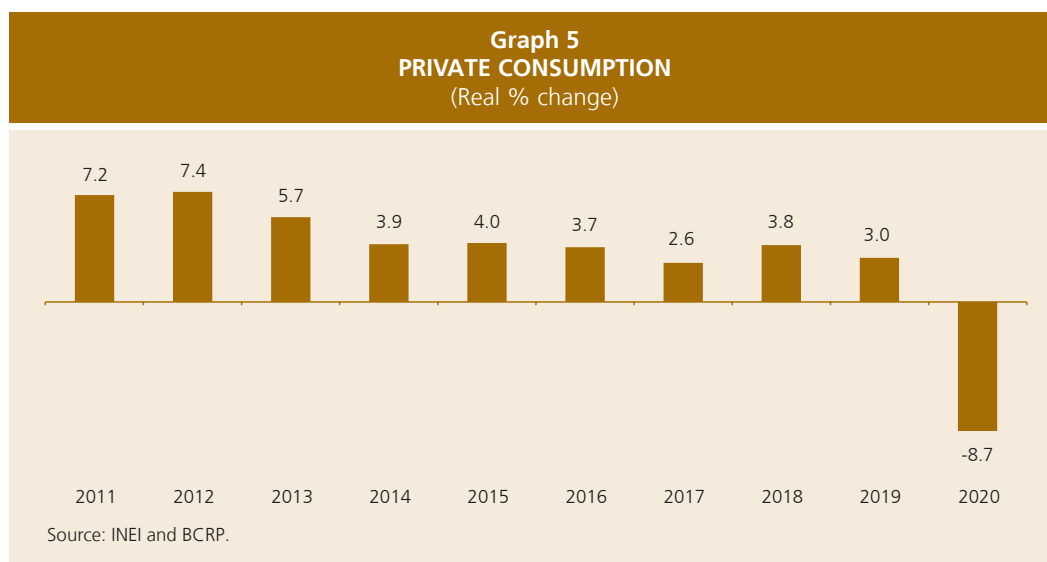
Source: INEI and BCRP.

## 1.1 Private consumption

Private consumption fell 8.7 percent in 2020 –the sharpest drop observed since 1990–, which contrasted with the 3.0 percent growth rate registered in 2019. The contraction in 2020 is explained mainly by the strong decline of private formal employment and by the decline of the formal wage bill during the first half of the year, as well as by the lower access to goods and services and by the deterioration of household expectations. However, a recovery of these indicators was observed during the second half of the year due to the easing of sanitary restrictions and the resumption of operations of most companies. In 2020, formal private employment fell 6.2 percent, which implied the loss of 235 thousand jobs during the year. Similarly, in 2020 the formal wage bill decreased 4.2 percent, after having grown 5.8 percent in 2019.

	2018	2019	2020
National employment (private sector)	4.3	3.8	-6.2
Payroll (private and public sector)	8.7	5.8	-4.2
Consumer confidence index - Apoyo 1/	48	49	41
Expectation about household situation 12 months ahead 1/	63	63	56
Real consumer loans	10.7	10.7	-8.9
Sale of poultry (tons, diary average)	8.8	12.8	-15.1
Retail sales	2.8	2.9	-15.2
Volume of imports of consumer goods	0.9	-1.2	-9.2
Non-durable, excluding foods	1.7	1.1	0.2
Durable	0.0	-4.0	-21.5

1/ Value more than 50 means growth.  
Source: BCRP, INEI, SUNAT, Apoyo, and MINAGRI.



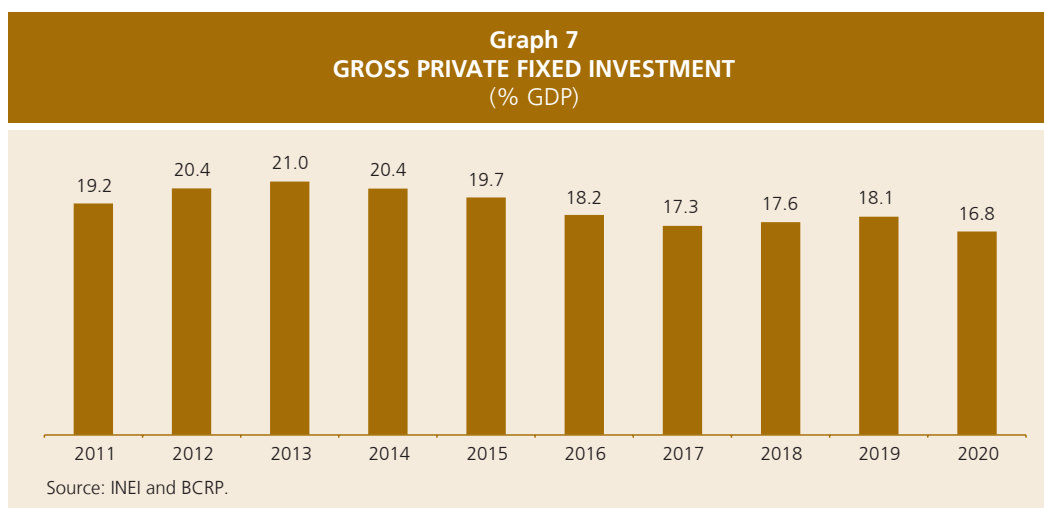
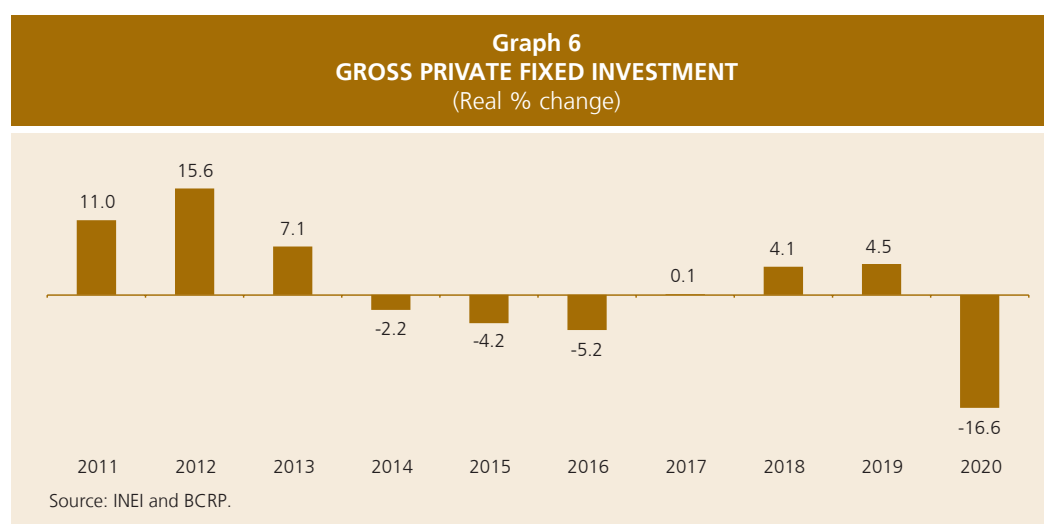
## 1.2 Private investment

Private investment fell 16.6 percent in 2020 (the largest drop since 1990), due to lower mining investment (-28.2 percent) and lower investment in other sectors (-14.6 percent). This negative result contrasted with the 4.5 percent growth rate recorded in 2019.

The sharp contraction of investment was mainly associated with mandatory social immobility which led to the interruption of different projects during the first half of the year, as well as with the collapse of business confidence due to the COVID-19 crisis at the global level. However, with the easing of the restrictions implemented by the Government, there was a greater execution of new investment projects and a recovery of investor confidence, as reflected by the index of businessmen's expectations about the economy in 3 and 12 months. In addition, the change in family spending habits allowed households to allocate a higher percentage of their income to self-construction projects, which contributed to offset the drop in private investment during the second half of the year.

<b>Table 3</b>				
<b>MINING AND NO MINING INVESTMENT</b>				
<i>(Real % change)</i>				
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Average 2011-2020</b>
Total private investment	4.1	4.5	-16.6	1.4
Mining sector	22.8	23.6	-28.2	7.6
No mining sectors	1.9	1.8	-14.6	1.2

Source: MINEM and BCRP.



Some of the projects that supported investment in sectors such as mining, hydrocarbons, energy, and manufacturing in 2020 are worth pointing out. Investment projects standing out in the mining sector included Anglo American's investment of US\$ 1,314 million for the construction and equipment of its Quellaveco project in Moquegua, as well as Marcobre's investment of US\$ 497 million in its Mina Justa project in Ica, and the investment of Compañía Minera Antamina, which operates in the Ancash region, of a total of US\$ 319 million.

In the hydrocarbons sector, Repsol invested US\$ 25 million, of which US\$ 3.4 million was for the project Adaptation to New Fuel Specifications at La Pampilla Refinery (RLP21) and US\$ 2.7 million for the project New Terminal T4 and Improvements to Terminals T1, T2, and T3 (RLP35).

In the energy sector, Luz del Sur invested US\$ 147 million mainly for the improvement and expansion of the electricity system, while Enel Distribución and Enel Generación invested US\$ 135 million and US\$ 35 million, respectively. The investment of the former was mainly used in the expansion of networks, sub-transmission plans, security, corrective maintenance and information systems with the aim of ensuring the quality and reliability of supply, while the investment of the latter was mainly used in automation and digitalization projects.

In the manufacturing sector, Aceros Arequipa invested US\$ 101 million in the new steel plant and in making improvements at the Pisco plant. Unión de Cervecerías Peruanas Backus y Johnston committed US\$ 56 million to expand the capacity of its brewing plants, distribution centers, units of plastic crates and glass containers, and transportation units. Likewise, Unión Andina de Cementos invested US\$ 36 million in several projects, such as de-dusting the coolers, carrying out the migration of the control and maintenance system of kiln 2; the modernization of the Carpapata 1 and 2 hydroelectric power plants, and roofing the clinker field at the Condorcocha plant; among other projects. Finally, Alicorp's investment of US\$ 25 million was used mainly for the acquisition of a new packaging and baling line at the detergent plant, civil works and the purchase of equipment and furniture for the administrative offices in Miraflores, and the expansion of the bottles and buckets line at the oil plant.

### 1.3 Public expenditure

Public expenditure registered a growth rate of 0.9 percent in 2020, less than the 1.1 percent observed in 2019. The growth rate in the year is explained by a 7.4 percent increase in public consumption, which was offset by a 15.5 percent contraction in public investment.

Public consumption showed a faster pace of growth, accelerating from 2.2 percent in 2019 to 7.4 percent in 2020. This result is explained by greater purchases of goods and services to address the pandemic, especially by local governments, as well as by increased spending on maintenance, repair, and refurbishment services, training services, and neighborhood road maintenance services, under the Arranca Perú program in the second half of the year.

The evolution of was marked by the stagnation of projects related to the Reconstruction with Changes program and other projects of national interest during the first half of the year. Despite this, a recovery in public investment was observed in the second half of the year, driven by the increased execution of projects related to the reconstruction of the north, the Arranca Perú program, and by actions in response to COVID-19.

## 2. Exports and imports

Exports of goods and services dropped 20.1 percent in 2020, the largest contraction observed since data on exports and import are recorded (1951). This result, which contrasts with the 0.7 percent increase observed in 2019, is explained by the reduction in exports of traditional products (-17.7





percent), non-traditional products (-1.5 percent), and exported services (-56.3 percent). The almost generalized drop in shipments of goods to foreign markets during 2020 was determined by the contraction of global demand due to the pandemic, the lockdown of activities considered non-essential during the first half of the year, and compliance with sanitary protocols. On the other hand, exports of services fell mainly due to the drop in the arrival of foreign passengers in the country as a result of the spread of the pandemic worldwide.

The decline in traditional exports was largely associated with lower shipments of mining and fishing products. Gold and copper exports were affected by lower production from Yanacocha, Barrick, Cerro Verde, and Antamina, while fishmeal exports were affected by the cancellation of the second anchovy season in the north-central zone in 2019. Other factors also contributing to this decline, although to a lesser extent, were the reduction in foreign sales of other traditional products, such as oil and coffee, as well as the decline of exports of textile, fishing, iron and steel, and non-metallic mining products among non-traditional products. On the other hand, however, there was an increase in exports of zinc and agricultural and chemical products, which slightly offset the drop in total exports.

Imports of goods and services contracted 15.7 percent, recording the largest drop in imports since 1978. This result, which contrasts with the 1.2 percent growth rate observed in 2019, is explained by the reduction in purchases of consumer durables, capital goods, inputs (industrial inputs, food inputs, and crude oil and derivatives) and by the lower demand for imported services, with transportation and travel services standing out among the latter. It should be pointed out that the reduction in the volume of imports was in part offset by the increase in purchases of non-durable consumer goods. Likewise, imports of services fell, especially in services of travel and passenger transportation due to restrictions for international travel and to the drop in household spending.

### 3. Production Sectors

By production sector, GDP registered an almost generalized contraction in all of the sectors, except in agriculture and fishing. Primary production fell 7.7 percent, while non-primary production fell 12.1 percent. The sectors with the highest average growth in the second decade of this century were electricity and water (4.0 percent), agriculture (3.6 percent) and services (3.3 percent).

<b>Table 4</b>					
<b>GROSS DOMESTIC PRODUCT BY ECONOMIC SECTOR</b>					
<b>(Annual % change)</b>					
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Average 2001-2010</b>	<b>Average 2011-2020</b>
<b>Primary GDP</b>	<b>3.5</b>	<b>-0.9</b>	<b>-7.7</b>	<b>4.2</b>	<b>2.5</b>
Agriculture and livestock	7.7	3.5	1.3	3.5	3.6
Fishing	47.7	-17.2	2.1	1.0	2.4
Metallic mining	-1.7	-0.8	-13.5	5.6	2.4
Hydrocarbons	0.0	4.6	-11.0	5.4	-1.0
Manufacturing	12.9	-8.5	-2.6	1.3	2.9
<b>Non-primary GDP</b>	<b>4.1</b>	<b>3.1</b>	<b>-12.1</b>	<b>6.0</b>	<b>2.4</b>
Manufacturing	3.4	1.0	-17.3	7.1	-1.2
Electricity and water	4.4	3.9	-6.1	5.7	4.0
Construction	5.3	1.4	-13.9	9.0	1.3
Commerce	2.6	3.0	-16.0	6.2	2.1
Services	4.4	3.6	-10.3	5.4	3.3
<b>GDP</b>	<b>4.0</b>	<b>2.2</b>	<b>-11.1</b>	<b>5.6</b>	<b>2.4</b>

Source: INEI and BCRP.

### 3.1 Agricultural Sector

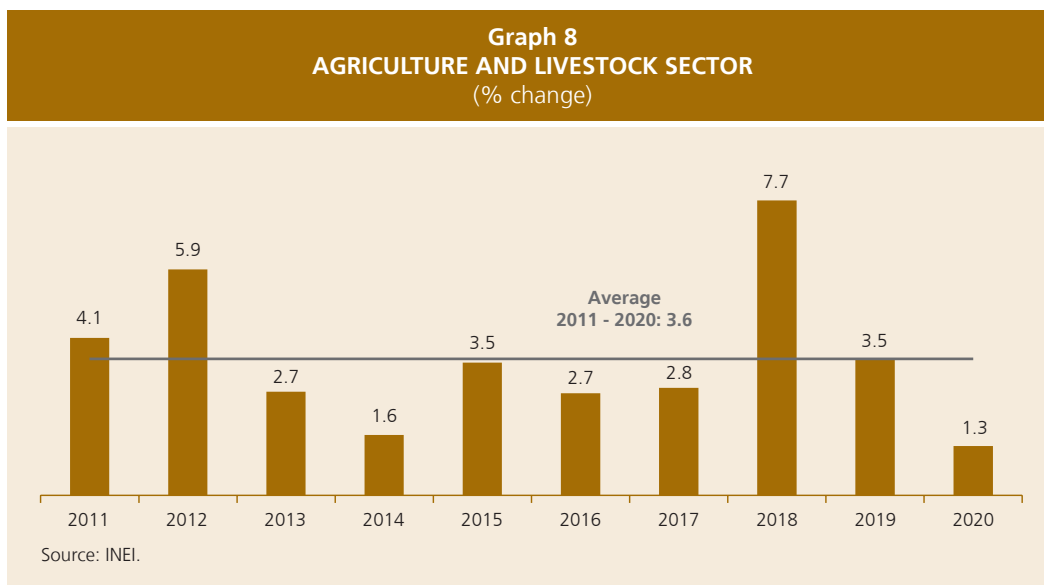
Output in the agricultural sector maintained its dynamism during 2020 in the context of the pandemic due to its direct link with the supply of staple products, which allowed it to register a growth rate of 1.3 percent in the year, although it should be pointed out that this rate was offset by a slowdown in demand for poultry meat in the context of the pandemic. The continuous growth of this sector over the past sixteen years is also worth highlighting.

This prolonged growth of the agricultural output in the second decade of the 21st century (3.6 percent) is explained by export-oriented agriculture (7.2 percent), livestock production (4.0 percent) and, to a lesser extent, by crops for the domestic market (2.4 percent).

**Table 5**  
**AGRICULTURE AND LIVESTOCK PRODUCTION**  
(Annual % change)

	2018	2019	2020	Average 2011-2020
<b>A. Agricultural production</b>	<b>9.6</b>	<b>2.7</b>	<b>3.1</b>	<b>3.6</b>
<u>For the domestic market</u>	<u>8.4</u>	<u>-1.2</u>	<u>2.4</u>	<u>2.4</u>
Potato	7.4	5.0	1.1	3.7
Rice	17.1	-10.3	7.3	1.9
Onion	-10.9	-1.2	-5.1	-1.8
Tangerine	18.0	4.5	4.4	9.0
Orange	0.9	1.4	8.6	3.4
Tomato	14.9	-20.4	1.0	-1.0
Bananas	10.8	2.6	2.4	1.4
Cassava	3.6	3.0	3.9	0.7
Garlic	10.8	-21.0	9.0	3.7
Lemon	53.9	12.0	4.8	3.2
Pineapple	10.9	3.1	4.9	6.7
<u>For industry</u>	<u>8.5</u>	<u>3.9</u>	<u>-11.5</u>	<u>0.1</u>
Yellow hard maize	1.3	0.4	-11.4	-1.3
Cotton	89.4	27.6	-65.9	-11.3
Oil palm	9.2	1.2	-1.3	12.2
Sugar cane	10.0	5.5	-4.0	0.6
<u>For export</u>	<u>12.2</u>	<u>9.5</u>	<u>7.9</u>	<u>7.2</u>
Coffee	9.6	-1.7	2.3	2.9
Asparagus	-5.9	-1.1	2.0	0.8
Grapes	0.1	-0.9	15.0	10.1
Avocado	8.1	13.4	15.5	13.6
Mango	-2.1	12.9	15.6	0.9
Cocoa	10.5	5.3	6.9	12.5
Quinoa	10.3	3.1	11.9	9.3
Blueberry	62.1	74.4	22.0	n.d
<b>B. Livestock production</b>	<b>5.8</b>	<b>4.1</b>	<b>-1.6</b>	<b>4.0</b>
Poultry	7.5	4.5	-2.0	5.4
Eggs	8.9	8.0	1.9	5.7
Pork	4.6	5.0	-2.0	3.9
Milk	2.7	2.6	0.8	2.4
<b>C. TOTAL 1/</b>	<b>7.7</b>	<b>3.5</b>	<b>1.3</b>	<b>3.6</b>

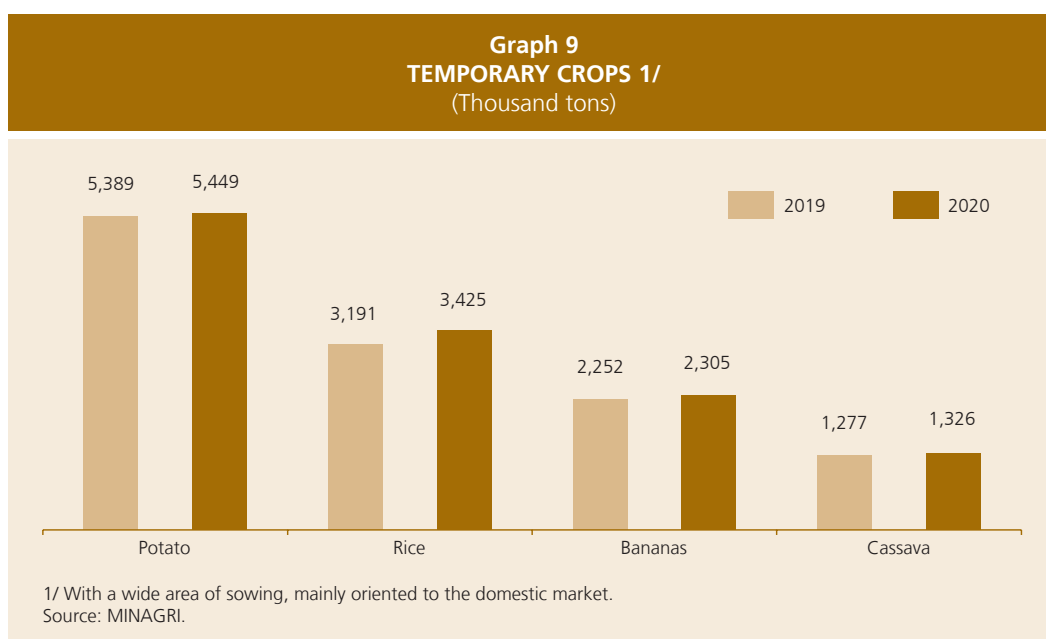
1/ Includes the forestry sector.  
Source: INEI and MINAGRI.



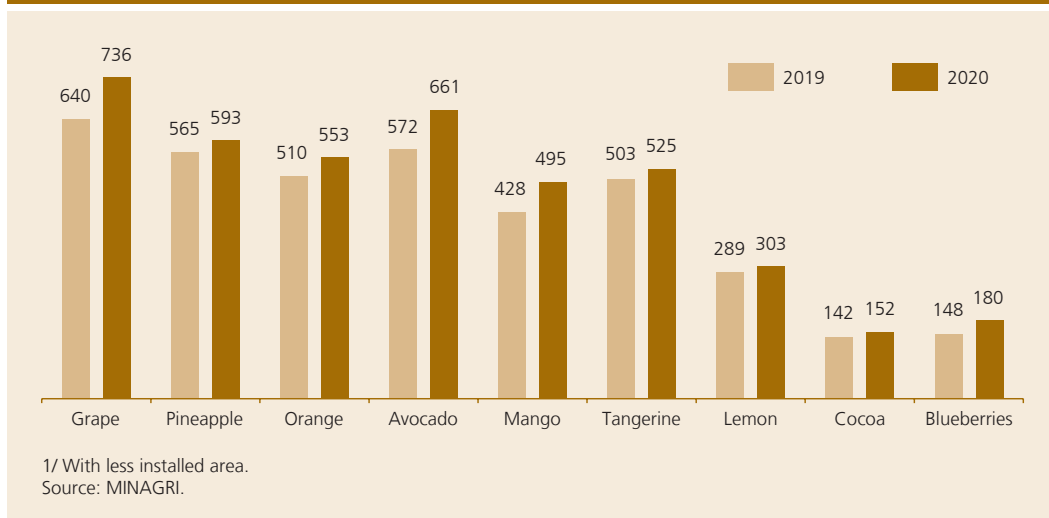
The sector's growth in 2020 was supported by the dynamism of agro-exports (7.9 percent) and agriculture for the domestic market (2.4 percent). On the other hand, however, agro-industrial production contracted given that the poultry industry was affected by the closure of restaurants and the limited maximum capacity imposed on establishments as measures against the spread of COVID-19.

Production for the **domestic market** benefited from the recovery of rice production (7.3 percent) due to better yields in the short growing season in the northern cultivation areas (Piura and Lambayeque).

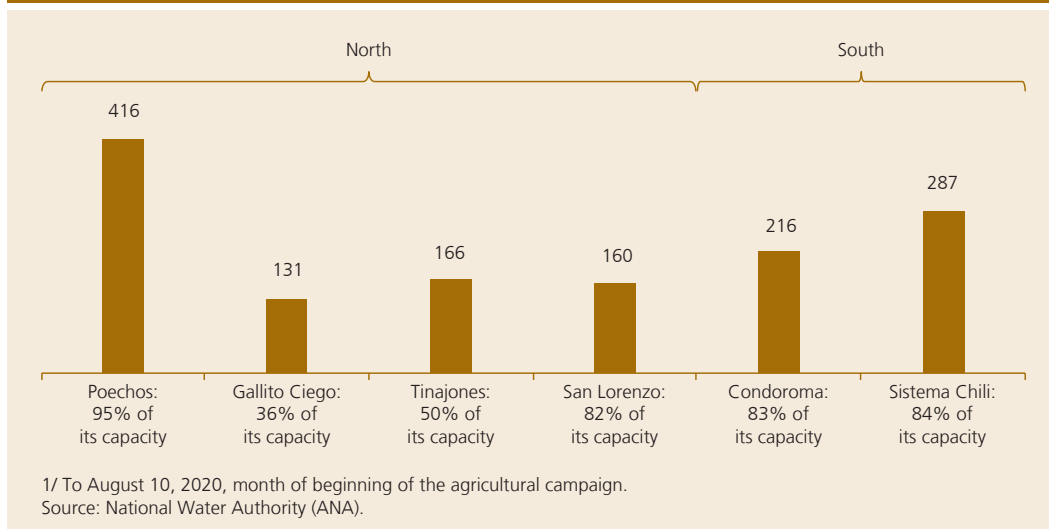
The main products that boosted agroexports were blueberries, grapes, and avocados. Blueberry production increased (22.0 percent) due to the incorporation of larger cultivation areas, mainly in Lambayeque, while a higher grape production (15.0 percent) was achieved due to higher harvests and yields in Ica and Piura as a result of the renewal of varieties. The increase in avocado production (15.5 percent) was supported by the contribution of larger areas in the coastal regions (Lambayeque, La Libertad, Lima, and Ica) and highlands (Ayacucho, Huancavelica and Arequipa).



**Graph 10**  
**PERMANENT CROPS 1/**  
(Thousand tons)



**Graph 11**  
**STORED VOLUME IN MAIN RESERVES - BY REGIONS 1/**  
(Million cubic meters)

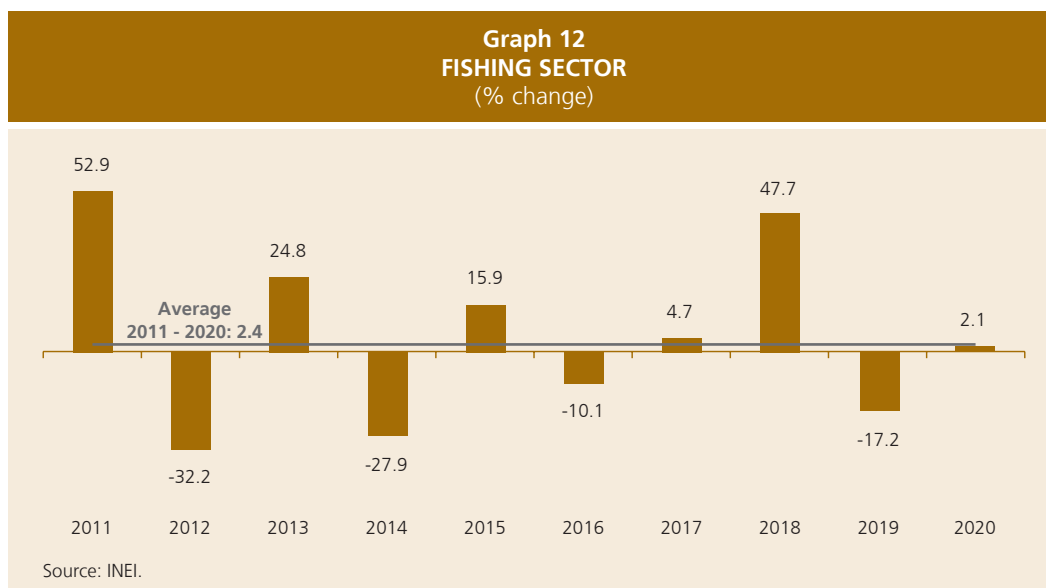


**Agroindustrial production** declined 11.5 percent, mainly due to lower production of hard yellow maize because of low planting and low yields due to below-normal temperatures, which delayed the ripening and harvesting stages. The production of sugarcane fell 4.0 percent due to lower yields and unfavorable weather conditions in the departments of La Libertad, Lambayeque and Lima.

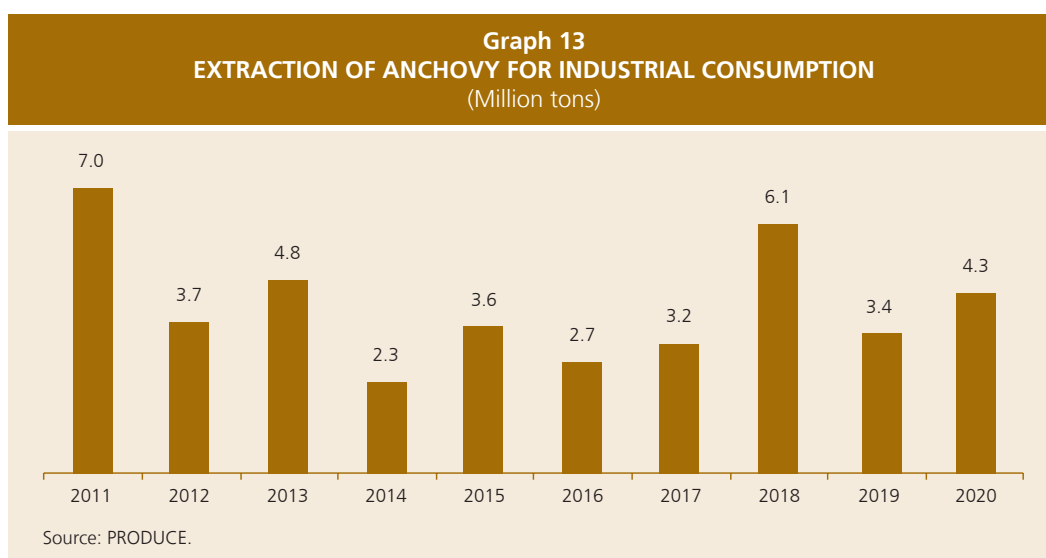
The drop in cotton production (-65.9 percent) was also noteworthy due to low temperatures that hindered the development of the crop in Ica (-65.4 percent), Ancash (-19.1 percent), and Piura (-77.9 percent), among other regions. Overall, the area planted in the August-December 2020 crop year was down 3.2 percent compared to the same period of the previous year due to the lower cultivation of cereals (-6.1 percent), hard yellow maize, starchy maize, wheat, among other grains, as well as due to lower cultivation of roots and tubers (-0.6 percent), legumes (-1.0 percent), and spices (-3.2 percent).

### 3.2 Fishing Sector

Output in the fishing sector increased 2.1 percent in 2020, mainly due to a better performance in the 2020 second anchovy fishing season in the north-central zone (November 2020 to January 2021) compared to that of 2019. The annual catch increased from 3.4 million tons in 2019 to 4.3 million tons in 2020 (27.6 percent). This increase was offset by the cancellation of the 2019 second anchovy season in the north-central zone –which ran through January 2020– due to the high level of juvenile specimens found in the anchovy biomass.



Anchovy catch was higher in the first season of the north-central zone in 2020 than in the same season of the previous year, because the cancellation of the second season of 2019 allowed young fish to grow and reproduce for a longer time than usual. A higher quota than usual for a second fishing season was established in 2020 (2.8 million tons, instead of the quota that usually ranges between 1 and 2 million tons). The season ended with a catch of 2.5 million tons of anchovy, more than double that recorded in the same season in 2019.



**Table 6**  
**MAXIMUM LIMIT OF THE TOTAL ALLOWABLE CATCH AND ANCHOVY EXTRACTION**  
(North-Central zone)

Year	Season 1/	Biomass (Million tons)	Maximum limit of the total allowable catch (Million tons)	Extraction (%)	Catch (Million tons)
2014	First	6.1	2.5	68	1.7
	Second	4.4	0.0	0	0.0
2015	First	9.5	2.6	97	2.5
	Second	5.6	1.1	97	1.1
2016	First	7.3	1.8	51	0.9
	Second	6.9	2.0	100	2.0
2017	First	7.8	2.8	85	2.4
	Second	6.1	1.5	46	0.7
2018	First	10.9	3.3	98	3.2
	Second	7.2	2.1	99	2.1
2019	First	7.0	2.1	95	2.0
	Second	8.3	2.8	36	1.0
2020	First	10.1	2.4	98	2.4
	Second	8.4	2.8	88	2.5

1/ Usually the second season of anchovy fishing in the North-Central Zone extends until the first months the following year.  
Source: IMARPE and PRODUCE.

Fishing for direct human consumption dropped 16.1 percent due to lower catches of species used to produce frozen and fresh products after the adoption of COVID-19 restrictions and mobility restrictions that affected restaurant activities. Quarantine had the greatest negative impact during the second quarter of 2020, affecting exports of products such as shrimp and tuna exports.

**Table 7**  
**FISH CATCH BY MAIN SPECIES**  
(% change)

Species	2018	2019	2020	Average 2011-2020
Anchovy 1/	91.8	-44.3	27.6	2.6
Jack mackerel 2/	113.7	177.1	17.9	16.5
Prawns 3/	-18.7	36.0	-19.5	9.1
Giant Squid 3/	26.4	51.6	-15.8	2.2
Mackerel 4/	5.9	-20.4	45.0	11.3
Tuna 4/	53.7	-1.7	-78.5	-8.3
Scallops 3/	694.8	45.4	-11.5	-2.4

1/ Considers fish catch only for industrial consumption.  
2/ Fresh.  
3/ Frozen.  
4/ Canned  
Source: PRODUCE.

### 3.3 Mining and Hydrocarbons Sector

Production in the mining and hydrocarbons sector fell 13.2 percent in 2020 –the sharpest drop seen since 1989– due to lower activity in metal mining (-13.5 percent) and in the hydrocarbons sector

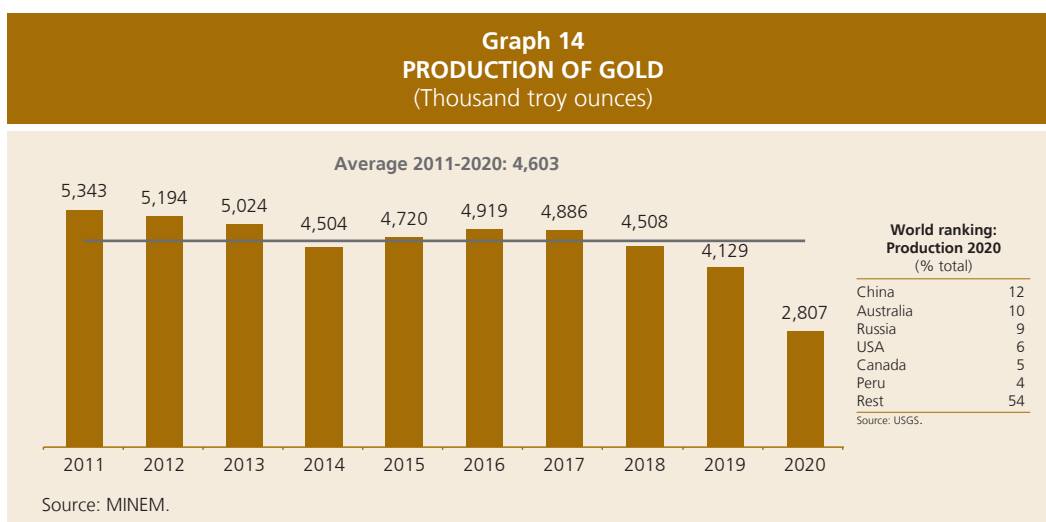


(-11.0 percent). The drop in production in both sectors is mainly due to the social immobility measures and the lockdown decreed by the Government in the second quarter. It is worth mentioning that the average growth of the mining and hydrocarbons sector (1.9 percent) in the 2011 to 2020 decade was associated mainly with the increase in the production of copper (6.7 percent), molybdenum (6.6 percent), and natural gas (5.2 percent).

Table 8 PRODUCTION IN THE MINING AND HYDROCARBONS SECTOR (Annual % change)				
	2018	2019	2020	Average 2011-2020
<b>METALLIC MINING</b>	<b>-1.7</b>	<b>-0.8</b>	<b>-13.5</b>	<b>2.4</b>
Gold	-7.7	-8.4	-32.0	-6.1
Copper	-0.5	0.8	-12.7	6.7
Zinc	0.1	-4.7	-5.3	-1.0
Silver	-5.8	-7.2	-22.5	-1.9
Lead	-5.8	6.6	-21.9	-0.8
Tin	4.6	6.7	4.0	-4.8
Iron	8.3	6.1	-12.1	3.8
Molybdenum	-0.4	8.6	5.7	6.6
<b>HYDROCARBONS</b>	<b>0.0</b>	<b>4.6</b>	<b>-11.0</b>	<b>-1.0</b>
Oil	12.2	8.4	-24.9	-5.8
Liquid of natural gas	-5.8	1.5	-1.8	0.1
Natural gas	-1.7	5.6	-10.4	5.2
<b>TOTAL 1/</b>	<b>-1.5</b>	<b>0.0</b>	<b>-13.2</b>	<b>1.9</b>

1/ Includes non-metallic mining and other minerals and secondary production.  
Source: MINEM.

The production of **gold** decreased by 1,322 thousand ounces with respect to 2019, which represents a 32.0 percent drop. This result is due to a generalized decline in the production of most large and medium mining companies after the lockdown of some mining units in the second quarter of the year. In particular, the lower production of Yanacocha and Buenaventura was associated with the decrease in extraction as well as with lower gold grades.



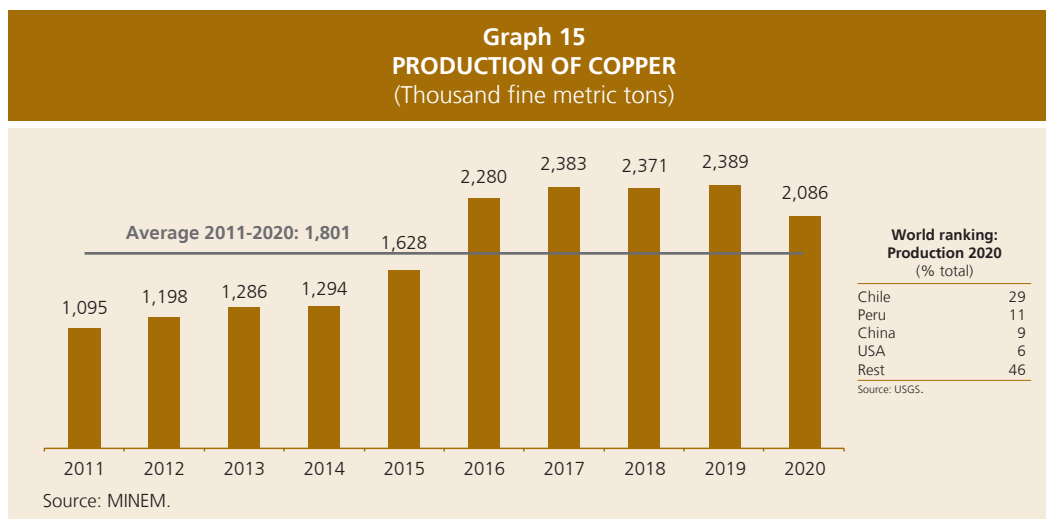
**Table 9**  
**VOLUME OF MINING PRODUCTION**

	2018	2019	2020
<b>GOLD (Thousand troy ounces)</b>	<b>4,508</b>	<b>4,129</b>	<b>2,807</b>
<i>Of which:</i>			
Minera Yanacocha	515	524	340
Minera Barrick Misquichilca	332	186	84
La Arena - Pan American	153	136	104
Anama - Aruntani	35	19	2
Compañía de Minas Buenaventura	482	323	214
Pucamarca - Minsur	103	102	80
Hochschild	211	216	142
Shahuindo - Pan American	90	165	144
<b>COPPER (Thousand fine metric tons)</b>	<b>2,371</b>	<b>2,389</b>	<b>2,086</b>
<i>Of which:</i>			
Compañía Minera Antamina	460	460	396
Sociedad Minera Cerro Verde	455	434	351
Las Bambas - MMG	385	383	313
Southern Peru Copper Corporation	304	388	398
Toromocho - Chinalco	208	190	203
Antapaccay	205	198	190
Constancia - Hudbay	122	114	73
<b>ZINC (Thousand fine metric tons)</b>	<b>1,474</b>	<b>1,404</b>	<b>1,329</b>
<i>Of which:</i>			
Compañía Minera Antamina	476	366	491
Nexa Resources	215	208	148
Volcan Compañía Minera	151	145	100
Sociedad Minera El Brocal	48	50	60
Empresa Minera Los Quenuales	26	40	79
<b>SILVER (Million fine troy ounces)</b>	<b>134</b>	<b>124</b>	<b>96</b>
<i>Of which:</i>			
Compañía de Minas Buenaventura	21	15	10
Compañía Minera Antamina	17	16	15
Volcan Compañía Minera	14	12	10
Compañía Minera Ares	17	13	7
<b>LEAD (Thousand fine metric tons)</b>	<b>289</b>	<b>308</b>	<b>241</b>
<i>Of which:</i>			
Volcan Compañía Minera	51	53	44
Nexa Resources	49	50	36
Sociedad Minera El Brocal	24	27	27
Empresa Minera Los Quenuales	8	9	14
Antamina	7	6	9

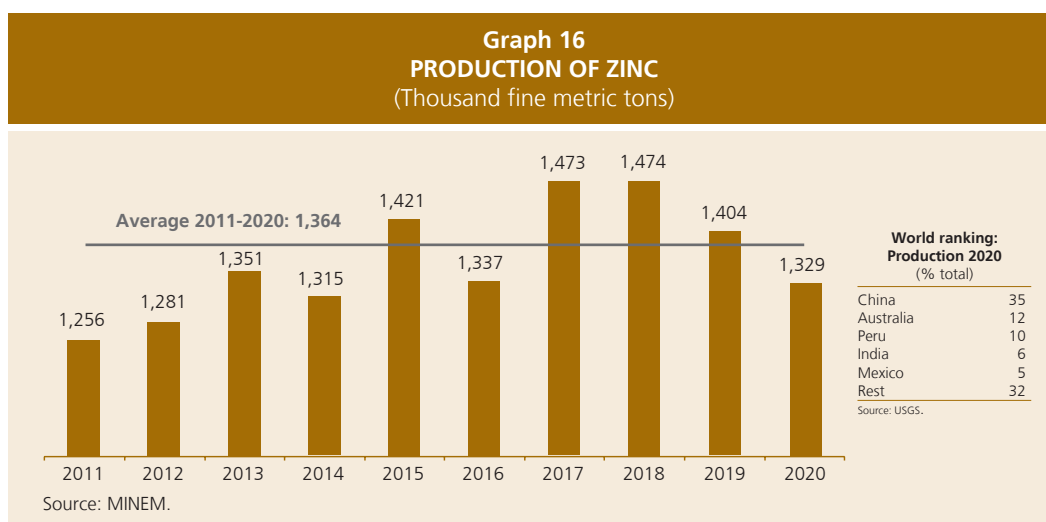
Source: MINEM.

Falling 12.7 percent from the previous year, **copper** production amounted to 2,086 thousand FMT in 2020 as a result of lower production at most mines, following the sanitary restrictions imposed since March 2020 due to the pandemic. However, Southern Peru Copper Corporation and Toromocho-Chinalco increased their production compared to the previous year due to the expansion plans of Toquepala and Toromocho-phase 1, respectively.





**Zinc** production decreased 5.3 percent in 2020, with lower extraction of this mineral by large and medium-sized mining companies accounting mostly for this fall. However, Antamina increased its production by 125 thousand FMT, which represented an increase of 34.3 percent due to the better ore grades obtained. On the other hand, the lower production of Nexa Resources and Volcan Compañía Minera was mainly due to the contraction of production after the lockdown decreed in the second quarter of the year. These companies restarted operations during the second phase of economic reopening in May 2020.



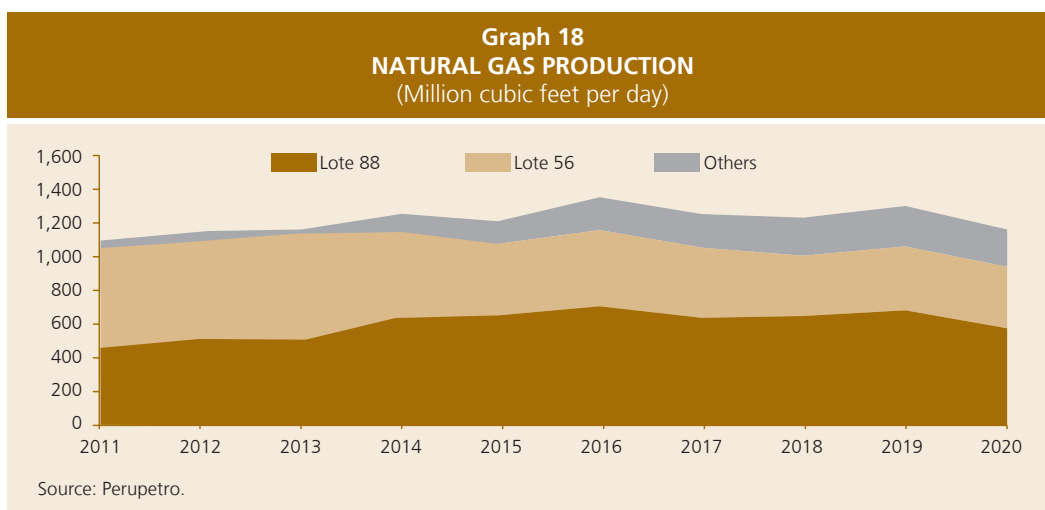
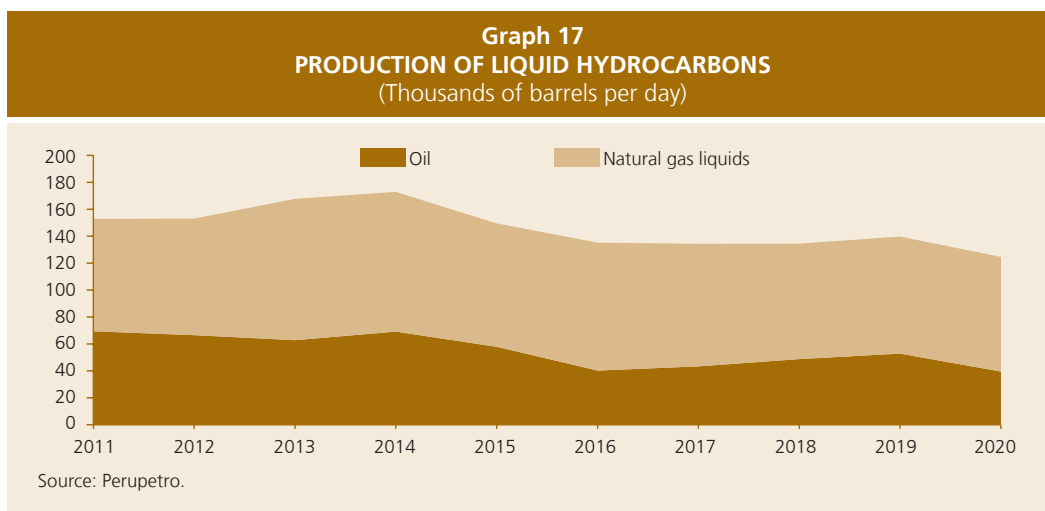
The production of **iron** dropped 12.1 percent due to lower production at Shougang, especially in the second quarter of the year, since this company also restarted operations in May.

**Molybdenum** production grew 5.7 percent due to the production of this mineral at Toromocho and Southern, which is related to the increase in copper production, as well as due to production at Las Bambas, where a process to increase efficiency was implemented in the December 2019-February 2020 period.

In 2020, there was a lower production of **silver** (-22.5 percent) and **lead** (-21.9 percent), while **tin** production increased (4.0 percent).

The hydrocarbons subsector showed a drop of 11.0 percent in 2020 due to the lower production observed in all of its components, with a 24.9 percent decrease in oil production standing out.

The lower production of **oil** was associated with the stoppage of operations in lots 192, 8 and 67, due to the suspension of activities of the Norperuvian Pipeline in May. In the case of lot 192, the concession of the lot to Frontera Energy ended in September 2020.



Lower **gas** production (-10.4 percent) resulted mainly from lower extraction at lot 88 due to weak domestic demand in the second quarter of the year as a result of mandatory confinement and economic lockdown. Likewise, the production of gas liquids decreased (-1.8 percent) due to the drop in production at lot 56.

It is worth mentioning that, according to the US Geological Survey's 2020 results, Peru maintained its position in the global ranking of production of copper, gold, and zinc despite the production disruptions registered during the year.

### 3.4 Manufacturing Sector

Manufacturing activity in 2020 registered a decrease of 13.4 percent, which is explained by lower primary and non-primary activity due to the restrictions enacted in response to the COVID-19 pandemic.

**Manufacturing based on primary resources** fell 2.6 percent, reflecting a lower production of refined petroleum products due to the closure of the Talara refinery for modernization. This decline was offset by higher production of fishmeal due to greater anchovy catch. During the decade, the primary

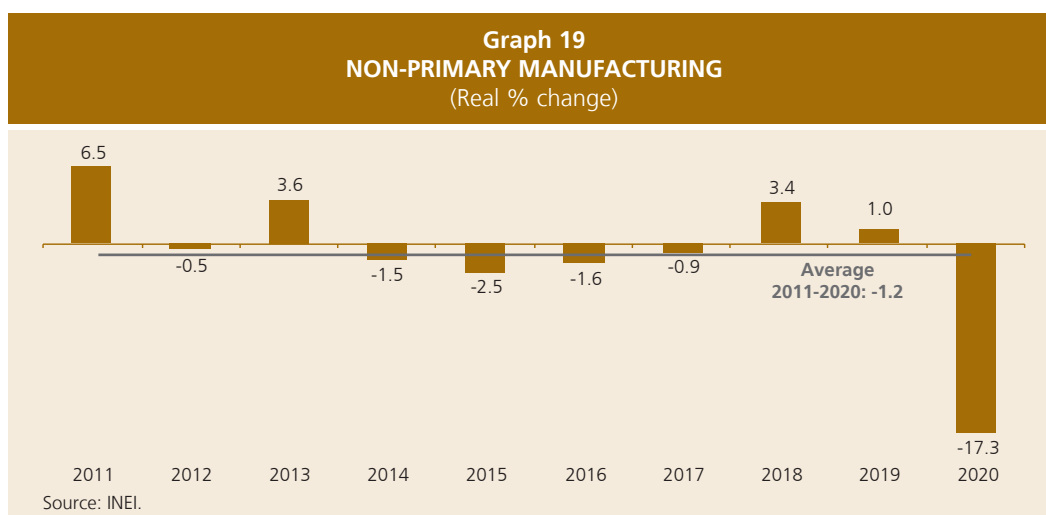
manufacturing activities that registered the greatest dynamism were the production of fishmeal and fish oil (8.3 percent) and the production of canned and frozen fish products (7.4 percent).

**Table 10**  
**MANUFACTURING BASED ON RAW MATERIALS**  
(% change respect to the same period of the previous year)

	2018	2019	2020	Average 2011-2020
<b>Manufacturing based on raw materials</b>	<b>12.9</b>	<b>-8.5</b>	<b>-2.6</b>	<b>2.9</b>
Rice	15.4	-8.7	5.4	1.8
Sucar	9.5	1.1	0.1	1.7
Meat products	6.4	3.1	-2.7	4.1
Fishmeal and fish oil	95.5	-44.1	31.7	8.3
Canned and frozen fish products	10.4	44.3	-4.5	7.4
Refining of non-ferrous metal	1.9	-2.4	-0.5	4.4
Refining of crude	-6.6	-8.0	-33.1	-5.6

Source: PRODUCE.

On the other hand, in 2020 **non-primary manufacturing** recorded a decline of 17.3 percent –its largest drop since 1989– due to mobility and production restrictions during the second quarter of the year.



Activity in investment-oriented industries –which bore the brunt of the pandemic– declined 27.1 percent. This was particularly noteworthy in the branches of metallic goods, industrial services, transportation material, electrical machinery and construction materials, which were affected by the lockdown during most of the second quarter and where production took time to recover.

The branches linked to the production of mass consumption goods fell 9.0 percent and registered the least impact of the pandemic. These branches were the first to resume operations and include the production of staple goods whose demand increased during the pandemic, such as medicines and toiletries and cleaning products. Moreover, the branches of furniture and alcoholic beverages also recovered quickly and showed positive growth rates in the year.

Activity in the input-related industries declined 17.2 percent due to lower production of processed wood, leather, glass, paper, printed goods, among other products, while activity in export-related industries declined 25.1 percent due to lower production of clothing, yarns, fabrics, finishing and artificial fibers, due to lower external demand as a result of the pandemic.

**Table 11**  
**GROWTH OF NON-PRIMARY MANUFACTURING BY TYPE OF GOODS**  
 (Annual % change)

	2018	2019	2020	Average 2011-2020
<b>Mass consumption goods</b>	<b>2.4</b>	<b>1.9</b>	<b>-9.0</b>	<b>0.1</b>
Dairy products	0.9	5.8	-1.6	0.6
Bakery	-0.9	18.2	8.9	3.7
Oils and fats	2.3	3.2	-7.9	2.5
Miscellaneous food products	3.4	0.9	-7.2	0.7
Beer and malt	-0.1	0.6	-25.7	-2.6
Soft drinks	-10.4	14.7	-19.9	-0.9
Garment	6.9	-1.7	-36.2	-5.8
Shoes	-29.1	-21.9	-29.2	-9.8
Furnitures	8.0	6.5	16.9	2.3
Other paper and cardboard items	-4.5	-8.3	-7.7	0.2
Toiletries and cleaning products	3.8	-1.1	3.7	1.5
Pharmaceutical products	4.0	0.4	10.1	0.5
Miscellaneous items	22.2	-0.9	-48.3	-0.3
<b>Inputs</b>	<b>4.5</b>	<b>0.2</b>	<b>-17.2</b>	<b>-1.7</b>
Wheat flour	3.5	11.4	-0.5	1.3
Othe textil items	-2.9	-8.7	-12.4	0.9
Processed woods	13.9	6.6	-28.8	-4.7
Paper and cardboard	6.6	2.0	-25.2	-5.2
Paper and cardboard containers	19.3	2.6	1.5	4.6
Publishing and printing	-4.0	-12.2	-39.5	-10.2
Basic chemicals	-0.7	1.6	1.8	5.1
Explosives, chemical and natural scents	10.3	-4.7	-25.2	1.7
Rubber	-10.8	0.5	-40.1	-7.0
Plastic	4.5	5.2	-7.8	2.6
Glass	3.0	-8.3	-23.9	-8.2
<b>Capital goods</b>	<b>5.5</b>	<b>2.9</b>	<b>-27.1</b>	<b>-2.3</b>
Iron & steel industry	1.8	1.4	-21.5	3.1
Metallic products	11.7	7.2	-22.6	-0.7
Machinery and equipment	-10.4	-8.0	-28.4	-2.8
Electric machinery	28.5	-12.0	-35.2	-3.0
Transport equipment	-7.0	5.3	-40.3	-9.6
Paints, varnishes, and lacquers	3.5	-4.0	-17.1	-2.2
Cement	0.9	4.5	-16.6	-1.4
Construction materials	2.3	2.8	-37.5	-6.1
Industrial services	11.2	9.1	-46.7	-2.6
<b>Goods for external markets</b>	<b>0.1</b>	<b>-2.8</b>	<b>-25.1</b>	<b>-2.6</b>
Canned food	4.8	7.5	4.0	1.7
Synthetic fibers	8.3	-25.2	-14.2	-2.3
Yarns, fabrics and finished garments	-5.9	-8.6	-29.5	-4.2
Knitted garments	-4.2	-1.5	-33.5	0.8
Clothing items	6.9	-1.7	-36.2	-5.8
<b>Total non-primary manufacturing</b>	<b>3.4</b>	<b>1.0</b>	<b>-17.3</b>	<b>-1.2</b>

Source: PRODUCE.

#### 4. Savings and investment

Gross domestic investment in GDP terms fell by 2.6 percentage points, from 21.3 percent of GDP in 2019 to 18.7 percent of GDP in 2020, due to the temporary halt of investment projects during the first half of the year. Domestic savings, on the other hand, contracted 0.8 percentage points of GDP due to the use of government resources to mitigate the negative effects of the pandemic. As a result, the Peruvian economy recorded negative external savings of 0.7 percent of GDP in 2020.

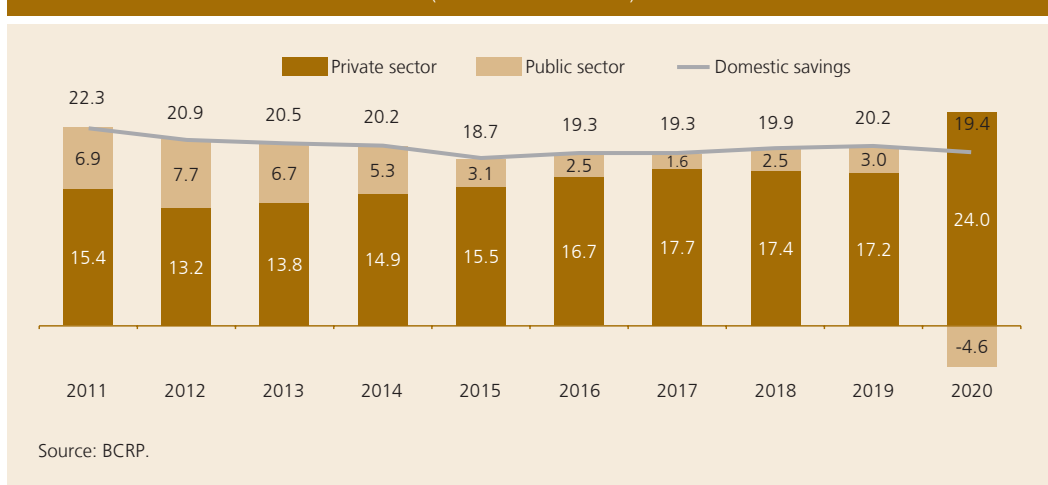
A strong increase was also observed in private sector savings, which reached 24.0 percent of GDP, the highest rate since annual savings and investment series have been recorded (1970). Although household income fell during the year, consumption showed a weaker performance due to restrictions on access to certain goods and services during the quarantine that was coupled by a recomposition in household spending.

**Table 12**  
**SAVINGS AND INVESTMENT**  
(% GDP nominal)

	2018	2019	2020	Average 2011-2020
<b>I. Investment (= II + III)</b>	<b>21.6</b>	<b>21.3</b>	<b>18.7</b>	<b>22.4</b>
Gross fixed investment	22.4	22.7	21.1	23.6
Public investment	4.8	4.6	4.3	4.9
Fixed private	17.6	18.1	16.8	18.7
Inventory variation	-0.8	-1.4	-2.5	-1.2
<b>II. Domestic savings</b>	<b>19.9</b>	<b>20.2</b>	<b>19.4</b>	<b>19.8</b>
Public sector	2.5	3.0	-4.6	3.1
Private sector	17.4	17.2	24.0	16.8
<b>III. External savings</b>	<b>1.7</b>	<b>1.2</b>	<b>-0.7</b>	<b>2.5</b>

Source: BCRP.

**Graph 20**  
**INTERNAL SAVINGS**  
(% of nominal GDP)



Source: BCRP.

## 5. Labor

Superintendencia Nacional de Aduanas y de Administración Tributaria (SUNAT) –the National Superintendency of Customs and Tax Administration– gathers monthly information on jobs and salaries in the universe of formal companies and public and private institutions through its Electronic Payroll system.

**Table 13**  
**FORMAL JOBS - ELECTRONIC PAYROLL**  
(Thousand jobs)

	Levels				Annual change 2020	
	2017	2018	2019	2020	In thousand	In %
<b>Total 1/</b>	<b>4,935</b>	<b>5,122</b>	<b>5,264</b>	<b>5,081</b>	<b>-182</b>	<b>-3.5</b>
Private	3,510	3,662	3,800	3,566	-234	-6.2
Public	1,425	1,460	1,464	1,516	52	3.6
Lima	3,059	3,124	3,190	3,004	-186	-5.8
Rest of Peru	1,863	1,976	2,035	2,018	-17	-0.8

1/ The sum of employment by sectors is not total due to the number of workers that can not be classified by sector. (3.9% of total).

Source: SUNAT - Electronic Payroll.

According to information of this electronic payroll system, the number of formal jobs<sup>1</sup> in the country decreased 3.5 percent in 2020 due to the measures implemented to face the COVID-19 crisis. At the sector level, the strongest decrease in the private sector (-6.2 percent) was offset in part by an increase in employment in the public sector (3.6 percent). By geographical area, the greatest reduction of employment was observed in Lima (-5.8 percent), while employment in the rest of the country fell 0.8 percent.

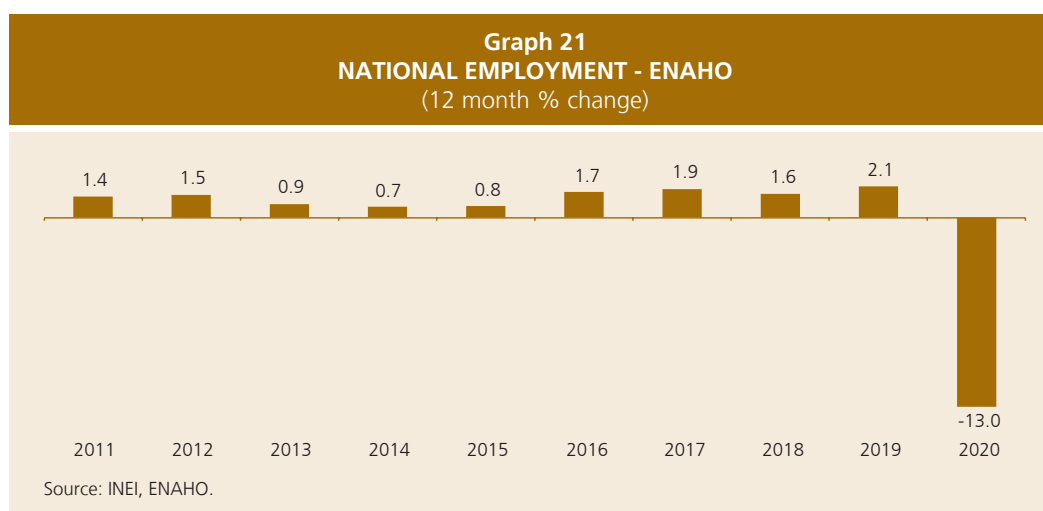
In the private sector, the 6.2 percent contraction of employment reflects mainly job losses in the sector of services (180 thousand jobs). In contrast, in the agricultural sector alone, there was an increase of 31 thousand jobs.

	Levels				Annual change 2020	
	2017	2018	2019	2020	In thousand	In %
<b>Total</b>	<b>3,510</b>	<b>3,662</b>	<b>3,800</b>	<b>3,566</b>	<b>-234</b>	<b>-6.2</b>
Of which:						
Agriculture and Livestock 1/	355	424	451	481	31	6.8
Fishing	23	21	20	19	-1	-5.1
Mining	102	106	108	102	-6	-5.4
Manufacture	462	471	476	440	-36	-7.5
Electricity	13	14	15	14	-1	-7.5
Construction	197	204	214	182	-32	-14.8
Commerce	599	613	624	592	-32	-5.1
Services	1,751	1,800	1,869	1,689	-180	-9.6

1/ Includes the agro-export sector: Processing and preservation of fruits and vegetables.  
Source: SUNAT - Electronic Payroll.

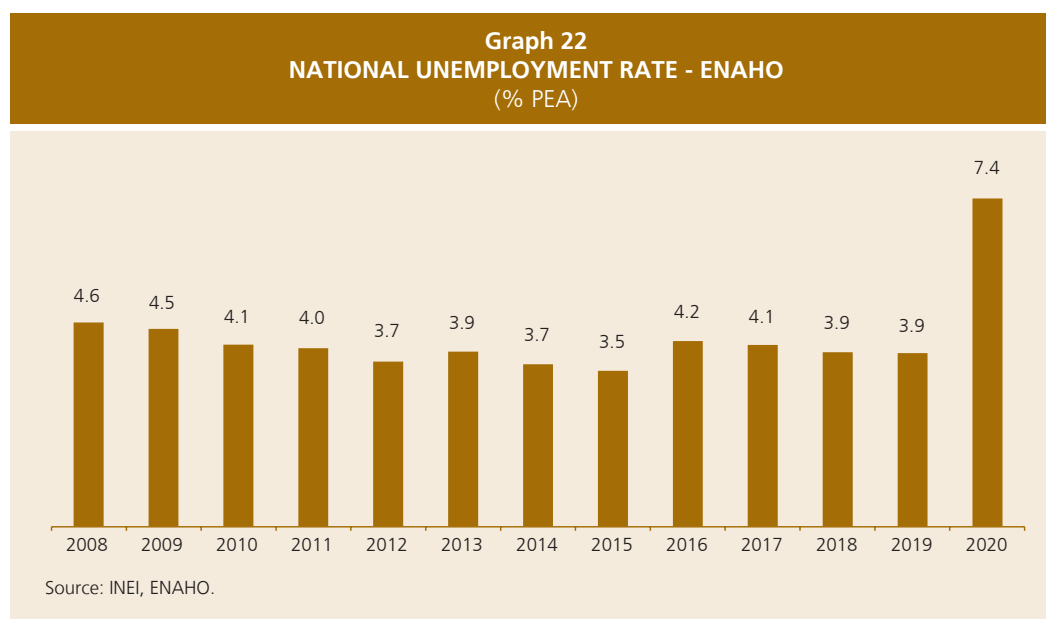
## 5.1 National Employment

According to information from the National Household Survey (ENAH0), employment at the national level decreased 13.0 percent, reaching levels not seen since 2009. This result mainly reflects the effects of the strict quarantine implemented in mid-March, which became more flexible during the second half of the year. On the other hand, the rate of unemployment at the national level increased from 3.9 percent in 2019 to 7.4 percent in 2020.



1 The number of jobs differs from the number of workers because a same person can have more than one job.

By production sectors, employment was most affected in the sectors of services, where 1,799 thousand jobs were lost, and commerce, with a reduction of 633 thousand jobs. By company size, the largest decrease was observed in the group of firms with 1 to 10 workers (1,206 thousand jobs).



**Table 15**  
**NATIONAL EMPLOYMENT**  
(Thousand people)

	Levels			Annual change 2020	
	2018	2019	2020	In thousand	In %
<b>I. ECONOMICALLY ACTIVE POPULATION (EAP): 1 + 2</b>	<b>17,463</b>	<b>17,831</b>	<b>16,095</b>	<b>-1,736</b>	<b>-9.7</b>
<b>1. EMPLOYED</b>	<b>16,777</b>	<b>17,133</b>	<b>14,902</b>	<b>-2,231</b>	<b>-13.0</b>
<b>By economic activity</b>					
Agriculture and livestock/Fishing/ Mining	4,341	4,343	4,917	574	13.2
Manufacturing	1,505	1,519	1,264	-256	-16.8
Construction	1,003	1,055	938	-118	-11.1
Commerce	3,162	3,272	2,639	-633	-19.4
Services	6,766	6,944	5,145	-1,799	-25.9
<b>By size of business</b>					
From 1 to 10 workers	12,149	12,409	11,203	-1,206	-9.7
From 11 to 50 workers	1,247	1,229	912	-318	-25.8
More than 50 workers	3,372	3,481	2,770	-711	-20.4
<b>2. UNEMPLOYED</b>	<b>686</b>	<b>697</b>	<b>1,193</b>	<b>496</b>	<b>71.1</b>
<b>II. INACTIVE POPULATION</b>	<b>6,680</b>	<b>6,681</b>	<b>8,787</b>	<b>2,106</b>	<b>31.5</b>
<b>III. WORKING-AGE POPULATION (PWA)</b>	<b>24,142</b>	<b>24,512</b>	<b>24,882</b>	<b>370</b>	<b>1.5</b>
<b>RATES (%)</b>					
Activity rate (EAP / PWA)	72.3	72.7	64.7		
Employment/population (Employed EAP/PWA)	69.5	69.9	59.9		
Unemployment rate (Unemployed EAP/EAP)	3.9	3.9	7.4		

Source: INEI, ENAHO.



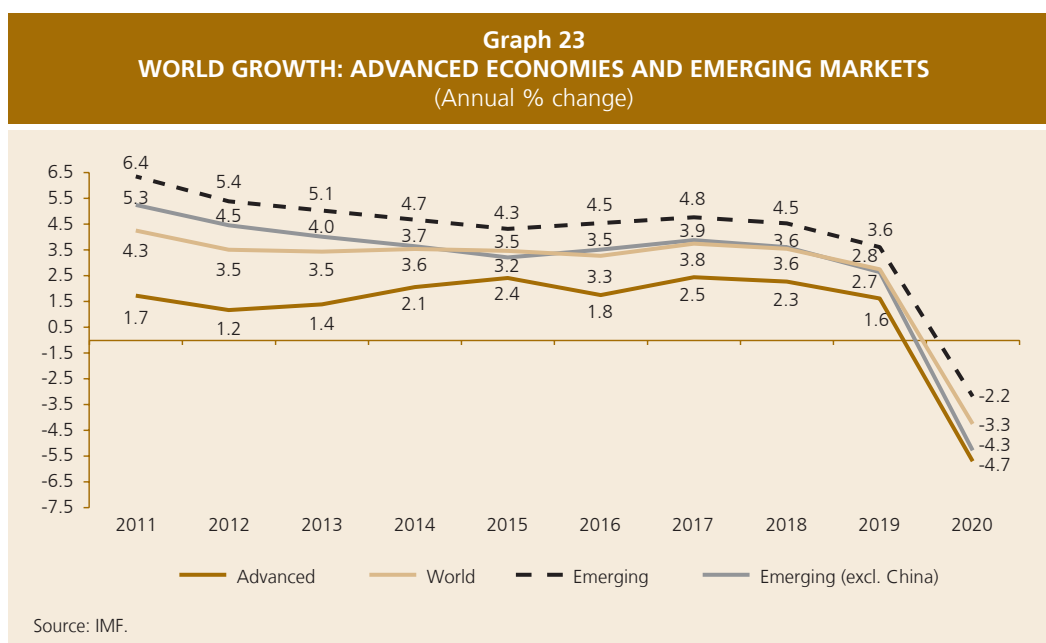
Bird, gold piece, Frías Culture.  
*Hugo Cohen Collection.*



# EXTERNAL SECTOR

## 1. International Environment

In 2020, the global economy faced a severe unforeseen shock: the COVID-19 pandemic. The virus, which first broke out in China in late 2019, spread rapidly to other countries and the pandemic was declared a global pandemic in March 2020 by the World Health Organization. This led many countries to impose sanitary measures which included mobility restrictions, border closures, the lockdown of activities with a high degree of human interaction, among other actions. As a result of all of this, world GDP contracted 3.3 percent in 2020, the worst drop recorded since the mid-1940s. According to information from the International Monetary Fund (IMF), economic activity decreased in 86 percent of countries during the year, a higher percentage than that registered during the 2009 Global Financial Crisis (47 percent).



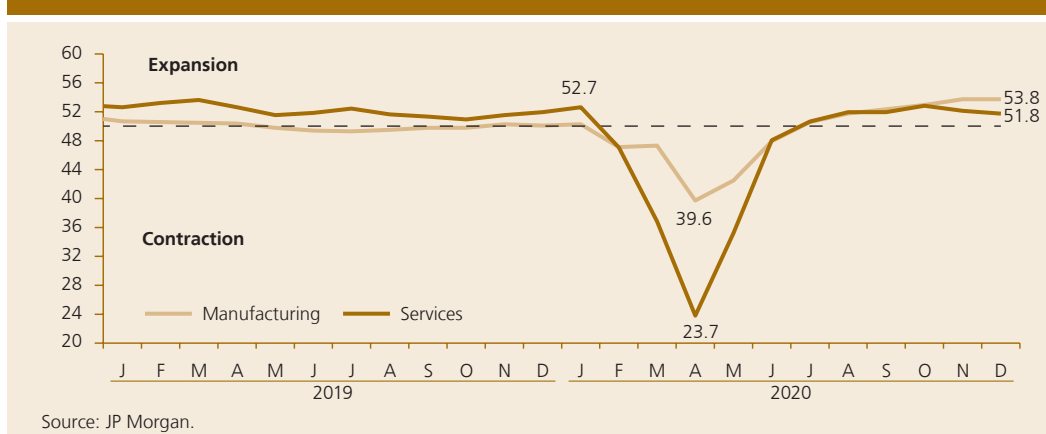
**Table 16**  
**GLOBAL GROWTH**  
(Annual % change)

	% PPP 1/	% Peru's trading 1/	2018	2019	2020	Average 2011-2020
<b>Developed countries</b>	<b>42.5</b>	<b>43.6</b>	<b>2.3</b>	<b>1.6</b>	<b>-4.7</b>	<b>1.2</b>
Of which						
1. USA	16.0	20.0	3.0	2.2	-3.5	1.7
2. Eurozone	12.0	10.4	1.9	1.3	-6.6	0.5
Germany	3.4	3.0	1.3	0.6	-4.9	1.0
France	2.3	0.8	1.9	1.5	-8.2	0.3
Italy	1.9	1.6	0.9	0.3	-8.9	-0.9
Spain	1.4	2.8	2.4	2.0	-11.0	-0.2
3. Japan	4.0	2.9	0.6	0.3	-4.8	0.4
4. UK	2.3	0.9	1.3	1.4	-9.9	0.6
5. Canada	1.4	5.0	2.4	1.9	-5.4	1.3
<b>Developing countries</b>	<b>57.5</b>	<b>56.4</b>	<b>4.5</b>	<b>3.6</b>	<b>-2.2</b>	<b>4.1</b>
Of which						
1. Developing Asia	32.4	35.1	6.4	5.4	-1.0	5.9
China	18.6	34.8	6.7	6.0	2.3	6.8
India	6.7	3.0	6.5	4.0	-8.0	5.0
2. Commonwealth of Independent States	4.4	0.6	3.2	2.6	-3.0	1.6
Russia	3.1	0.5	2.8	2.0	-3.1	1.3
3. Latin America and the Caribbean	7.3	17.9	1.2	0.1	-6.9	0.7
Brazil	2.4	4.2	1.8	1.4	-4.1	0.2
Chile	0.4	3.7	4.0	1.1	-6.0	2.1
Colombia	0.6	2.6	2.5	3.3	-6.8	2.5
Mexico	1.9	0.9	2.2	-0.1	-8.2	1.3
Argentina	0.7	2.6	-2.6	-2.1	-10.0	-0.7
Peru	0.3	-	4.0	2.2	-11.1	2.4
<b>World Economy</b>	<b>100.0</b>	<b>100.0</b>	<b>3.6</b>	<b>2.8</b>	<b>-3.3</b>	<b>2.8</b>
<b>Memo:</b>						
Trading partners 1/	65.4		4.0	3.3	-2.4	3.4

1/ Weights correspond to 2020. World GDP is sized in Purchasing Power Parity by IMF. Peru's 20 main trading partners.  
Source: IMF, Statistical Institutes and Central Banks.

The initial impact on activity came from the mobility restriction measures that affected domestic demand, particularly private consumption. At the sector level, activity was most affected in the sector of services and, in term of regions, the European and Latin American economies registered the sharpest contractions. The services index reached an all-time low in April while the manufacturing index recorded its lowest level since the Global Financial Crisis.

**Graph 24**  
**PMI GLOBAL MANUFACTURING AND SERVICES**



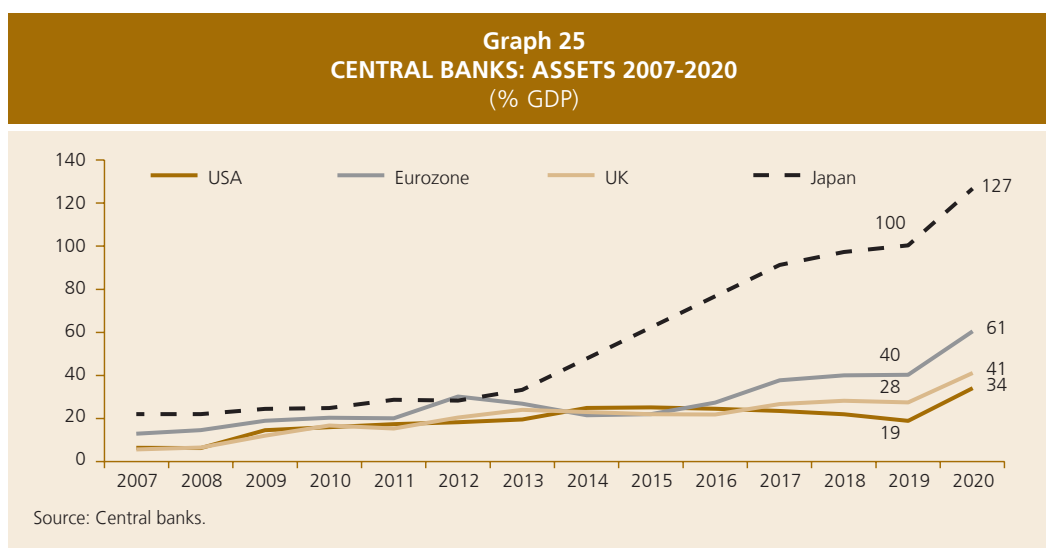
Despite the fact that the COVID-19 pandemic also generated negative shocks in the supply of various products, the strong drop in domestic demand was accompanied by a substantial reduction in inflation

rates. This downward trend in price indices occurred to a greater extent in developed economies, where inflation rates showed levels below the targets set by central banks and even negative rates for several months in some countries in 2020.

<b>Table 17</b>				
<b>INFLATION</b>				
(% change last 12 months, average of period)				
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Average 2011-2020</b>
<b>Developed countries</b>	<b>2.0</b>	<b>1.4</b>	<b>0.8</b>	<b>1.4</b>
<i>Of which</i>				
1. USA	2.4	1.8	1.5	1.8
2. Germany	2.0	1.3	0.5	1.4
3. Japan	1.0	0.5	-0.1	0.5
<b>Developing countries</b>	<b>4.9</b>	<b>5.1</b>	<b>5.0</b>	<b>5.1</b>
<i>Of which</i>				
1. China	2.1	2.9	2.9	2.6
2. India	3.4	4.8	4.9	6.1
3. Brazil	3.7	3.7	2.7	5.6
4. Peru	1.3	2.1	1.8	2.8
<b>World economy</b>	<b>3.6</b>	<b>3.5</b>	<b>3.2</b>	<b>3.5</b>

Source: IMF and BCRP.

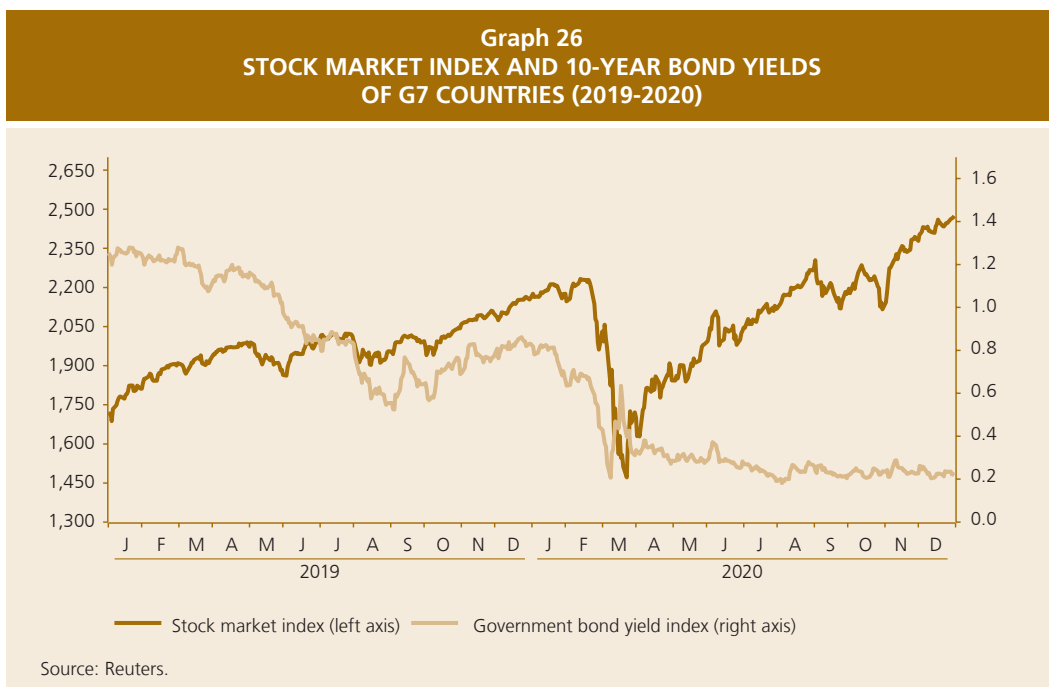
In this context, most economies implemented countercyclical policies. On the monetary policy side, central banks reduced their interest rates and supported commercial banks through credit lines and also increased asset purchases. As a result of these measures, central bank assets increased significantly as a percentage of GDP.



On the fiscal policy side, government measures included transfers to households, corporate support programs, increased health spending, and guarantees for bank loans. Based on preliminary data, it is estimated that the public debt of developed economies would have increased from 104 percent of GDP in 2019 to 124 percent in 2020, while the public debt of emerging countries would have increased from 53 to 63 percent. In both cases, debt ratios are at historic highs.

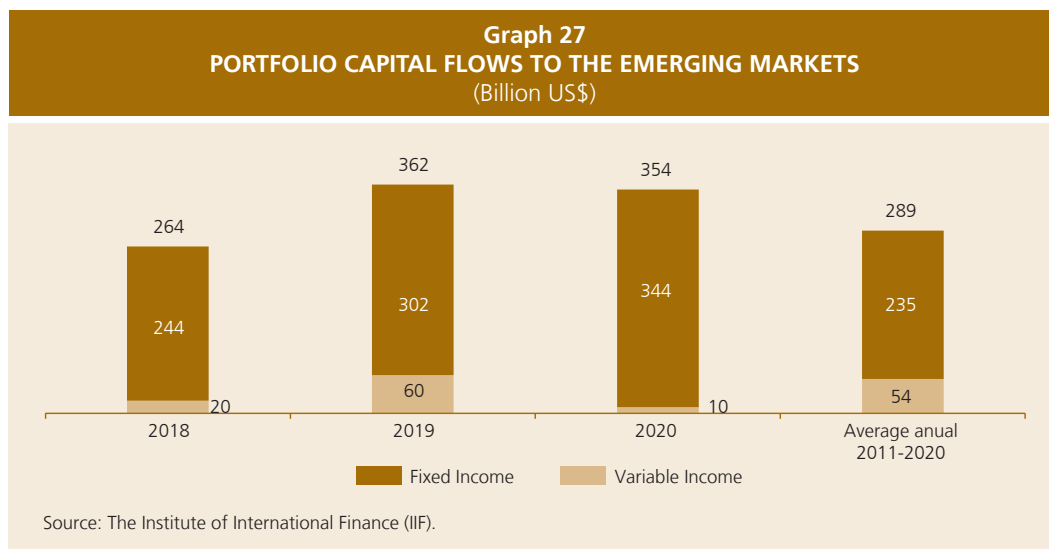
In developed countries, the countercyclical measures implemented and the gradual reopening of locked-down sectors led to a significant recovery from the third quarter onwards, although without fully reversing the previous losses. In addition, the economy lost momentum in the fourth quarter of the year because new restrictions were established in response to a new wave of infections, particularly in Eurozone countries and in the United Kingdom.

A similar pattern was observed in emerging countries. The rapid dynamism of China as from March 2020 stood out, as it allowed the Chinese economy to reach a positive growth rate in 2020 (2.3 percent). In Latin America, even though all of its economies showed a significant contraction, the declines observed up to May were partially reversed in the following months, in line with the recovery of world economic activity, the easing of domestic restrictions, the stimulus packages applied, and a significant improvement in commodity prices as well.



As for financial markets, the measures adopted by the major economies at the end of March contributed to reverse the negative trend in stock markets and the dollar's propensity to appreciate in international markets. This trend was reinforced in the following months by the gradual reopening of the economies and, towards the end of the year, by the progress made in the development of the vaccine against COVID-19. Thus, most stock markets closed 2020 with gains, and the dollar – as measured by the DXY index– depreciated 13 percent at the end of December compared to the maximum levels it reached in mid-March.

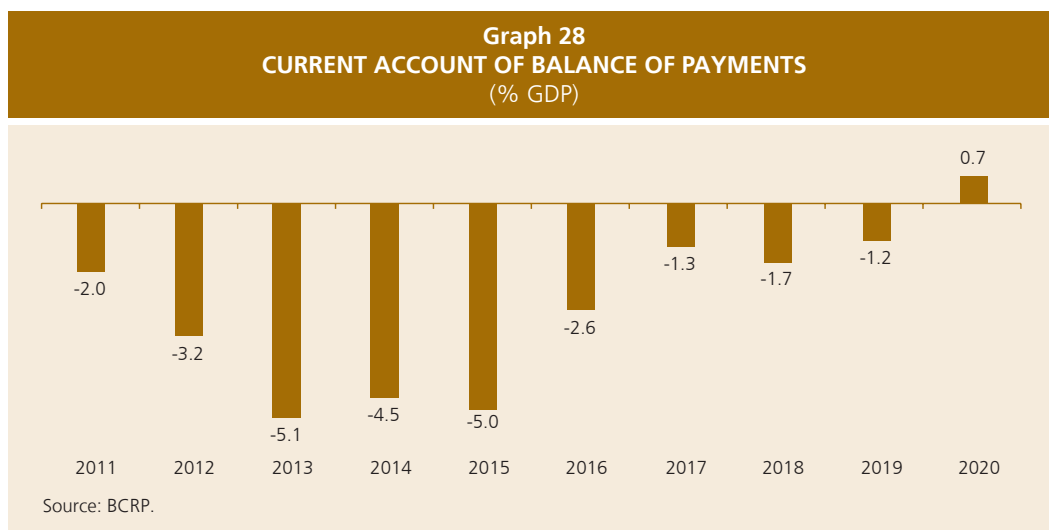
In this context of abundant liquidity, capital flows to emerging economies, particularly those destined for fixed-income markets, were positive for most of the year and even recorded record inflows in November. This trend was limited, however, by a number of factors that temporarily increased risk aversion, including the political cycle in the United States, new waves of coronavirus infections, Brexit negotiations, and idiosyncratic shocks in emerging countries, among others.



## 2. Balance of Payments

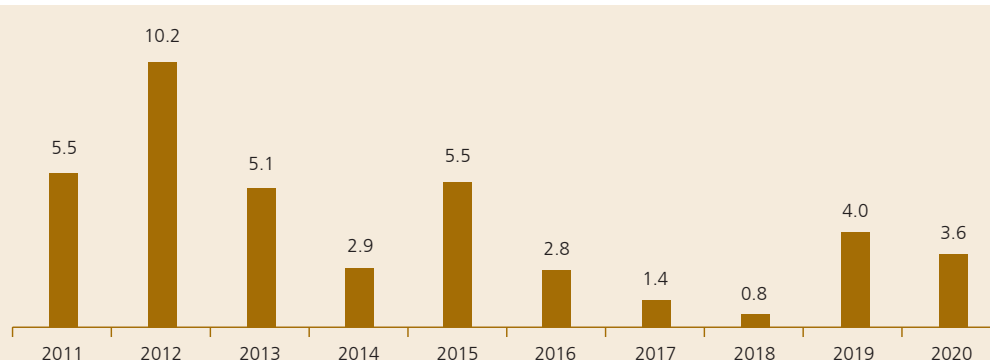
The balance of our external accounts in 2020 reflected the contraction in domestic demand, the impact of the lockdown on primary production, the slowdown in global growth associated with the COVID-19 crisis, and the increase in the terms of trade.

In 2020, the **current account** of the balance of payments showed a surplus of 0.7 percent of GDP, the highest surplus since 2007, which contrasted with the deficit of 1.2 percent recorded in the previous year. This increase in the current account is explained by the impact of the contraction of the profits of companies with foreign direct investment in the country, the effect of weak domestic demand on imports, and the recovery of the terms of trade.



The **financial account** recorded a positive flow of US\$ 7,345 million, equivalent to 3.6 percent of GDP, as a result of higher net portfolio investment in public assets and, to a lesser extent, lower net portfolio investment abroad by the private sector. The result of the public financial account was associated with the increase in net portfolio investment in public assets associated with the placement of global bonds to address the health emergency. On the other hand, net portfolio investment abroad was reduced by AFPs' sale of their external assets to meet the approved withdrawals of funds of their affiliates.

**Graph 29**  
**FINANCIAL ACCOUNT OF BALANCE OF PAYMENTS**  
 (% GDP)



Source: BCRP.

**Table 18**  
**BALANCE OF PAYMENTS**  
 (Million US\$)

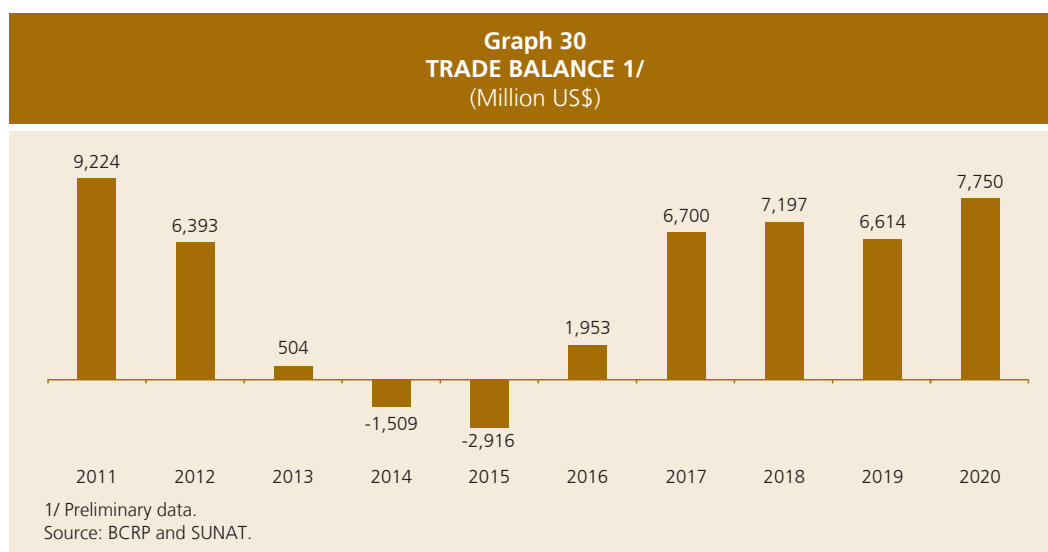
	Million US\$			% GDP	
	2018	2019	2020	2019	2020
<b>I. CURRENT ACCOUNT BALANCE</b>	<b>-3,915</b>	<b>-2,657</b>	<b>1,504</b>	<b>-1.2</b>	<b>0.7</b>
1. Trade Balance	7,197	6,614	7,750	2.9	3.8
a. FOB Exports	49,066	47,688	42,413	20.6	20.7
b. FOB Imports	-41,870	-41,074	-34,663	-17.8	-17.0
2. Services	-2,759	-3,152	-4,170	-1.4	-2.0
a. Exports	7,090	7,523	3,268	3.3	1.6
b. Imports	-9,850	-10,675	-7,438	-4.6	-3.6
3. Investment Income	-11,908	-9,838	-6,146	-4.3	-3.0
a. Private	-10,796	-8,961	-5,259	-3.9	-2.6
b. Public	-1,113	-877	-887	-0.4	-0.4
4. Current transfers	3,556	3,718	4,071	1.6	2.0
Of which: Remittances	3,225	3,326	2,939	1.4	1.4
<b>II. FINANCIAL ACCOUNT</b>	<b>1,851</b>	<b>9,266</b>	<b>7,345</b>	<b>4.0</b>	<b>3.6</b>
1. Private sector	1,672	4,363	-1,496	1.9	-0.7
a. Assets	-3,546	-2,505	175	-1.1	0.1
b. Liabilities	5,219	6,868	-1,670	3.0	-0.8
2. Public sector	2,122	4,399	9,818	1.9	4.8
a. Assets	-201	212	-288	0.1	-0.1
b. Liabilities 1/	2,323	4,187	10,106	1.8	4.9
3. Short-term capital	-1,944	504	-977	0.2	-0.5
a. Assets	-2,830	1,915	-2,489	0.8	-1.2
b. Liabilities	886	-1,411	1,512	-0.6	0.7
<b>III. ERRORS AND NET OMMISIONS</b>	<b>-1,565</b>	<b>301</b>	<b>-3,288</b>	<b>0.1</b>	<b>-1.6</b>
<b>IV. BALANCE OF PAYMENT RESULT</b>	<b>-3,629</b>	<b>6,909</b>	<b>5,562</b>	<b>3.0</b>	<b>2.7</b>
<b>(IV = I + II + III) = (1-2)</b>					
<b>1. Change in the balance of NIRs</b>	<b>-3,500</b>	<b>8,195</b>	<b>6,391</b>	<b>3.5</b>	<b>3.1</b>
<b>2. Valuation effect</b>	<b>130</b>	<b>1,286</b>	<b>829</b>	<b>0.6</b>	<b>0.4</b>

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.

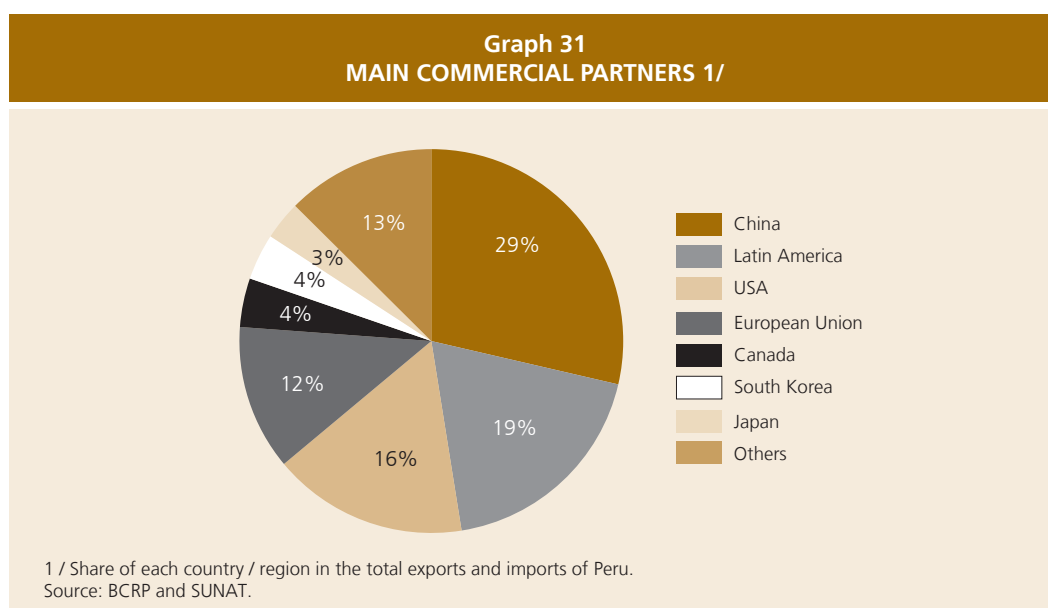
Source: BCRP, MEF, SBS, SUNAT, MINCETUR, PROMPERU, Ministry of Foreign Affairs, COFIDE, ONP, FCR, Tacna Free Trade Zone, Banco de la Nación, Cavali S.A. ICLV, Proinversión, Bank for International Settlements (BIS), and businesses.

## 2.1 Trade Balance

The trade balance recorded a balance of US\$ 7,750 million in 2020. The volumes of exports and imports decreased by 13.4 and 11.1 percent, respectively, reflecting mainly the impact of the pandemic-related crisis on local activity and on domestic and external demand, as well as its impact on foreign trade logistics operations. The price of exports increased by 2.7 percent, mainly due to the significant increase in the international prices of commodities such as copper, zinc, gold, coffee, among others. On the other hand, the price of imports decreased by 5.1 percent due to the lower prices of inputs such as oil, plastics, textiles, and paper, among others.



China and the United States continued to be Peru's two major trading partners, the transactions with these countries representing 45 percent of the total trade carried out in 2020. In the context of the pandemic, total trade –the sum of exports and imports–with all of the country's major trading partners fell in 2020, except Canada.



**Table 19**  
**TRADE BY MAIN COUNTRIES AND REGIONS 1/**  
(Million US\$)

	Exports 2/			Imports 3/			X + M		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
China	13,238	13,503	12,291	9,775	9,935	9,773	23,013	23,438	22,064
USA	7,939	5,671	6,304	8,757	8,467	6,382	16,696	14,138	12,686
Brazil	1,720	1,441	776	2,304	2,309	1,873	4,023	3,749	2,649
Mexico	440	474	471	1,899	1,802	1,479	2,339	2,276	1,950
Argentina	180	137	111	1,153	1,616	1,514	1,332	1,752	1,625
Chile	1,227	1,294	1,115	1,457	1,503	1,241	2,684	2,798	2,356
Colombia	761	792	678	1,549	1,297	955	2,309	2,088	1,633
Ecuador	858	794	654	1,889	1,257	434	2,748	2,051	1,088
Germany	1,126	1,033	927	1,057	1,099	970	2,183	2,132	1,896
Japan	2,178	1,974	1,819	1,011	1,023	691	3,188	2,997	2,510
South Korea	2,462	2,228	2,402	928	911	606	3,390	3,139	3,008
Spain	1,804	1,205	1,139	906	850	636	2,711	2,054	1,775
India	2,481	1,787	1,101	863	838	774	3,344	2,625	1,874
Italy	656	611	492	657	718	546	1,313	1,329	1,038
Canada	923	2,408	2,436	652	633	737	1,576	3,041	3,173
Vietnam	120	141	83	359	502	470	480	642	553
Thailand	127	192	128	386	404	339	512	596	467
Bolivia	1,837	2,413	1,817	428	385	474	2,265	2,798	2,291
Taiwan	289	201	240	346	324	273	635	525	513
Russia	136	211	136	389	319	238	524	530	374
Rest	8,565	9,179	7,293	5,106	4,883	4,259	13,671	14,063	11,552
<b>Total</b>	<b>49,066</b>	<b>47,688</b>	<b>42,413</b>	<b>41,870</b>	<b>41,074</b>	<b>34,663</b>	<b>90,936</b>	<b>88,762</b>	<b>77,076</b>
China	13,238	13,503	12,291	9,775	9,935	9,773	23,013	23,438	22,064
Latin America	7,655	8,297	6,115	11,107	10,600	8,413	18,762	18,897	14,528
USA	7,939	5,671	6,304	8,757	8,467	6,382	16,696	14,138	12,686
Asia (less China)	8,736	8,165	7,259	5,242	5,219	4,309	13,978	13,383	11,568
European Union	7,249	6,157	5,613	4,572	4,584	3,817	11,821	10,741	9,430
Others	4,249	5,896	4,832	2,418	2,270	1,969	6,667	8,166	6,801

X: Exports M: Imports

1/ Preliminary data.

2/ Exports exclude goods sold and repairs of foreign ships and aircrafts. Since August 2020, Copper, zinc and molybdenum exports were estimated on the basis of production levels.

3/ Imports are grouped by country of origin and exclude defense material, other purchased goods, and ships and aircrafts abroad.

Source: SUNAT.

## Exports

Exports in 2020 totaled US\$ 42,413 million, a figure US\$ 5,275 million lower than in the previous year. This reduction is explained by lower export volumes, especially in the second quarter of the year (-37.2 percent) when sanitary measures to control the pandemic had their greatest impact on local activity. Moreover, the volumes of exports of traditional and non-traditional products were lower by 17.7 and 1.5 percent, respectively, during the year. Despite this, however, it is worth highlighting that the increase in the volume of exports of agricultural products and the increase in commodity prices offset the reduction in the value of exports.

## Classification of Exports by Groups of Economic Activity

In 2020 Peru's exports of agricultural products –the only Peruvian exports that increased in comparison with their level in the previous year– amounted to US\$ 6,858 million. Exports of fishing products amounted to US\$ 2,867 million, while mining and hydrocarbons exports totaled US\$ 27,724 million and non-primary manufacturing exports amounted to US\$ 4,842 million.





**Table 20**  
**EXPORTS 1/ BY GROUP OF ECONOMIC ACTIVITY 1/**  
(Million US\$)

Sector	2018	2019	2020	Part. % 2020	% change 2020/2019
<b>1. Agricultural</b>	<b>5,907</b>	<b>6,333</b>	<b>6,858</b>	<b>16.2</b>	<b>8.3</b>
Grapes	820	875	1,057	15.4	20.9
Fruit, legumes, and canned vegetables	837	831	939	13.7	13.0
Blueberry	548	825	1,010	14.7	22.4
Avocados	723	752	759	11.1	1.0
Coffee	682	637	649	9.5	1.8
Fresh asparagus	384	400	385	5.6	-3.6
Cereals, leguminous, and oil seed	285	308	283	4.1	-7.9
Mangoes	258	262	291	4.2	10.8
Rest	1,369	1,444	1,484	21.6	2.8
<b>2. Fishing</b>	<b>3,296</b>	<b>3,542</b>	<b>2,867</b>	<b>6.8</b>	<b>-19.0</b>
Fishmeal	1,564	1,509	1,180	41.1	-21.8
Giant Squid	640	884	621	21.6	-29.8
Fish oil	375	420	367	12.8	-12.7
Canned or frozen products	233	223	229	8.0	2.3
Prawns	146	139	140	4.9	0.9
Rest	339	367	332	11.6	-9.6
<b>3. Mining</b>	<b>29,814</b>	<b>29,039</b>	<b>26,372</b>	<b>62.2</b>	<b>-9.2</b>
Copper 2/	14,939	13,893	12,742	48.3	-8.3
Gold	8,259	8,482	7,850	29.8	-7.5
Zinc 2/	2,574	2,103	1,715	6.5	-18.5
Lead	1,545	1,530	1,431	5.4	-6.5
Iron	484	979	1,126	4.3	15.0
Molybdenum 2/	612	638	456	1.7	-28.6
Zinc products	422	315	228	0.9	-27.5
Tin	352	371	355	1.3	-4.3
Calcium phosphates	231	242	199	0.8	-17.6
Silver refined	123	76	93	0.4	23.4
Rest	273	411	177	0.7	-57.0
<b>4. Hydrocarbons</b>	<b>4,039</b>	<b>2,974</b>	<b>1,352</b>	<b>3.2</b>	<b>-54.5</b>
Oil and oil products	2,997	2,351	820	60.7	-65.1
Natural gas	1,042	623	532	39.3	-14.7
<b>5. Manufacturing</b>	<b>5,822</b>	<b>5,647</b>	<b>4,842</b>	<b>11.4</b>	<b>-14.2</b>
Papel and chemicals	1,777	1,797	1,704	35.2	-5.2
Textiles	1,402	1,354	1,024	21.2	-24.3
Copper products	355	326	327	6.8	0.5
Milling and Bakery	196	216	222	4.6	2.7
Prepared animal food	253	210	148	3.1	-29.4
Iron products	181	173	128	2.6	-26.1
Jewelry	129	118	74	1.5	-37.5
Glasses and glass products	91	97	76	1.6	-21.1
Tile floors	113	97	72	1.5	-25.0
Dairy products	121	93	80	1.6	-14.7
Manufacturing and metals	97	82	65	1.3	-21.1
Rest	1,107	1,085	922	19.0	-15.0
<b>6. Others 3/</b>	<b>189</b>	<b>154</b>	<b>121</b>	<b>0.3</b>	<b>-21.4</b>
<b>Total</b>	<b>49,066</b>	<b>47,688</b>	<b>42,413</b>	<b>100.0</b>	<b>-11.1</b>

1 / Preliminary data.

2 / Since August 2020, exports of copper, zinc and molybdenum were estimated based on production levels.

3 / Includes the sale of fuel and food to foreign ships and the repair of capital goods.

Source: BCRP and SUNAT.

Exports of agricultural products standing out included exports of grapes (US\$ 1,057 million) and blueberries (US\$ 1,010 million), products in which our country is one of the world's leading exporters, as well as exports of canned fruits and vegetables (US\$ 939 million). In the fishing sector, the main exports were fishmeal (US\$ 1,180 million), squid (US\$ 621 million) and fish oil (US\$ 367 million), while in the mining and hydrocarbons sector, exports of copper (US\$ 12,742 million) and gold (US\$ 7,850 million) are worth pointing out. Finally, exports of paper and chemical products (US\$ 1,704 million) stood out in the group of non-primary manufacturing exports.

### Traditional Exports

Traditional exports totaled US\$ 29,405 million – a sum 12.9 percent lower than in 2019 (US\$ 33,751 million) – mainly due to lower exports of mining and oil and natural gas products. Moreover, reflecting the impact of the COVID-19 crisis, there was a decrease in the volumes of traditional exports (17.7 percent), which was offset in part by the average increase in their prices (5.9 percent).

**Table 21**  
**EXPORTS BY GROUP OF PRODUCTS 1/**  
(Million US\$)

	2018	2019	2020	% change		
				2018	2019	2020
<b>1. Traditional exports</b>	<b>35,638</b>	<b>33,751</b>	<b>29,405</b>	<b>6.2</b>	<b>-5.3</b>	<b>-12.9</b>
Fishing	1,938	1,929	1,546	8.4	-0.5	-19.8
Agricultural	762	774	733	-7.8	1.5	-5.4
Mining 2/	28,899	28,074	25,774	4.8	-2.9	-8.2
Oil and natural gas	4,039	2,974	1,352	19.9	-26.4	-54.5
<b>2. Non-Traditional exports</b>	<b>13,240</b>	<b>13,783</b>	<b>12,887</b>	<b>12.9</b>	<b>4.1</b>	<b>-6.5</b>
Agricultural products	5,867	6,292	6,817	15.0	7.2	8.3
Fishing products	1,375	1,613	1,321	26.3	17.3	-18.1
Textiles	1,402	1,354	1,024	10.2	-3.4	-24.3
Wood and paper, and its manufacturing	339	321	240	-1.4	-5.3	-25.4
Chemicals	1,562	1,600	1,558	12.8	2.4	-2.6
Non-metallic minerals	629	604	446	7.1	-4.0	-26.1
Iron & steel, and jewelry	1,325	1,310	929	4.1	-1.1	-29.1
Metal mechanic products	591	558	458	13.5	-5.5	-17.9
Others 3/	150	131	93	-1.1	-12.8	-29.0
<b>3. Others 4/</b>	<b>189</b>	<b>154</b>	<b>121</b>	<b>44.6</b>	<b>-18.5</b>	<b>-21.4</b>
<b>4. TOTAL</b>	<b>49,066</b>	<b>47,688</b>	<b>42,413</b>	<b>8.0</b>	<b>-2.8</b>	<b>-11.1</b>

1 / Preliminary data.

2 / Since August 2020, exports of copper, zinc and molybdenum were estimated based on production levels.

3 / Includes furs, leather, and handcrafts, mainly.

4 / Comprise oil and food sold to foreign aircrafts and reparations of capital goods.

Source: BCRP and SUNAT.



**Table 22**  
**EXPORTS 1/**  
(% change)

	Volume			Price		
	2018	2019	2020	2018	2019	2020
<b>Traditional exports 2/</b>	<b>-1.5</b>	<b>-1.2</b>	<b>-17.7</b>	<b>7.8</b>	<b>-4.1</b>	<b>5.9</b>
<i>Of which:</i>						
Fish meal	1.0	-0.1	-19.7	6.1	-3.4	-2.6
Coffee	4.4	-10.1	-5.1	-8.5	3.9	7.3
Copper	1.1	2.3	-12.0	6.8	-9.1	4.2
Gold	-1.1	-6.4	-27.2	1.0	9.7	27.1
Zinc	-2.5	-0.6	3.5	10.0	-17.8	-21.2
Crude oil and derivatives	-10.0	-14.9	-55.3	28.2	-7.8	-22.0
<b>Non-Traditional exports</b>	<b>11.0</b>	<b>5.7</b>	<b>-1.5</b>	<b>1.8</b>	<b>-1.5</b>	<b>-5.1</b>
<i>Of which:</i>						
Agricultural	18.4	6.7	14.9	-2.9	0.5	-5.7
Textiles	2.9	-6.1	-21.0	7.1	2.8	-4.2
Fishing	15.5	29.2	-13.4	9.4	-9.2	-5.4
Chemicals	8.1	2.8	6.9	4.4	-0.4	-8.9
Iron & steel, and jewelry	-0.9	5.9	-27.7	5.1	-6.6	-1.8
<b>TOTAL</b>	<b>1.6</b>	<b>0.6</b>	<b>-13.4</b>	<b>6.3</b>	<b>-3.4</b>	<b>2.7</b>

1/ Preliminary data.

2/ Since August 2020, exports of copper, zinc and molybdenum were estimated based on production levels.

Source: BCRP and SUNAT.

Mining exports totaled US\$ 25,774 million, a figure 8.2 percent lower than in 2019 despite the fact that the export prices of copper and gold increased (4.2 percent and 27.1 percent, respectively). In terms of volumes, on the other hand, Peru exported 2,189 thousand fine metric tons (FMT) of copper, 4,440 thousand ounces of gold, and 1,190 thousand metric tons of zinc. As a result, and despite the COVID-19 crisis, Peru continues to maintain a leading position in world mining production, particularly in the production of copper, silver, and zinc.

**Table 23**  
**MINING PRODUCTION 2020**

Product	World ranking
Copper	2
Silver	2
Zinc	3
Lead	4
Molybdenum	4
Tin	4
Gold	8

Source: Mineral Commodity Summaries 2021 - US Geological Survey.

Sales of oil and natural gas to other countries amounted to US\$ 1,352 million, which represents a decline of 54.5 percent with respect to the previous year. This result reflects lower prices and lower volumes of crude oil and oil derivatives (-22.0 and -55.3 percent, respectively). It is worth mentioning that the decline in terms of volume was associated with the temporary closure of the Talara refinery during 2020.

The value of fishery exports amounted to US\$ 1,546 million in 2020 –19.8 percent less than in the previous year–, essentially due to the drop in the prices and volumes of fishmeal exports (-2.6 and -19.7 percent, respectively).

## Non-Traditional Exports

Exports of non-traditional products totaled US\$ 12,887 million, a sum 6.5 percent lower than in 2019, due to both lower prices (-5.1 percent) and volumes (-1.5 percent). Nonetheless, it is worth highlighting the increase registered in the volume of exports of agricultural and chemical products (14.9 and 6.9 percent, respectively).

The main destination markets for Peruvian non-traditional products were the United States, with exports amounting to US\$ 3,929 million, and the Netherlands, with these exports totaling US\$ 1,279 million. Moreover, exports to these countries increased by 0.4 and 9.8 percent, respectively, compared to 2019. It is worth mentioning that part of the increase in shipments to the Netherlands results from the border restrictions imposed by other European countries during the pandemic, which caused shipments to that continent to be redirected through the Netherlands. In the rest of the main destinations of our non-traditional exports, except for Mexico, there was a decrease compared to 2019.

Table 24 MAIN DESTINATION: NON-TRADITIONAL EXPORTS 1/ (Million US\$)				
	2018	2019	2020	% chg. 2020/2019
United States	3,662	3,911	3,929	0.4
Netherlands	1,101	1,165	1,279	9.8
Chile	743	795	723	-9.1
Ecuador	768	714	596	-16.5
Spain	708	681	679	-0.2
Colombia	658	669	585	-12.4
China	471	612	442	-27.8
Bolivia	567	561	461	-17.7
Brazil	399	409	303	-26.0
United Kingdom	408	392	386	-1.6
Canada	193	365	249	-31.8
South Korea	311	309	299	-3.3
Mexico	304	307	338	10.0
Germany	281	244	217	-11.4
Italy	223	217	160	-26.5
Rest	2,444	2,432	2,243	-7.8
<b>Total</b>	<b>13,240</b>	<b>13,783</b>	<b>12,887</b>	<b>-6.5</b>
<b>Memo:</b>				
Latin America	3,991	3,984	3,481	-12.6
United States	3,662	3,911	3,929	0.4
European Union	3,323	3,224	3,186	-1.2
Asia (less China)	997	1,024	978	-4.5
China	471	612	442	-27.8
Other	797	1028	873	-15.1

1/ Preliminary data.  
Source: Sunat and BCRP.

The most important exports to the United States –the main destination for our non-traditional products– continued to be exports of agricultural products and textiles, which represented 77 percent of total non-traditional exports to the U.S. market in 2020. The top-selling products were blueberries (US\$ 539 million), fresh grapes (US\$ 482 million), fresh asparagus (US\$ 263 million), fresh avocados (US\$ 158 million), and fresh mandarins (US\$96 million).

Exports of **agricultural products**, which included fresh grapes, blueberries, fresh avocados, and asparagus totaled US\$ 6,817 million. It is worth pointing out that exports of grapes and blueberries became the first non-traditional exports to exceed US\$ 1 billion per year. These results confirm Peru's leadership as an exporter of blueberries and grapes, ranking first and third worldwide, respectively, in

the 2019 ranking. Over the past ten years, exports of agricultural products have grown at an average annual rate of 12.0 percent, so the value exported in 2020 was more than three times the value of these exports in 2010.

<b>Table 25</b>			
<b>MAIN NON-TRADITIONAL AGRICULTURAL PRODUCTS 1/</b>			
<b>(Million US\$)</b>			
<b>Most popular products</b>	<b>2011</b>	<b>2020</b>	<b>Average % chg. 2011-2020</b>
Fresh grapes	288	1,057	19.0
Blueberries 2/	0	1,010	78.7
Fresh avocados	161	759	24.5
Fresh asparagus	294	385	2.9
Fresh mangoes	115	291	12.4
Shrimp and prawn feed	94	135	6.7
Organic bananas	65	152	11.8
Cocoa	63	131	14.2
Quinoa	25	126	25.3
Asparagus prepared	144	103	-0.3
Canned artichokes	129	100	0.3
Fresh onions	43	97	8.7
Frozen food	16	102	35.8
Vegetables prepared in vinegar	51	76	4.7
Mangoes	25	119	19.3
Subtotal	1,513	4,642	15.1
<b>Total</b>	<b>2,819</b>	<b>6,817</b>	<b>12.0</b>

1/ Preliminary data.  
2/ Average percentage change 2014-2019  
Source: BCRP and SUNAT.

Exports of **fishery products** amounted to US\$ 1,321 million –18.1 percent less than in 2019–, reflecting lower exports of frozen and canned squid. The average volume of these exports decreased by 13.4 percent, while prices fell by 5.4 percent. The main destination markets were the United States, Spain, and South Korea, with shipments to the United States standing out since they grew 16.5 percent compared to 2019. Over the last ten years, fishery exports have increased at an average annual rate of 9.4 percent.

**Textile exports** totaled US\$ 1,024 million, 24.3 percent less than the amount recorded in 2019. These exports registered a 21.0 percent drop in terms of volume and a 4.2 percent fall in terms of prices. It is worth mentioning that the United States, the main destination for Peruvian textile products, accounts for 54 percent of these exports and that shipments to Norway showed a noteworthy increase (14.5 percent).

Exports of **chemical products** amounted to US\$ 1,558 million in 2020, a sum 2.6 percent lower than in 2019. Moreover, these exports registered an increase in terms of volume (6.9 percent), but recorded a drop in terms of prices (8.9 percent). The main markets for Peruvian exports of chemical products were Chile, Bolivia, Ecuador, and Colombia, which together with the United States, accounted for 54.4 percent of total exports of chemical goods.

## Imports

**Imports** amounted to US\$ 34,663 million, a figure US\$ 6,411 million lower than in 2019, mainly as a result of lower imports of inputs (19.3 percent) at a time of contraction in domestic demand due to the impact of the COVID-19 crisis.

**Table 26**  
**FOB IMPORTS BY USE OR DESTINATION 1/**  
(Million US\$)

	Million US\$			% change		
	2018	2019	2020	2018	2019	2020
<b>TOTAL IMPORTS</b>	<b>41,870</b>	<b>41,074</b>	<b>34,663</b>	<b>8.1</b>	<b>-1.9</b>	<b>-15.6</b>
<b>1. CONSUMER GOODS</b>	<b>9,591</b>	<b>9,576</b>	<b>8,723</b>	<b>2.7</b>	<b>-0.1</b>	<b>-8.9</b>
Non-durable goods	5,305	5,409	5,438	2.9	2.0	0.5
Main food products	518	450	554	-23.3	-13.1	22.9
Rest	4,786	4,959	4,884	6.8	3.6	-1.5
Durable goods	4,286	4,167	3,285	2.5	-2.8	-21.2
<b>2. INPUTS</b>	<b>20,516</b>	<b>19,101</b>	<b>15,405</b>	<b>14.6</b>	<b>-6.9</b>	<b>-19.3</b>
Fuel, oils, and related	6,593	5,648	2,970	22.3	-14.3	-47.4
Raw materials for agriculture	1,459	1,449	1,525	-0.7	-0.7	5.3
Raw materials for industry	12,463	12,004	10,910	12.9	-3.7	-9.1
<b>3. CAPITAL GOODS</b>	<b>11,641</b>	<b>12,295</b>	<b>10,445</b>	<b>2.9</b>	<b>5.6</b>	<b>-15.0</b>
Construction materials	1,193	1,304	1,081	12.4	9.3	-17.1
For agriculture	150	152	153	4.9	1.3	1.0
For industry	7,373	7,803	7,108	-0.3	5.8	-8.9
Transportation equipment	2,926	3,037	2,103	7.8	3.8	-30.8
<b>4. OTHERS GOODS</b>	<b>123</b>	<b>102</b>	<b>90</b>	<b>-25.2</b>	<b>-17.1</b>	<b>-11.7</b>

1/ Preliminary data.

Source: SUNAT, Tacna Free Trade Zone, and MEF.

The volume of total imports dropped by 11.1 percent, mainly due to lower imports of crude oil and oil derivatives. The import price index contracted by 5.1 percent during the year, due to lower prices of industrial inputs and crude. Moreover, a generalized fall was observed in the prices of all industrial inputs, with the exception of chemical products.

**Table 27**  
**IMPORTS 1/**  
(% change)

	Volume			Price		
	2018	2019	2020	2018	2019	2020
<b>TOTAL IMPORTS</b>	<b>1.3</b>	<b>-0.2</b>	<b>-11.1</b>	<b>6.7</b>	<b>-1.7</b>	<b>-5.1</b>
<b>1. Consumer Goods</b>	<b>0.9</b>	<b>-1.2</b>	<b>-9.3</b>	<b>1.7</b>	<b>1.0</b>	<b>0.4</b>
Not durable	1.7	1.1	0.1	1.2	0.8	0.4
Durable	0.0	-4.0	-21.4	2.4	1.3	0.4
<b>2. Inputs</b>	<b>2.3</b>	<b>-2.3</b>	<b>-9.0</b>	<b>12.0</b>	<b>-4.7</b>	<b>-11.4</b>
Main Foods	4.6	3.8	-0.3	3.1	-5.0	3.0
Oil and derivatives	-3.2	-8.2	-24.1	27.8	-7.0	-31.9
Industrial supplies	5.2	-0.2	-5.4	5.9	-3.4	-4.1
Plastics	7.8	0.7	0.6	12.7	-13.9	-12.4
Iron and Steel	17.6	-9.3	4.1	17.9	-7.8	-8.7
Textiles	4.4	4.1	-7.4	6.8	-8.6	-12.3
Papers	14.6	-10.6	-20.7	10.3	-2.0	-12.3
Chemical products	-0.1	1.6	2.4	-2.0	0.2	1.1
Organic chemicals	5.9	0.9	-3.2	6.3	-10.4	-7.5
Rest	2.1	1.4	-8.0	3.1	1.1	0.3
<b>3. Capital goods</b>	<b>0.4</b>	<b>4.3</b>	<b>-15.6</b>	<b>2.4</b>	<b>1.3</b>	<b>0.6</b>
Construction materials	9.8	7.9	-17.6	2.4	1.3	0.6
Rest of capital goods	-0.5	3.9	-15.3	2.4	1.3	0.6

1/ Preliminary data.

Source: Sunat, ZofraTacna and MEF.

In 2020, imports of non-durable consumer goods increased by US\$ 29 million (0.5 percent), a positive flow being recorded in medicines for human use, protective masks, clothing, edible and prepared products, and printed items.

Imports of consumer durables fell by US\$ 882 million (-21.2 percent), mainly due to lower imports of automobiles (down by US\$ 505 million).

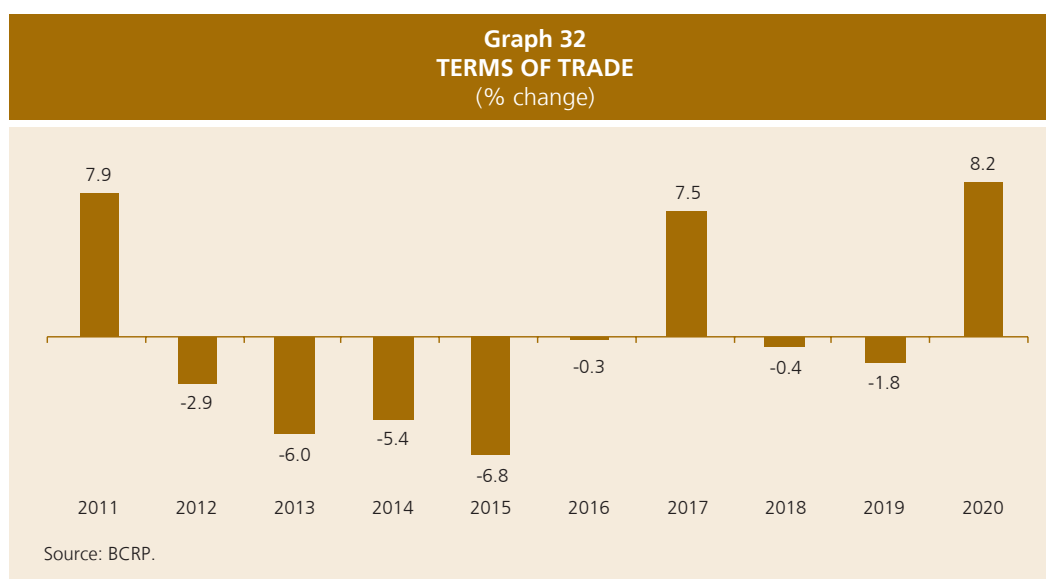
The most important reduction in imports was the one recorded in imports of inputs (US\$ 3,696 million), which was mainly due to the contraction of US\$ 2,678 million in purchases of fuels and a contraction of US\$ 1,094 million in imports of raw materials for industry.

Imports of oil and oil derivative products fell by US\$ 2,682 million (-48.3 percent). The average price of oil imports fell by 25.8 percent, while the volume imported fell by 30.4 percent. In the international context, the drop in oil prices resulted from the contraction in world demand and the subsequent oversupply of oil barrels, which led producers to offer zero or even negative prices (as in April), given the shortage of warehouses. The largest reduction occurred between April and May, when the import price fell by an average of 50 percent.

The value of imports of capital goods decreased by 15.0 percent, mainly due to a US\$ 934 million drop in imports of transportation equipment and a US\$ 695 million drop in imports of industrial goods. In terms of volume, imports registered a contraction of 15.6 percent, while prices, on the other hand, increased by 0.6 percent.

## 2.2 Terms of Trade

The annual increase in the prices of Peru's main export commodities, i.e. copper, gold, and coffee, led export prices to show a 2.7 percent increase in comparison to 2019. On the other hand, the drop in the price of oil and industrial inputs led to a 5.1 percent reduction in import prices. As a result, the **terms of trade**, defined as the ratio of average export and import prices, recorded the largest increase in the last ten years in 2020.



**Table 28**  
**TERMS OF TRADE 1/**  
(Annual % change)

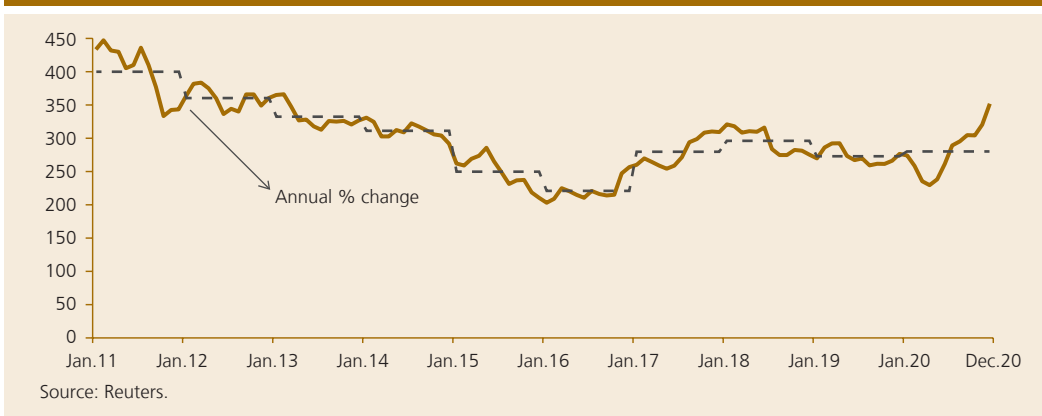
Years	Price of exports	Price of imports	Terms of Trade
2018	6.3	6.7	-0.4
2019	-3.4	-1.7	-1.8
2020	2.7	-5.1	8.2

1/ Preliminary data.  
Source: BCRP.

The prices of **basic metals and oil** were initially affected by the economic contraction associated with the pandemic. However, in line with the subsequent recovery of the global economy, the dynamism of manufacturing, and the depreciation of the dollar, prices rebounded and even reached higher levels in December 2020 than those observed at the end of 2019 in the cases of copper and zinc.

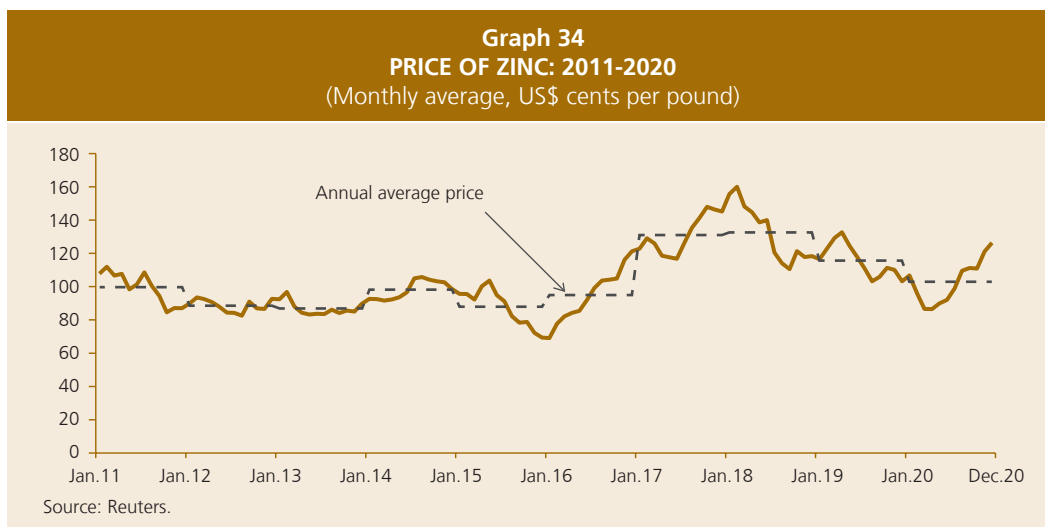
The average price of **copper** increased 2.6 percent. In addition to the factors mentioned above, the recovery observed from the second quarter onwards was supported by increased demand from various technology industries (particularly from the industry of electric cars) as well as by the restrictions introduced by China on imports of recycled copper. At the end of 2020, the price of copper reached levels not seen since the beginning of 2013.

**Graph 33**  
**PRICE OF COPPER: 2011 - 2020**  
(Monthly average, US\$ cents per pound)

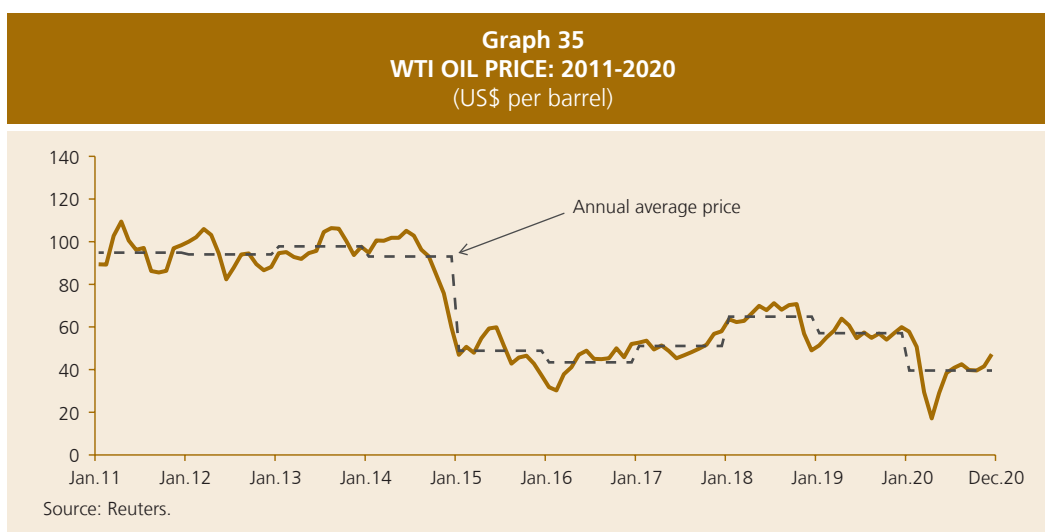


On the other hand, the average price of **zinc** was 11 percent lower than that of the previous year, this drop reflecting basically the low prices observed in the first half of the year. However, as from July the price of zinc showed an upward trend that led the price of this metal to be 22 percent higher in December 2020 than in the same month of 2019. Among other factors, the recovery observed in the second half of the year is explained by the recovery in global economic activity, by a similar dynamism in China and the main developed economies, and by the shortage of zinc concentrates and low zinc inventories.



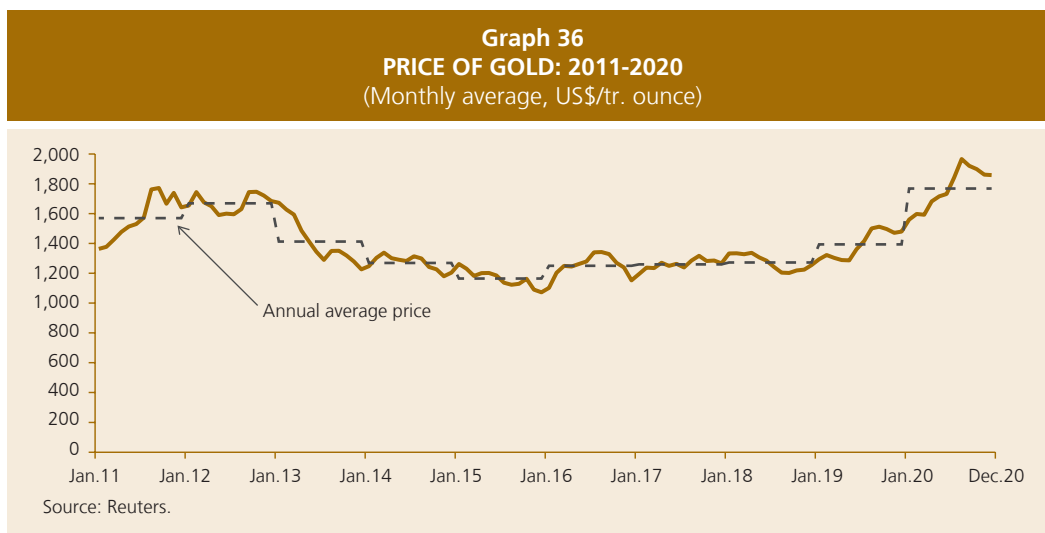


**Oil** prices contracted 31 percent in 2020. The demand for oil fell significantly due to the COVID-19 pandemic given that sanitary restrictions had a severe impact on land and air transportation. In April, because of excess inventories and storage difficulties in the United States, the price of WTI oil even reached negative levels. However, as happened with most products, the price subsequently recovered, in line with economic reopening, which boosted demand for fuel, and with expectations that OPEC and Russia will maintain production cuts beyond the agreed deadline (March 2021). Despite the recovery observed in the second half of the year, the average price of oil in December (US\$ 47 per barrel) represented a 22 percent decrease compared to December 2019 (US\$ 60 per barrel).



The price of **gold** rose 31 percent during 2020. At the beginning of the year, the price of gold benefited from risk aversion associated with the evolution of the pandemic. However, from the second quarter onwards, the price of gold found support in the sustained depreciation of the dollar against the major

currencies, as well as in expectations that the US Federal Reserve would maintain an expansionary monetary policy for a prolonged period of time. This upward trend was offset by central banks' lower purchases of gold, the reduction of market fears regarding the reopening of the economy, and the progress made in developing a vaccine in shorter terms than initially expected.



### 2.3 Services

The deficit for **services** rose to US\$ 4,170 million in 2020 –US\$ 1,018 million more than in 2019– in a context marked by the measures taken in response to the COVID-19 health crisis. Revenues fell to US\$ 3,268 million, declining by US\$ 4,255 million (-56.6 percent), while expenditures fell to US\$ 7,438 million, a figure US\$ 3, 237 million (-30.3 percent) lower than in the previous year. The greater impact on revenues was mainly due to the contraction in travel and passenger transportation. This result is associated with the health measures imposed to curb the spread of the coronavirus, including immobility, social distancing, and the closure of international borders as of March 16, 2020, with only humanitarian flights being authorized to operate. A progressive reactivation of international flights began at Jorge Chávez International Airport as of October 5 after seven months of restrictions.

The deficit in **transport services** in 2020 was US\$ 248 million higher than in 2019 and amounted to US\$ 1,765 million. Revenues decreased by US\$ 897 million (-54.5 percent) and expenditure fell by US\$ 649 million (-20.5 percent), mainly due to the restrictions established to international flights for international passenger transportation, partially offset by an increase in freight costs due to higher international rates worldwide. The increase in international rates observed throughout the year intensified in the last quarter amid a shortage in container availability and an unanticipated recovery in demand. In response to this, shipping lines optimized slots and cancelled some trade lanes.

In 2020, **travel services** recorded a surplus of US\$ 43 million. As a result of the travel ban and closures of airports and borders, which reduced the flow of international travelers, revenues totaled US\$ 776 million (-79.2 percent) and expenditure totaled US\$ 733 million (-73.6 percent). Moreover, arrivals of foreign travelers decreased by 77.3 percent and total international traveler departures decreased

by 73.9 percent compared to the previous year. The evolution of the pandemic led countries to reintroduce tighter travel restrictions, including mandatory COVID-19 clearance testing, quarantines and, in some cases, complete border closures, all of which made it difficult for international travel to resume.

The **insurance and reinsurance account** showed a deficit of US\$ 488 million in 2020, this deficit being US\$ 244 million higher than in 2019. Revenues were lower by US\$ 237 million (-26.9 percent), with insurance and reinsurance against fire, earthquake and other disasters accounting mostly for this result. On the other hand, expenditures were US\$ 7 million higher due to the increase in premiums paid for reinsured risks abroad.

Services under the heading **Other services** showed a deficit of US\$ 1,746 million, US\$ 388 million lower than in 2019. Expenditures decreased by US\$ 533 million (-16.3 percent), mainly due to lower expenses for business services, information technology, and royalties. Revenues decreased by US\$ 146 million (-12.8 percent), mainly due to lower business services.

<b>Table 29</b>					
<b>SERVICES</b>					
(Million US\$)					
	Million US\$			% change	
	2018	2019	2020	2019	2020
<b>I. TRANSPORTATION 1/</b>	<b>-1,300</b>	<b>-1,516</b>	<b>-1,765</b>	<b>16.6</b>	<b>16.4</b>
1. Credit	1,611	1,648	751	2.3	-54.5
2. Debit	-2,911	-3,164	-2,515	8.7	-20.5
<b>II. TRAVEL</b>	<b>954</b>	<b>963</b>	<b>43</b>	<b>1.0</b>	<b>-95.6</b>
1. Credit	3,557	3,738	776	5.1	-79.2
2. Debit	-2,604	-2,775	-733	6.6	-73.6
<b>III. COMMUNICATIONS</b>	<b>-209</b>	<b>-221</b>	<b>-214</b>	<b>5.9</b>	<b>-3.0</b>
1. Credit	110	114	102	4.1	-10.9
2. Debit	-319	-335	-316	5.2	-5.7
<b>IV. INSURANCE AND REINSURANCE</b>	<b>-274</b>	<b>-244</b>	<b>-488</b>	<b>-11.0</b>	<b>100.0</b>
1. Credit	797	881	644	10.6	-26.9
2. Debit	-1,071	-1,125	-1,132	5.0	0.6
<b>V. OTHERS 2/</b>	<b>-1,930</b>	<b>-2,134</b>	<b>-1,746</b>	<b>10.6</b>	<b>-18.2</b>
1. Credit	1,016	1,142	996	12.4	-12.8
2. Debit	-2,946	-3,276	-2,742	11.2	-16.3
<b>VI. TOTAL SERVICES</b>	<b>-2,759</b>	<b>-3,152</b>	<b>-4,170</b>	<b>14.2</b>	<b>32.3</b>
1. Credit	7,090	7,523	3,268	6.1	-56.6
2. Debit	-9,850	-10,675	-7,438	8.4	-30.3

1/ Includes port expenses of ships and aircraft and transport commissions, mainly.  
2/ 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.

## 2.4 Factor Income

**Factor income** showed a deficit of US\$ 6,146 million in 2020, declining by US\$ 3,692 million (37.5 percent) from the previous year, due to the decrease in the profits of foreign direct investment companies, affected by the impact of the COVID-19 crisis on local activity.

**Table 30**  
**FACTOR INCOME**  
(Million US\$)

	Million US\$			% change	
	2018	2019	2020	2019	2020
<b>I. REVENUE</b>	<b>1,796</b>	<b>2,416</b>	<b>1,944</b>	<b>34.5</b>	<b>-19.5</b>
1. Private	1,011	1,140	590	12.8	-48.2
2. Public	785	1,276	1,354	62.5	6.1
<b>II. EXPENDITURE</b>	<b>13,704</b>	<b>12,254</b>	<b>8,090</b>	<b>-10.6</b>	<b>-34.0</b>
1. Private	11,806	10,101	5,850	-14.4	-42.1
Profits 1/	9,746	8,155	4,299	-16.3	-47.3
Interests 2/	2,060	1,945	1,551	-5.6	-20.3
- Long-term loans	1,118	990	743	-11.5	-24.9
- Bonds	649	670	637	3.2	-5.0
- Short-term loans 3/	292	285	171	-2.3	-40.1
2. Public 2/	1,898	2,153	2,241	13.4	4.1
Interests on long-term loans	256	232	191	-9.4	-17.8
Interests on bonds	1,641	1,920	2,018	17.0	5.1
Other	1	1	32	1.3	5,805.0
<b>III. BALANCE (I-II)</b>	<b>-11,908</b>	<b>-9,838</b>	<b>-6,146</b>	<b>-17.4</b>	<b>-37.5</b>
1. Private	-10,796	-8,961	-5,259	-17.0	-41.3
2. Public	-1,113	-877	-887	-21.2	1.1

1/ Profits or losses accrued in the period. Includes profits and dividends sent abroad plus undistributed profits.

2 / Includes commissions

3/ Includes interests of non-financial public enterprises and liabilities in domestic currency with non-residents.

Source: BCRP, MEF, Cofide, ONP and businesses.

Foreign direct investment earnings totaled US\$ 4,299 million, US\$ 3,857 million less than in the previous year, in line with the contraction of activity due to the pandemic. Industry, services, and financial services were the most affected sectors, reflecting the fall in domestic demand. Interest on private external debt decreased by US\$ 395 million, in line with the lower balance owed.

Revenues, which amounted to US\$ 1,944 million, was US\$ 471 million lower than in the previous year. This amount includes the interest on deposits and the return on private and public sectors' external investments (companies and financial and non-financial entities), in a context of low interest rates due to the expansionary monetary policies adopted by the world's main central banks.

## 2.5 Current Transfers

In 2020, **current transfers** amounted to US\$ 4,071 million, which represented an increase of US\$ 353 million from 2019. In addition, extraordinary income for a total of US\$ 705 million was recorded in this period due to non-residents' payments of income tax on the sale of Luz del Sur shares to China Three Gorges Corporation.

On the other hand, remittances from Peruvians working abroad totaled US\$ 2,939 million, US\$ 387 million less (-11.6 percent) than in 2019, while remittances from Peru to other countries (mainly to Venezuela) totaled US\$ 165 million. These lower levels of remittances are related to the lockdown of activities and job losses in the main countries where they originate. By country, remittances from the United States increased by 1.9 percent, while those from the following countries decreased: Chile (0.6 percent), Spain (2.2 percent), Italy (1.9 percent), Japan (12.9 percent), and Argentina (45.9 percent).

Moreover, remittances from the United States, Chile, and Spain represented 66.2 percent of total remittances to the country in 2020 (58.0 percent in 2019). In GDP terms, however, total remittances in 2020 represented the same percentage as in 2019 and 2018: 1.4 percent of GDP.

<b>Table 31 FOREIGN REMITTANCES</b>			
<b>Years</b>	<b>Million US\$</b>	<b>% change</b>	<b>% GDP</b>
2018	3,225	5.7	1.4
2019	3,326	3.1	1.4
2020	2,939	-11.6	1.4

Source: SBS, banks and companies.

<b>Table 32 FOREIGN REMITTANCES BY COUNTRIES</b>									
	<b>Annual Remittance (% share)</b>			<b>Average Annual Remittance (US\$)</b>			<b>Number of shippings 2/ (Thousands)</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
USA	36.4	37.7	44.0	264	265	266	4,440	4,784	4,857
Chile	11.0	11.2	11.8	200	186	227	1,772	1,874	1,525
Spain	9.0	9.0	10.4	288	271	266	1,012	1,154	1,150
Italy	7.6	7.3	8.2	257	238	243	954	1,031	991
Japan	7.3	6.9	6.7	524	518	503	448	438	392
Argentina	4.2	3.1	1.8	202	175	168	675	554	313
Rest of countries 1/	24.5	24.8	17.1	319	270	278	1,240	1,497	1,308
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>269</b>	<b>256</b>	<b>266</b>	<b>10,541</b>	<b>11,332</b>	<b>10,537</b>

1/ Includes estimate of remittances by informal means, not classified by country.  
2/ Excludes estimates of remittances by informal means, not classified by country.  
Source: SBS, banks and companies.

The main source of origin of remittances was money transfer operators (MTOs) and other financial companies, which intermediated 50.0 percent of total remittances. Banks had a 45.0 percent share. Thus, compared to 2019, remittances sent through MTOs and banks increased their share by 3.0 percent and 4.0 percent, respectively.

<b>Table 33 FOREIGN REMITTANCES BY SOURCES (% share)</b>			
	<b>2018</b>	<b>2019</b>	<b>2020</b>
ETFs - Other 1/	47	47	50
Banks	40	41	45
Informal	12	12	5
<b>Remittances from abroad</b>	<b>100</b>	<b>100</b>	<b>100</b>

1 / Fund Transfer Companies (ETFs) and other means.  
Source: SBS, banks and companies.

## 2.6 Private Sector Financial Account

In 2020 the **private sector financial account** showed a negative flow of US\$ 1,496 million –US\$ 5,859 million less than in 2019–, mainly due to lower foreign direct investment in the country and lower disbursements of long-term loans. This was due to the contraction of domestic investment due to the COVID-19 crisis, as well as to a greater preference for financing in local currency. On the other hand, there was also less portfolio investment abroad, particularly by the PFAs since they had to meet the fund withdrawal requirements of their members.

<b>Table 34</b>					
<b>PRIVATE SECTOR FINANCIAL ACCOUNT</b>					
(Million US\$)					
	Million US\$			Change	
	2018	2019	2020	2019	2020
<b>1. ASSETS</b>	<b>-3,546</b>	<b>-2,505</b>	<b>175</b>	<b>1,041</b>	<b>2,680</b>
Direct investment abroad	-136	-941	-503	-804	437
Portfolio investment 1/	-3,410	-1,565	678	1,846	2,243
<b>2. LIABILITIES</b>	<b>5,219</b>	<b>6,868</b>	<b>-1,670</b>	<b>1,649</b>	<b>-8,538</b>
Foreign direct investment	6,967	8,055	982	1,088	-7,074
a. Reinvestment	5,127	2,268	1,631	-2,859	-637
b. Equity capital	1,763	2,965	365	1,201	-2,599
c. Net liabilities to affiliated enterprises	77	2,823	-1,015	2,745	-3,837
Portfolio investment	166	1,096	715	930	-381
a. Equity securities 2/	-442	-511	-209	-69	303
b. Fixed-rate income 3/	608	1,607	924	999	-683
Long-term loans	-1,915	-2,283	-3,367	-368	-1,084
a. Disbursements	3,353	3,570	1,489	217	-2,081
b. Amortization	-5,268	-5,853	-4,857	-585	997
<b>3. TOTAL</b>	<b>1,672</b>	<b>4,363</b>	<b>-1,496</b>	<b>2,691</b>	<b>-5,859</b>
Memo:					
Net direct investment	6,831	7,115	478	283	-6,636

1/ Includes stocks and other foreign assets of the financial and non-financial sector. The negative sign indicates an increase.  
2/ Considers the net purchase of shares by non-residents through the LSE, recorded by CAVALI SA ICLV. Also, includes ADRs.  
3/ Includes bonds, credit notes and securitization, among others, in net terms (issuance less redemption).  
Source: BCRP, Cavali S.A. ICLV, Proinversion, and businesses.

External assets decreased by US\$ 175 million after having increased by US\$ 2,505 million in 2019. AFP portfolio investments, which had amounted to US\$ 747 million in 2019, decreased by US\$ 2,488 million in 2020, in line with the situation in financial markets and with AFPs' need to meet the fund withdrawals of their members. In contrast, the portfolio of mutual funds abroad grew by US\$ 581 million. It is worth mentioning that in 2019, their portfolio had risen by US\$ 730 million.

Liabilities decreased by US\$ 1,670 million in 2020. Foreign direct investment in the country increased by US\$ 982 million, a figure well below that recorded in 2019 (more than US\$ 8 billion), reflecting the reduction in local economic activity and lower domestic private investment, both affected by the sanitary measures. At the level of its domestic components, higher reinvestment was offset by lower net lending with parent companies. This flow was oriented to the sectors of mining (US\$970 million), manufacturing (US\$215 million), and energy (US\$251 million).

**Table 35**  
**FOREIGN DIRECT INVESTMENT IN COUNTRY BY DESTINATION SECTOR 1/**  
(Million US\$)

	2018	2019	2020
Hydrocarbons	-222	4	74
Mining	2,802	2,392	970
Financial sector	91	1,097	99
Non-financial services	2,538	2,248	-627
Manufacturing	1,297	521	215
Energy and others	462	1,794	251
<b>TOTAL</b>	<b>6,967</b>	<b>8,055</b>	<b>982</b>

1/ Includes contributes and other net capital operations, net loans to affiliated enterprises and reinvestment (current profits).  
Source: Businesses.

The positive evolution of portfolio investment in the country is explained by bond placements in foreign markets, which totaled US\$ 1,293 million, this amount including bonds issued by both financial and non-financial companies. The bonds issued by financial companies were used to amortize other obligations. These operations were driven by low interest rates in international markets.

Long-term loans registered a net negative flow of US\$ 3,367 million, explained mostly by the amortizations of US\$ 4,857 million made by entities of the financial and non-financial sector, and by lower disbursements with respect to 2019.

## 2.7 Short-Term Capital Flows

The net flow of **short-term capital** in 2020 was negative by US\$ 977 million, compared to a positive flow of US\$ 504 million the previous year. **Short-term capital** outflows corresponded mainly to the increase in foreign assets, both from the non-financial sector (US\$ 1,713 million) and from banks (for US\$ 819 million), although greater flows of liabilities from the non-financial sector (for US\$ 1,575 million) were also recorded.

**Table 36**  
**SHORT-TERM CAPITAL FINANCIAL ACCOUNT**  
(Million US\$)

	Million US\$			Change	
	2018	2019	2020	2019	2020
<b>1. BANKS</b>	<b>980</b>	<b>-2</b>	<b>-957</b>	<b>-982</b>	<b>-955</b>
Assets 1/	109	504	-819	396	-1,323
Liabilities 2/	871	-506	-138	-1,377	368
<b>2. BANCO DE LA NACIÓN</b>	<b>49</b>	<b>-22</b>	<b>9</b>	<b>-71</b>	<b>31</b>
Assets 1/	49	-22	9	-71	31
Liabilities 2/	0	0	0	0	0
<b>3. NON FINANCIAL BANKS</b>	<b>-4</b>	<b>-35</b>	<b>109</b>	<b>-30</b>	<b>143</b>
Assets 1/	-52	9	34	61	24
Liabilities 2/	48	-44	75	-92	119
<b>4. NON-FINANCIAL SECTOR 3/</b>	<b>-2,969</b>	<b>562</b>	<b>-138</b>	<b>3,531</b>	<b>-700</b>
Assets 1/	-2,936	1,424	-1,713	4,360	-3,137
Liabilities 2/	-33	-861	1,575	-829	2,437
<b>5. TOTAL SHORT-TERM CAPITALS</b>	<b>-1,944</b>	<b>504</b>	<b>-977</b>	<b>2,447</b>	<b>-1,481</b>
Assets 1/	-2,830	1,915	-2,489	4,745	-4,404
Liabilities 2/	886	-1,411	1,512	-2,298	2,923

1 / The negative sign indicates an increase in assets.

2 / The positive sign indicates an increase in liabilities.

3 / Corresponds to the flow of net assets abroad. The negative sign indicates an increase in net assets.

Source: BCRP, BIS, and companies.

## 2.8 Public Sector Financial Account

In 2020, the public financial account recorded a net inflow of external funds of US\$ 9,818 million, mainly as a result of issuances of global bonds for a total of US\$ 7,000 million and credit from international organizations for a total of US\$ 2,134 million, destined to finance the higher expenditure required to face COVID-19, within the framework of Emergency Decree No. 051-2020.

The public financial account increased by US\$ 5,419 million compared to 2019, due to higher disbursements by US\$ 8,114 million, obtained mainly from global bonds and credits to face the pandemic, and to a lesser extent, from the placement of bonds by Corporación Financiera de Desarrollo - COFIDE (US\$ 500 million), as well as by lower debt amortization (by US\$ 1,270 million). This balance was in part offset by the reduction in non-residents' holdings of sovereign bonds (by US\$ 2,625 million).

<b>Table 37</b>					
<b>PUBLIC SECTOR FINANCIAL ACCOUNT 1/</b>					
	Million US\$			Change	
	2018	2019	2020	2019	2020
<b>I. DISBURSEMENTS</b>	<b>1,800</b>	<b>1,863</b>	<b>9,977</b>	<b>63</b>	<b>8,114</b>
Investment projects	1,782	740	269	-1,042	-471
Central government	455	691	192	236	-500
Public enterprises	1,327	49	78	-1,278	29
- Financial	44	0	0	-44	0
- Non-financial	1,283	49	78	-1,234	29
Free disposable loans 2/	18	372	2,208	355	1,836
Global bonds	0	750	7,500	750	6,750
- Global	0	750	7,000	750	6,250
- Financial public enterprises	0	0	500	0	500
- Non-financial public enterprises	0	0	0	0	0
<b>II. AMORTIZATION</b>	<b>-1,614</b>	<b>-2,205</b>	<b>-935</b>	<b>-591</b>	<b>1,270</b>
<b>III. NET EXTERNAL ASSETS</b>	<b>-201</b>	<b>212</b>	<b>-288</b>	<b>413</b>	<b>-499</b>
<b>IV. OTHER OPERATIONS</b>					
<b>WITH DEBT SECURITIES (a-b)</b>	<b>2,137</b>	<b>4,530</b>	<b>1,064</b>	<b>2,393</b>	<b>-3,465</b>
a. Securities in domestic market purchased by non-residents	1,822	4,190	1,565	2,368	-2,625
b. Securities in foreign market purchased by residents	-315	-340	501	-25	841
<b>V. TOTAL</b>	<b>2,122</b>	<b>4,399</b>	<b>9,818</b>	<b>2,277</b>	<b>5,419</b>

1/ Medium- and long-term accounts. Bonds are classified according to the market where they are issued. Global and Brady bonds, issued in foreign markets, are part of external debt including those purchased by residents.

2/ Includes disbursements for S/ 2,134 million of contingent loans from the Inter-American Development Bank and the World Bank, which are used to finance the cost of prevention and containment of COVID-19 (DU N ° 051-2020). In 2018 and 2019, the disbursements of Contingent credits were classified as disbursements to finance investment projects, because they were allocated to the Fund for Interventions in the event of natural disasters.

Source: BCRP, MEF, COFIDE, and FCR.

## 2.9 International Investment Position

In December 2020, **external assets** totaled US\$ 142,735 million, a figure US\$ 10,139 million higher than that recorded at the end of 2019, this balance being mainly explained by BCRP reserve assets and by assets of non-financial sector entities. BCRP reserve assets reached a balance that represented 36.6 percent of GDP.

Total **external liabilities**, which increased by 15.0 percentage points of GDP, came to represent 108.9 percent of GDP at the end of 2020. This increase is mainly explained by higher issuances of global bonds and medium- and long-term public sector loans to address the health crisis. As a result,



the public sector debt balance represented 23.8 percent of GDP, 6.8 percentage points more than in the previous year.

The medium- and long-term private debt reached 14.9 percent of GDP as of December 2020, a level 0.7 percentage points higher than in the previous year. On the other hand, the balance of direct investment in the country increased by 6.9 percentage points, a figure equivalent to 56.7 percent of GDP at the end of 2020. Finally, capital participation accounted for 8.7 percent of GDP at the end of 2020, 0.7 percentage points below its level at the end of 2019.

**Table 38**  
**NET INTERNATIONAL INVESTMENT POSITION**  
(End-of-period levels)

	Million US\$			% GDP	
	2018	2019	2020	2019	2020
<b>I. Assets</b>	<b>121,826</b>	<b>132,596</b>	<b>142,735</b>	<b>57.4</b>	<b>69.8</b>
1. BCRP reserve assets	60,288	68,370	74,909	29.6	36.6
2. Assets of financial sector (excluding BCRP) 1/	34,902	38,503	39,921	16.7	19.5
3. Others assets	26,636	25,723	27,906	11.1	13.7
<b>II. Liabilities</b>	<b>205,541</b>	<b>216,978</b>	<b>222,589</b>	<b>93.9</b>	<b>108.9</b>
<b>1. Bonds and total private and public external debt 2/</b>	<b>78,170</b>	<b>80,200</b>	<b>88,768</b>	<b>34.7</b>	<b>43.4</b>
a. Medium and long term debt	68,723	72,277	79,185	31.3	38.7
Private sector 2/	33,811	33,013	30,553	14.3	14.9
Public sector (i - ii + iii) 3/	34,912	39,264	48,632	17.0	23.8
i. External public debt	22,977	22,554	32,469	9.8	15.9
ii. Public debt issued abroad purchased by residents	1,353	1,013	1,514	0.4	0.7
iii. Public debt issued locally purchased by non-residents	13,288	17,724	17,676	7.7	8.6
b. Short-term debt	9,447	7,923	9,583	3.4	4.7
Financial sector (excluding BCRP) 2/	4,374	3,824	3,761	1.7	1.8
BCRP	167	54	202	0.0	0.1
Others 4/	4,907	4,045	5,621	1.8	2.7
<b>2. Direct investment</b>	<b>106,918</b>	<b>114,973</b>	<b>115,955</b>	<b>49.8</b>	<b>56.7</b>
<b>3. Capital participation</b>	<b>20,453</b>	<b>21,804</b>	<b>17,867</b>	<b>9.4</b>	<b>8.7</b>

1/ Includes assets in domestic currency with non-residents.

2/ Includes liabilities in domestic currency with non-residents.

3/ External public debt is the sum of external public debt (including financial sector) and sovereign bonds in the hands of non-residents and excluding debt issued abroad in the hands of residents.

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

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

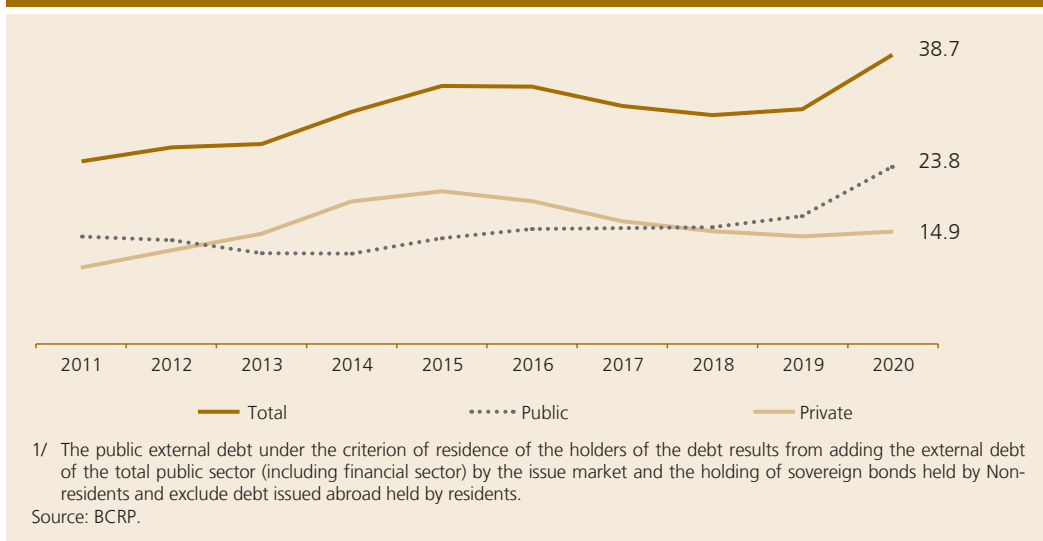
**Table 39**  
**NIR INDICATORS**

As a % of:	2011	2015	2020
a. GDP	28.6	32.1	36.5
b. Short-term external debt 1/	476	437	540
c. Short-term external debt plus Current account deficit	358	261	606

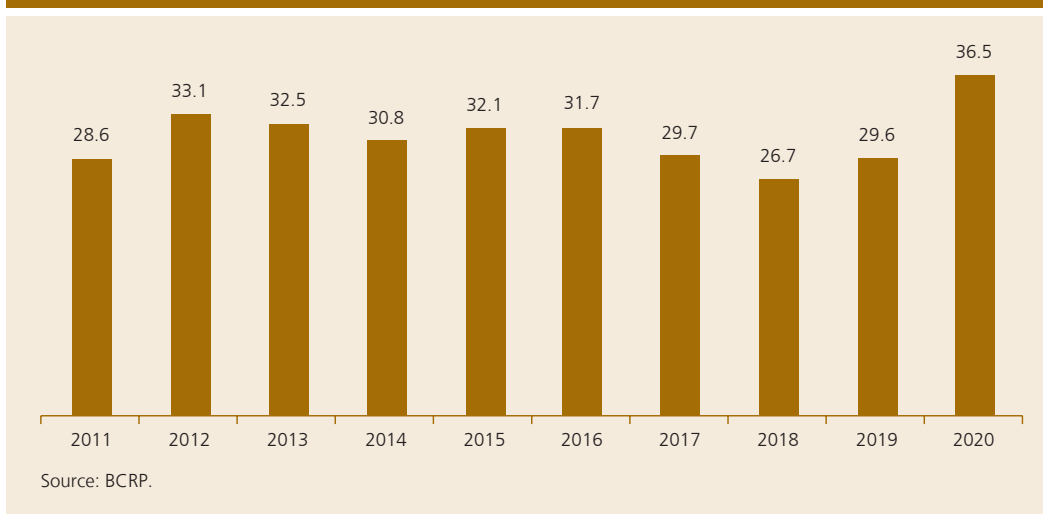
1/ Includes short-term debt balance plus redemption (1-year) from private and public sector.

Source: BCRP.

**Graph 37**  
BALANCE OF MEDIUM AND LONG TERM EXTERNAL DEBT, 2011-2020 1/  
(% GDP)



**Graph 38**  
INTERNATIONAL RESERVES  
(% GDP)



## 2.10 Management of International Reserves

At the end of 2020, 71 percent of the investment portfolio was invested in liquid high credit quality securities, 26 percent in deposits in first-class foreign banks, and the remaining 3 percent was invested in gold. The securities portfolio consists mainly of sovereign debt securities and bonds issued by supranational entities and foreign public entities with long-term credit ratings equal to or greater than A+.

The country's international reserve assets generated a yield of S/ 3,082 million in fiscal year 2020, this return being 36.8 percent lower than in the previous year due to the reduction in international interest rates.

<b>Table 40</b>		
<b>COMPOSITION OF LIQUID INTERNATIONAL ASSETS</b>		
<b>(Million US\$)</b>		
<b>Item</b>	<b>December 2019</b>	<b>December 2020</b>
Deposits abroad	28	26
Securities	69	71
Gold	3	3
<b>Total</b>	<b>100</b>	<b>100</b>

Source: BCRP.

<b>Table 41</b>		
<b>MATURITY AND RATING OF INTERNATIONAL ASSETS</b>		
<b>(% structure)</b>		
	<b>December 2019</b>	<b>December 2020</b>
<b>By maturity term</b>	<b>100</b>	<b>100</b>
0-3 months	55	46
3-12 months	8	12
> 1 year	37	42
<b>By long-term rating</b>	<b>100</b>	<b>100</b>
AAA	42	58
AA+/AA/AA-	25	23
A+/A/A-	33	19

Source: BCRP.

As for the quality of the portfolio, 58 percent of IRA was held in entities with a long-term credit rating of AAA and the rest in entities with credit ratings ranging between AA+ and A. Moreover, the average duration of the investment portfolio was 0.81 years in 2020.

The effective exposure of the BCRP foreign exchange position to the U.S. dollar was 87 percent, while the exposure to other currencies and gold was 13 percent.

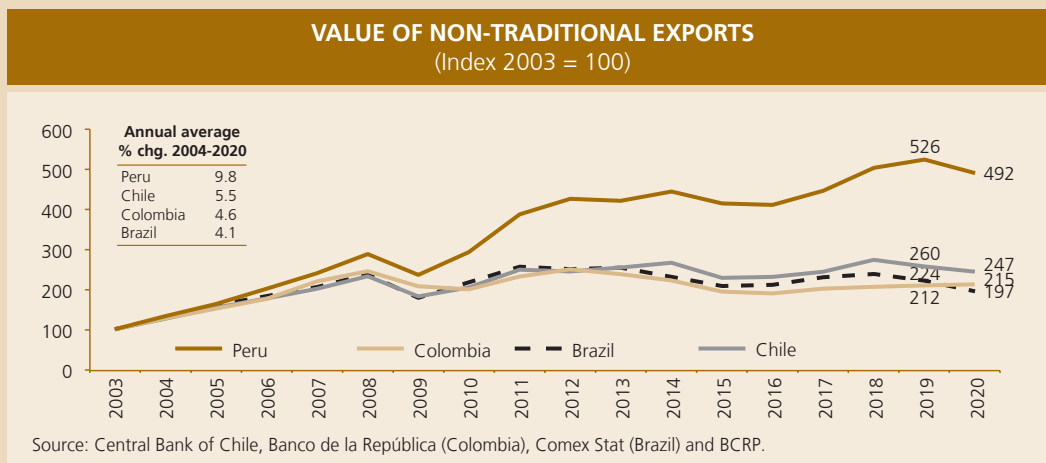
<b>Table 42</b>		
<b>INTERNATIONAL POSITION: EFFECTIVE EXPOSURE</b>		
<b>(% structure)</b>		
	<b>December 2019</b>	<b>December 2020</b>
US\$	85	87
Other currencies	11	9
Gold	4	4
<b>Total</b>	<b>100</b>	<b>100</b>

Source: BCRP.

Since the beginning of the pandemic, the issuance of socially responsible bonds or bonds that follow environmental and social protection guidelines (ESG), which focus mainly on financing projects associated with the control of the coronavirus, has increased significantly. Thus, as part of the investment of its international reserves during 2020, BCRP purchased this type of bonds for a total of US\$ 275 million, of which US\$ 200 million were sustainable bonds and US\$ 75 million were social bonds. As a result, as of December 31, 2020, the balance of ESG bonds, which include the categories of green bonds, sustainable bonds, and social bonds, amounted to US\$ 525 million.

**Box 1**  
**EVOLUTION OF NON-TRADITIONAL EXPORTS**

Exports of non-traditional products have grown steadily since the 1990s, as a result of which the value of such exports has increased at an annual rate of approximately 10 percent between 2004 and 2020. This growth rate exceeds that observed in other countries in the region, where similar average indicators have been lower over the last 17 years, as can be seen in the following graph.

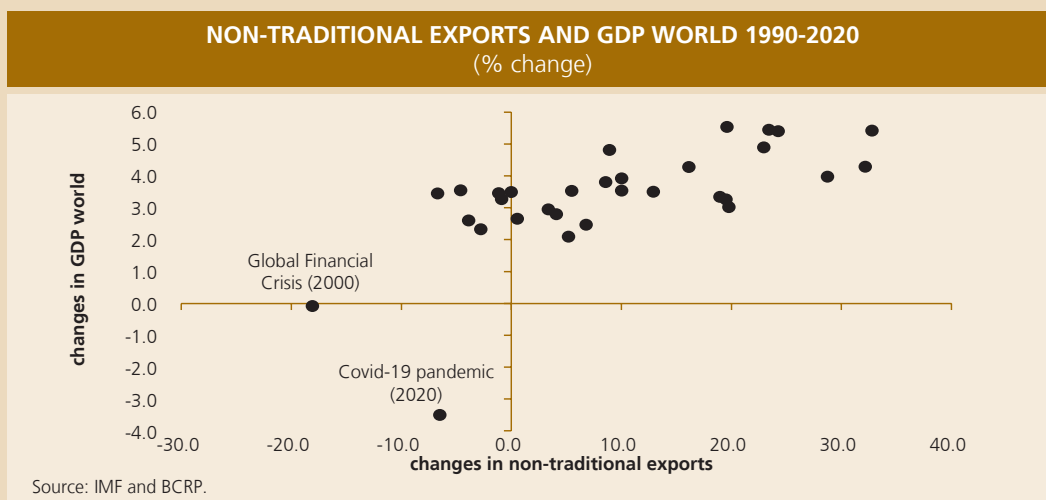


At the sector level, exports from the agricultural sector have shown the greatest increase, with an average annual rate of 15.1 percent in the 2004-2020 period. Agricultural exports currently account for approximately 50 percent of total non-traditional exports, and are followed by exports of the fishing and non-metallic mining sectors, which show average growth rates of 11.5 and 11.2 percent, respectively, in the same period.

**NON-TRADITIONAL EXPORTS**  
(Annual average % 2004-2020)

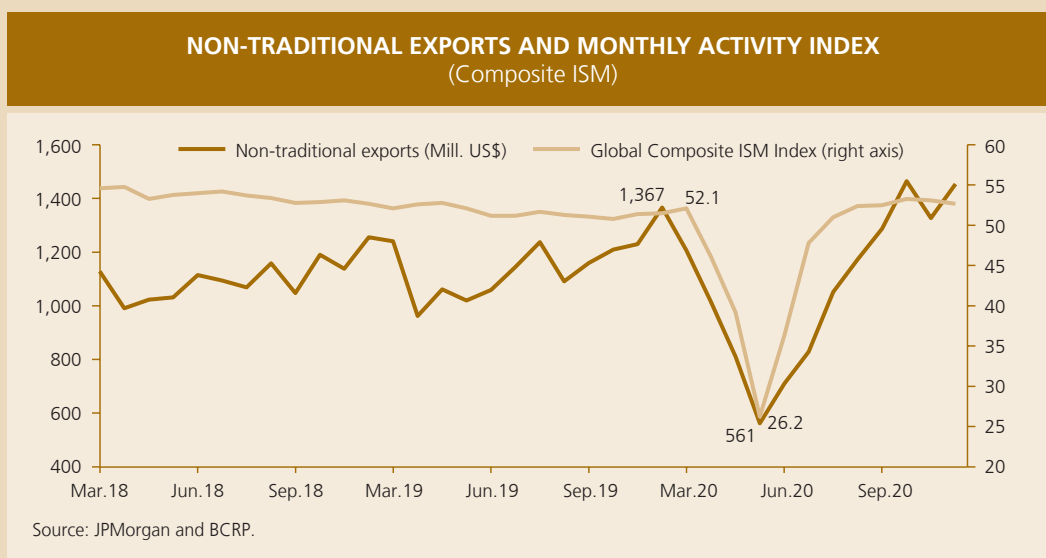
Agriculture and Livestock	15.1
Fishing	11.5
Non-metallic minerals	11.2
Chemicals	9.8
Metal-mechanical	9.4
Iron&Steel and jewelry	7.7
Wood and papers	2.0
Textiles	1.3

Source: SUNAT.

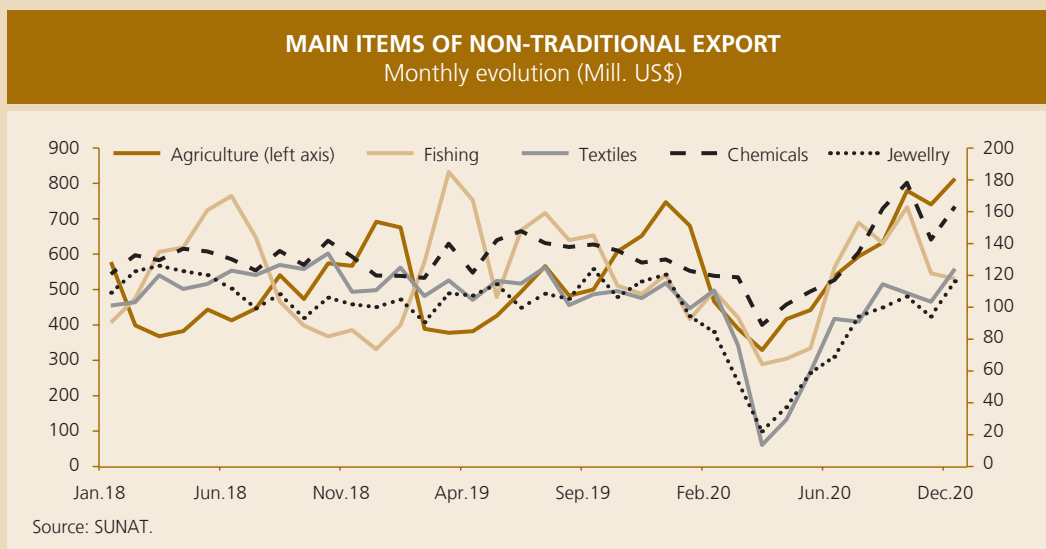


As a result of the sharp contraction in global demand resulting from the COVID-19 pandemic in 2020, non-traditional exports declined by 6.5 percent annually in Peru. However, despite the fact that global activity in the current health emergency has had a much more severe impact, this drop in non-traditional exports has been lower than that observed in 2009 during the Global Financial Crisis (18 percent).

In monthly terms, exports of non-traditional products have resumed their positive trend as world economic activity began to recover, particularly since the second half of 2020. Thus, after recording drops between February and April –months in which they reached minimum levels–, the exports of all sectors rebounded and, with the exception of textiles and wood, registered in December levels even higher than those observed in January 2020.



The recovery of agricultural exports during the second half of 2020 stands out as it counterbalanced the fall of the previous months and led these exports to register an 8.3 percent expansion in annual terms. The second most important sector, chemicals, showed a contraction of 2.6 percent on an annual basis, while the rest of the sectors registered declines between 18 and 29 percent.

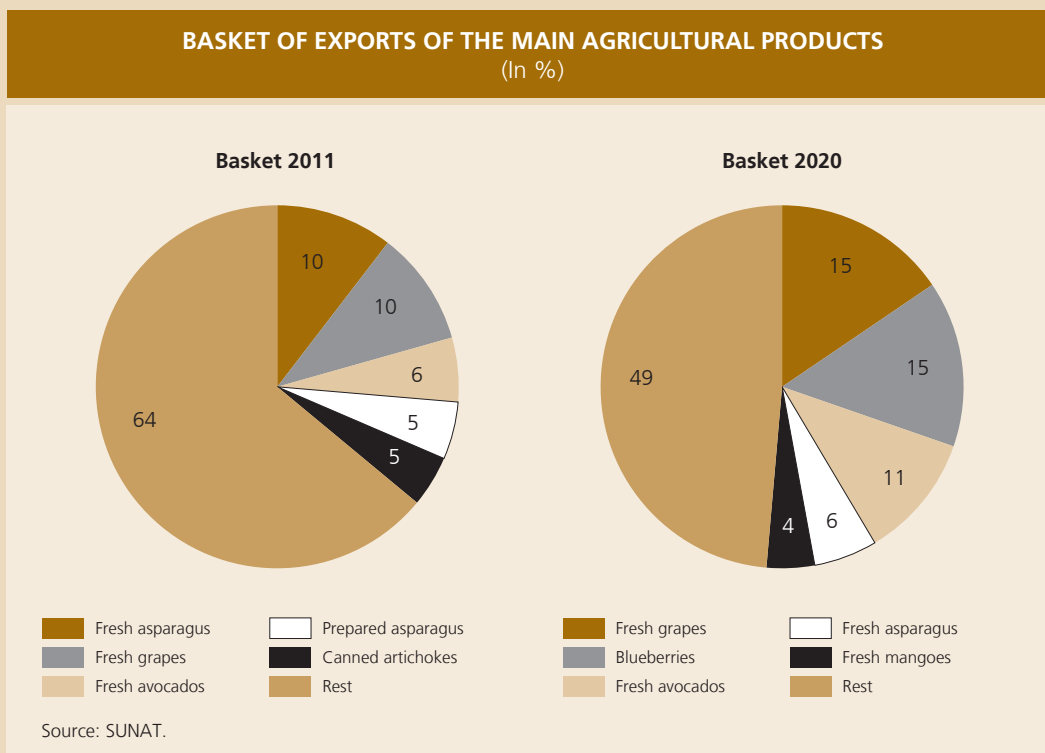


The products that led the recovery of agricultural exports were blueberries, grapes, and avocados, which exceeded the agricultural goods exported in 2019 both in terms of value and volume. Blueberries and grapes became the first agricultural products to surpass the US\$ 1 billion annual target. With these results, Peru not only continues to be the world's leading exporter of blueberries, but is also among the top two exporters of fresh grapes.

ANNUAL EXPORTS OF AGRICULTURAL PRODUCTS (Million US\$)				
Items	2018	2019	2020	% chg. (2020-2019)
Blueberries	548	825	1,010	22.4
(Thousands MT)	74	125	164	31.0
Grapes	820	875	1,057	20.9
(Thousands MT)	343	375	442	17.9
Avocados	723	752	759	1.0
(Thousands MT)	361	312	411	31.7

Source: SUNAT.

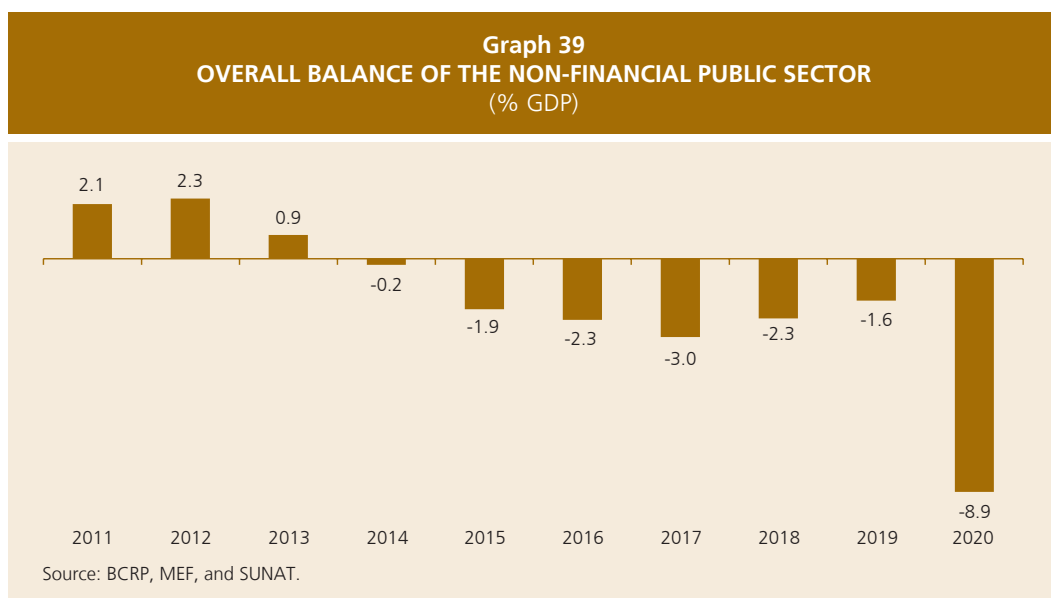
Over the past decade, the export basket of Peru's main agricultural products has included grapes, avocados, and fresh asparagus with average annual growth rates of 19.0, 24.5 and 2.9 percent, respectively. In addition, new fruits such as blueberries and fresh mangos have been consolidating their positions among the main exported products. The case of blueberries is worth highlighting as these exports have reached an average annual growth rate of 78.7 percent in the relatively short time during while they have been exported (2014-2020). It should also be pointed out that total agroexports have grown at an average annual rate of 12.0 percent in these 10 years.





Drum, ceramic work, Vicús Culture.  
*James McDonald Checa (MBE) Collection.*

The **fiscal deficit** in 2020 was equivalent to 8.9 percent of GDP, 7.3 percentage points of GDP higher than in 2019, both due to transitory spending and revenue measures to mitigate the impact of COVID-19 as well as due to the negative effect of the lower level of economic activity on income. Other factors that also contributed to this higher deficit were the higher primary deficit of state-owned enterprises and the higher debt interest payments. Thus, the 2020 fiscal deficit is the highest deficit since 1990.



The **current revenues of the General Government** declined by 17.4 percent in real terms, from 19.7 to 17.9 percent of GDP, due to the lower level of economic activity and to the tax measures taken to relieve taxpayers' cash flow in the context of the pandemic. The 2020 current revenue to GDP ratio is the lowest since 2001.

The **non-financial expenditure of the General Government** increased by 12.8 percent in real terms, from 20.0 to 24.8 percent of GDP, due to higher current expenditures on subsidies to families,



higher spending in response to the COVID-19 crisis and spending associated with the reactivation scheme, as well as due to the continuation of the Government's policy of increasing salaries in the Education and Health sectors. Remunerations were raised in both sectors in the last quarter of 2019, and in March and November 2020 in the Education sector. In contrast, gross capital formation at all levels of government declined by 13.2 percent in real terms, from 4.0 to 3.8 percent of GDP. The 2020 ratio of non-financial expenditure-to-GDP is the highest in the BCRP's historical record of fiscal aggregates since 1970.

**Table 43**  
**OVERALL BALANCE OF THE NON-FINANCIAL PUBLIC SECTOR**

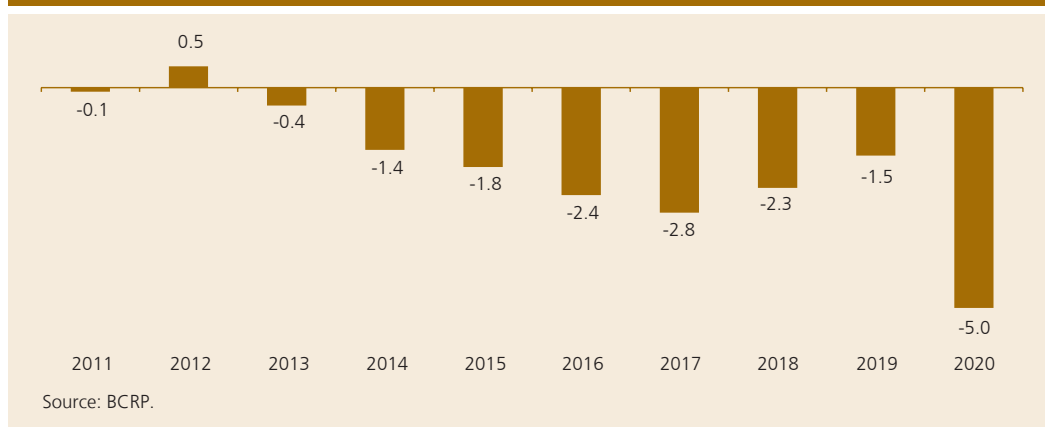
	Million soles			% GDP		
	2018	2019	2020	2018	2019	2020
<b>1. Current revenues of the</b>						
<b>General Government</b>	<b>142,719</b>	<b>152,019</b>	<b>127,902</b>	<b>19.3</b>	<b>19.7</b>	<b>17.9</b>
a. Tax revenue	107,358	113,769	95,523	14.5	14.8	13.4
b. Non-tax revenue	35,360	38,249	32,379	4.8	5.0	4.5
<b>2. General Government</b>						
<b>non-financial expenditure</b>	<b>149,212</b>	<b>154,388</b>	<b>177,385</b>	<b>20.1</b>	<b>20.0</b>	<b>24.8</b>
a. Current	113,073	119,366	145,148	15.3	15.5	20.3
b. Capital	36,140	35,023	32,237	4.9	4.5	4.5
- Gross capital formation	31,415	30,508	26,993	4.2	4.0	3.8
- Other	4,725	4,515	5,243	0.6	0.6	0.7
<b>3. Other</b>	<b>-440</b>	<b>641</b>	<b>-2,771</b>	<b>-0.1</b>	<b>0.1</b>	<b>-0.4</b>
<b>4. Primary Balance (1-2+3)</b>	<b>-6,934</b>	<b>-1,728</b>	<b>-52,254</b>	<b>-0.9</b>	<b>-0.2</b>	<b>-7.3</b>
<b>5. Interests</b>	<b>10,013</b>	<b>10,662</b>	<b>11,496</b>	<b>1.4</b>	<b>1.4</b>	<b>1.6</b>
a. External debt	3,499	3,404	3,365	0.5	0.4	0.5
b. Domestic debt	6,514	7,258	8,130	0.9	0.9	1.1
<b>6. Overall Balance</b>	<b>-16,948</b>	<b>-12,391</b>	<b>-63,749</b>	<b>-2.3</b>	<b>-1.6</b>	<b>-8.9</b>
<b>7. Net financing</b>	<b>16,948</b>	<b>12,391</b>	<b>63,749</b>	<b>2.3</b>	<b>1.6</b>	<b>8.9</b>
1. External	-598	4,679	34,349	-0.1	0.6	4.8
(Million US\$) (a-b+c)	-\$,169	\$1,399	\$9,773			
a. Disbursements	\$1,756	\$1,863	\$9,477	0.8	0.8	4.7
b. Amortization	\$1,265	\$1,358	\$,292	0.6	0.6	0.1
c. Other 1/	-\$,660	\$,893	\$,587	-0.3	0.4	0.3
2. Domestic	17,491	7,643	29,385	2.4	1.0	4.1
3. Privatization	54	69	15	0.0	0.0	0.0

1/ Includes exceptional financing and short-term financing.

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

The **structural economic balance** is an indicator that shows the effect of fiscal policy decisions on fiscal accounts, isolating the effects that factors beyond government control –i.e. the position in the business cycle of the economic balance of the non-financial public sector– may have on tax revenues. In 2020, this indicator showed a deficit of 5.0 percent of trend GDP, a deficit 3.5 percentage points higher than in 2019.

**Graph 40**  
**STRUCTURAL OVERALL BALANCE OF THE NON-FINANCIAL PUBLIC SECTOR**  
 (% trend GDP)



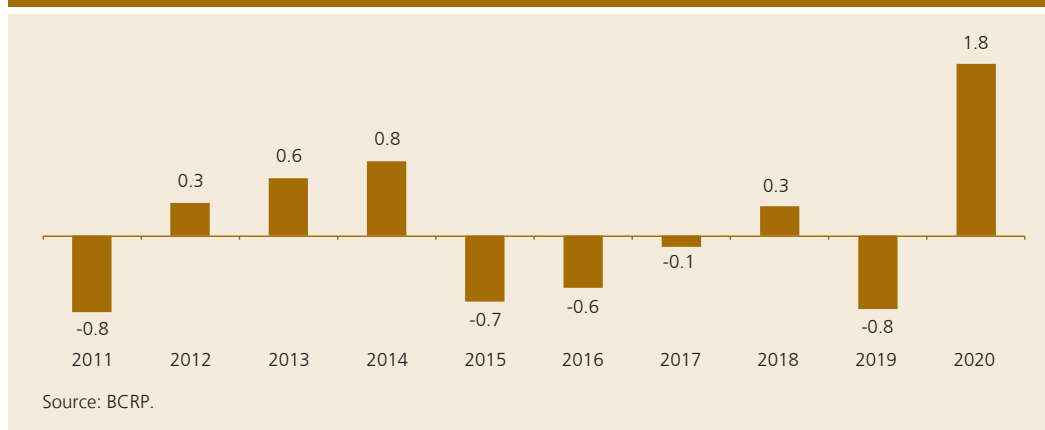
The **weighted fiscal impulse** is an alternative indicator through which the expansionary or contractionary stance of fiscal policy can be identified. This indicator measures the change in the structural primary balance, weighing changes in structural revenues, current expenditure and capital expenditure, with differentiated multipliers for each of these variables. According to this indicator, the fiscal stance in 2020 was expansionary and registered 1.8 percent of trend GDP, which together with the expansionary monetary stance, offset the negative COVID-19 shock in the year.

**Table 44**  
**WEIGHTED FISCAL IMPULSE**  
 (% trend GDP)

	2018	2019	2020
1. Structural overall balance	-2.3	-1.5	-5.0
2. Fiscal impulse	-0.5	-1.0	3.7
3. Weighted effects	0.8	0.3	-1.9
4. Weighted impulse (2+3)	0.3	-0.8	1.8

Source: BCRP.

**Graph 41**  
**WEIGHTED FISCAL IMPULSE**  
 (% trend GDP)



The **financial requirement** measures the resources needed by the non-financial public sector to cover the economic deficit and meet the amortization of the domestic and foreign debts. In 2020, this requirement amounted to S/ 66,511 million, a sum equivalent to 9.3 percent of GDP. Resources came mainly from external disbursements through placements of global bonds and loans from international organizations, as well as from the use of deposits, particularly deposits from the Fiscal Stabilization Fund.

The increase in financial requirements between 2019 and 2020, equivalent to 5.1 percentage points of GDP, is explained by the higher fiscal deficit in the context of the health emergency.

<b>Table 45</b>						
<b>FINANCING OF THE NON-FINANCIAL PUBLIC SECTOR</b>						
	Million S/			% GDP		
	2018	2019	2020	2018	2019	2020
<b>1. Overall balance</b>	<b>-16,948</b>	<b>-12,391</b>	<b>-63,749</b>	<b>-2.3</b>	<b>-1.6</b>	<b>-8.9</b>
<b>2. Amortization</b>	<b>11,276</b>	<b>19,818</b>	<b>2,761</b>	<b>1.5</b>	<b>2.6</b>	<b>0.4</b>
Redemption of recognition bonds	1,170	950	498	0.2	0.1	0.1
Domestic debt	5,884	14,344	1,240	0.8	1.9	0.2
External debt 1/	4,222	4,524	1,024	0.6	0.6	0.1
<b>3. Financial requirements</b>	<b>28,224</b>	<b>32,209</b>	<b>66,511</b>	<b>3.8</b>	<b>4.2</b>	<b>9.3</b>
External disbursements	5,896	6,207	33,362	0.8	0.8	4.7
Freely disposable funds	59	3,727	32,412	0.0	0.5	4.5
Investment projects	5,837	2,480	950	0.8	0.3	0.1
Domestic bonds 1/	19,734	30,497	2,892	2.7	4.0	0.4
Privatization	54	69	15	0.0	0.0	0.0
Other 2/	2,540	-4,564	30,241	0.3	-0.6	4.2

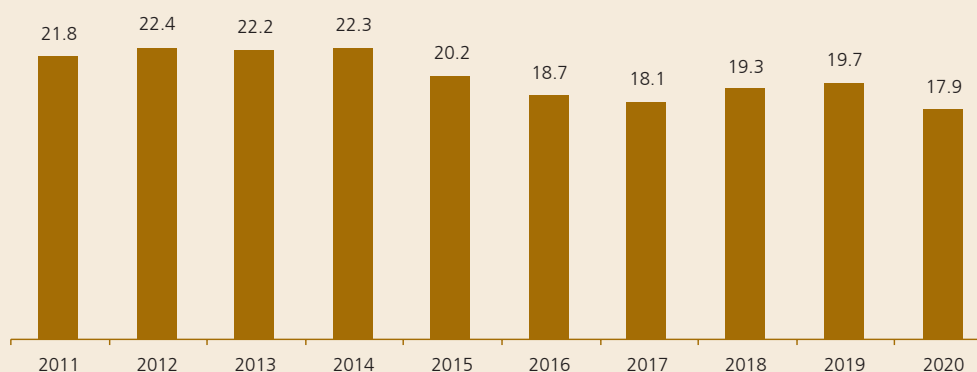
1/ Amounts include operations of managing of approved debt.  
2 / Includes variation of deposits and floating, among other concepts.  
Source: MEF, Banco de la Nación, BCRP, SUNAT, EsSalud, local governments, state enterprises, and public institutions.

## 1. Revenues of the General Government

The **current revenues of the General Government** decreased by 17.4 percent in real terms and represented 17.9 percent of GDP in 2020, a ratio 1.8 percentage points lower than in 2019, due to the effect of the contraction of economic activity on revenue collection and the tax measures adopted to mitigate the effects of COVID-19. Among others, the latter include the new Deferral or Fractionation Regime for tax debts with SUNAT and the reduction or exemption of payments on account of income tax due to lower sales, given the context of the pandemic.

Lower current revenues mainly reflected the generalized drop in tax revenues –with the exception of non-domiciled income tax–, this drop being particularly noteworthy in revenue from the value added tax (VAT), the income tax, and the excise tax (ISC), as well as lower revenues from fines, tax amnesty and regularization, and tax withholdings (called *detracciones*), with SUNAT making use of its discretionary powers in the context of the pandemic. The reduction in non-tax revenues corresponded mainly to revenues from own resources, social contributions, royalties and oil and mining canon, and other revenues from the National Government.

**Graph 42**  
**CURRENT REVENUE OF GENERAL GOVERNMENT**  
(% GDP)



Source: BCRP.

**Table 46**  
**GENERAL GOVERNMENT REVENUES**

	Million S/			Real % change		% GDP		
	2018	2019	2020	2019	2020	2018	2019	2020
<b>I. TAX REVENUE</b>	<b>107,358</b>	<b>113,769</b>	<b>95,523</b>	<b>3.7</b>	<b>-17.5</b>	<b>14.5</b>	<b>14.8</b>	<b>13.4</b>
1. Income tax	41,598	44,015	38,167	3.5	-14.8	5.6	5.7	5.3
- Individuals	12,474	13,819	12,525	8.4	-11.0	1.7	1.8	1.8
- Legal entities	22,756	23,834	21,046	2.6	-13.3	3.1	3.1	2.9
- Tax regularization	6,368	6,363	4,596	-2.5	-29.0	0.9	0.8	0.6
2. Import duties	1,455	1,424	1,159	-4.1	-20.1	0.2	0.2	0.2
3. Value-added tax (VAT)	60,666	63,504	55,379	2.5	-14.4	8.2	8.2	7.7
- Domestic VAT	35,125	37,892	32,708	5.6	-15.2	4.7	4.9	4.6
- VAT on imports	25,541	25,613	22,671	-1.8	-13.1	3.4	3.3	3.2
4. Excise tax	6,860	8,216	6,920	17.3	-17.3	0.9	1.1	1.0
- Fuels	2,565	3,212	2,970	22.6	-9.2	0.3	0.4	0.4
- Other	4,295	5,005	3,951	14.1	-22.4	0.6	0.6	0.6
5. Other income tax	13,363	14,660	11,081	7.4	-25.8	1.8	1.9	1.5
- National government	10,522	11,572	8,623	7.7	-26.8	1.4	1.5	1.2
- Local government	2,841	3,088	2,458	6.4	-21.8	0.4	0.4	0.3
6. Tax returns	-16,583	-18,051	-17,182	6.6	-6.5	-2.2	-2.3	-2.4
<b>II. NON-TAX REVENUES</b>	<b>35,360</b>	<b>38,249</b>	<b>32,379</b>	<b>5.9</b>	<b>-16.9</b>	<b>4.8</b>	<b>5.0</b>	<b>4.5</b>
1. Contributions to Essalud and ONP	16,247	17,266	15,972	4.1	-9.2	2.2	2.2	2.2
2. Oil, gas and mining royalty	3,035	2,741	2,150	-11.6	-23.0	0.4	0.4	0.3
3. Oil Canon	2,090	1,687	1,137	-21.0	-33.8	0.3	0.2	0.2
4. Others	13,988	16,556	13,119	15.8	-22.2	1.9	2.1	1.8
<b>III. TOTAL (I+II)</b>	<b>142,719</b>	<b>152,019</b>	<b>127,902</b>	<b>4.3</b>	<b>-17.4</b>	<b>19.3</b>	<b>19.7</b>	<b>17.9</b>

1 / Includes own resources, transfers from public entities, interests, income from regulatory, supervisors and registry, among others.

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

Revenues from the **income tax** recorded a real contraction of 14.8 percent, as a result of which it went from representing 5.7 percent of GDP in 2019 to 5.3 percent in 2020. This result is explained by

lower revenues from income of domiciled legal entities, mainly from those included in the general or third category regime, from tax regularization and, to a lesser extent, from income of individuals. This contraction was in part offset by the increase in revenues from non-domiciled legal entities due to the extraordinary revenues derived from the sale of assets of an electric company.

<b>Table 47</b>					
<b>INCOME TAX BY CATEGORY</b>					
(Million soles)					
	2018	2019	2020	Real % change	
				2019	2020
First category	580	624	503	5.3	-20.9
Second category	1,772	2,412	1,842	33.2	-25.0
Third category	17,268	17,679	13,804	0.3	-23.3
Fourth category	960	1,023	1,002	4.3	-3.8
Fifth category	9,162	9,760	9,178	4.3	-7.6
Non-domiciled	3,560	4,135	5,583	13.7	32.6
Regularization	6,368	6,363	4,596	-2.5	-29.0
<i>Individuals</i>	1,125	926	733	-19.7	-22.4
<i>Legal entities</i>	5,244	5,438	3,863	1.2	-30.2
Other 1/	1,928	2,019	1,659	2.5	-19.4
<i>Of which: regime for micro and small businesses (MYPE)</i>	1,334	1,409	1,168	3.5	-18.6
<b>Total</b>	<b>41,598</b>	<b>44,015</b>	<b>38,167</b>	<b>3.5</b>	<b>-14.8</b>

1 / Includes the Special Regime (RER), MYPE Tax Regime and other income.  
Source: SUNAT.

The drop in **individuals' payments on account** is explained by the lower collection of fifth category income (-7.6 percent), due to the loss of jobs and income of dependent workers as a result of the pandemic. The reduction in second-category income (-25.0 percent) mainly reflects a higher basis of comparison in 2019 of extraordinary income from dividend distributions (up 33.2 percent in 2019), while the decline in fourth category income (-3.8 percent) was not so sharp due to the increase registered in Administrative Service Contracts (CAS).

The decrease in **domiciled legal entities' payments on account** (-22.9 percent) was associated mainly to the general or third category regime (-23.3 percent) and, to a lesser extent, to other regimes (-19.4 percent). The contraction was generalized at the sector level, with the decline in the sectors of other services, financial services, manufacturing, mining, commerce, and construction standing out.

The increase in **income from non-domiciled legal entities** (32.6 percent) mainly reflects the recording of extraordinary income from the sale of assets of an electric company (S/ 2.4 billion).

Revenues from **income tax regularization** were lower (-29.0 percent) due to higher extraordinary revenues from audit actions in 2019 (S/ 786 million in 2019 compared to S/ 175 million in 2020).

**Table 48**  
**THIRD CATEGORY INCOME TAX BY SECTORS 1/:**  
**PAYMENTS ON ACCOUNT**  
(Million S/)

	2018	2019	2020	Real % change	
				2019	2020
Commerce	3,058	3,020	2,637	-3.3	-14.3
Financial services	2,184	2,778	2,166	24.6	-23.3
Other services 2/	2,562	2,813	2,080	7.5	-27.3
Manufacturing	2,504	2,264	1,706	-11.4	-26.0
Mining	2,585	2,036	1,573	-22.9	-24.1
Electricity and water	1,247	1,498	1,296	17.6	-15.0
Transport	1,042	1,185	984	11.3	-18.4
Construction	987	1,079	734	7.0	-33.1
Hydrocarbons	1,022	898	577	-13.9	-36.9
Fishing	40	89	35	121.1	-61.7
Agriculture and livestock	37	19	17	-49.6	-10.7
<b>Total</b>	<b>17,268</b>	<b>17,679</b>	<b>13,804</b>	<b>0.3</b>	<b>-23.3</b>

1 / Sectoral classification according to the declaration of the company. However, taxpayers can make more than one economic activity.  
2/ Includes activities in real estate, business, leasing, telecommunications, financial intermediation, health, social services, tourism and hotels, electric generation, and water services.  
Source: SUNAT.

Revenues from the **value added tax (VAT)** contracted by 14.4 percent in real terms in 2020, and therefore represented 7.7 percent of GDP, 0.5 percentage points less than in 2019. This negative evolution was mainly due to the lower revenue from the domestic VAT (-15.2 percent) and also due to the decline in the VAT on imports (-13.1 percent).

Lower revenues from the **domestic VAT** during the year was mainly associated with lower economic activity, although the declining trend gradually subdued since June, in line with the recovery of the economy and the reversal of the tax deferral measures, with year-on-year growth being observed in December. Moreover, revenues from the domestic VAT showed a decline in all sectors, with the exception of the sectors of agriculture and livestock and financial services. On the other hand, the contraction in the sectors of other services, transportation, construction and hydrocarbons was noteworthy.

Revenues from **import VAT** decreased due to lower imports, particularly lower imports of fuels, raw materials for industry, transportation equipment and consumer durables. However, a less pronounced negative rate was observed since June, with revenues from this tax showing a positive year-on-year growth in December.



**Table 49**  
**DOMESTIC VAT BY SECTORS 1/**  
(Million S/)

	2018	2019	2020	Real % change	
				2019	2020
Other services 2/	10,643	11,655	9,602	7.2	-19.1
Commerce	6,879	7,558	7,178	7.6	-6.8
Manufacturing	4,870	5,181	4,793	4.1	-9.2
Financial intermediation	2,176	2,462	2,644	10.9	5.4
Transport	2,922	3,233	2,305	8.3	-29.9
Construction	2,486	2,807	1,983	10.6	-30.6
Electricity and water	1,752	1,985	1,940	10.9	-4.0
Mining	1,368	1,125	831	-19.6	-27.5
Hydrocarbons	1,291	1,228	736	-6.7	-41.2
Agriculture and livestock	616	516	602	-18.0	14.5
Fishing	122	143	93	14.8	-35.9
<b>Total</b>	<b>35,125</b>	<b>37,893</b>	<b>32,708</b>	<b>5.6</b>	<b>-15.2</b>

1 / Sectoral classification according to the declaration of the company. However, taxpayers can make more than one economic activity.

2/ Includes activities in real estate, business, leasing, telecommunications, financial intermediation, health, social services, tourism and hotels, electric generation, and water services.

Source: SUNAT.

Revenues from the **excise tax** fell by 17.3 percent in real terms and came to represent 1.0 percent of GDP in 2020, 0.1 percent less than in 2019. The drop was associated with lower revenues from the excise tax on fuels (9.2 percent), as well as with lower revenues on the rest of products taxed by this tax (22.4 percent).

Revenues from **import duties** fell by 20.1 percent in real terms and represented 0.2 percent of GDP, a percentage similar to that observed in 2019. Factors contributing to this result included lower imports, the reduction of tariffs on imports of medical products to address COVID-19, and the lower effective tariff on imports as a result of trade agreements signed by Peru in previous years.

**Other tax revenues** registered a 25.8 percent drop in real terms and represented 1.5 percent of GDP, 0.4 percentage points less than in 2019. This result is mainly explained by lower revenues from fines, amnesty and regularization, and transfer of tax withholdings (*detracciones*). In addition, the statistical effect of comparing the higher extraordinary revenues from tax audits in 2019 (S/ 1.0 billion) with respect to 2020 (S/ 340 million), and the new Tax Debt Deferral or Fractionation Regime also had an impact on these tax revenues.

**Tax refunds** decreased by 6.5 percent in real terms and represented 2.4 percent of GDP, 0.1 percentage point more than in 2019. The lower level of refunds is mainly explained by lower refunds for exports, and to a lesser extent, by drawback, partially offset by higher refunds for overpayments or undue payments and anticipated recovery of VAT. However, an improvement was observed in the amount of monthly refunds as from September.

**Non-tax revenues** fell by 16.9 percent in real terms, from 5.0 percent of GDP in 2019 to 4.5 percent in 2020. This result is mainly explained by the fall in revenues from own resources, affected by the lower level of economic activity; social contributions, due to the evolution of the labor market; canon and oil royalties, due to lower hydrocarbon production; mining royalties, due to lower metal mining extraction; and other revenues, as well as due to lower interests on Public Treasury deposits. This was in part offset by higher transfers from Fondo Nacional de Financiamiento de la Actividad Empresarial del Estado – FONAFE (S/ 1.9 billion in 2020 compared to S/ 500 million in 2019).

## 2. General Government Expenditure

In 2020 the **non-financial expenditure of the General Government** rose 12.8 percent in real terms and was equivalent to 24.8 percent as a percentage of GDP, a ratio 4.8 percentage points higher than that recorded in 2019. Higher current expenditure on transfers to vulnerable households stood out in 2020, along with disbursements for health actions in response to COVID-19, such as hiring health personnel and buying medical supplies and equipment. Also relevant were economic reactivation-related costs, which included, for example, the maintenance of neighborhood roads by local governments as part of the Arranca Perú program, as well as the continuation of the policy of salary increases in the Education and Health sectors. Moreover, gross capital formation decreased by 13.2 percent in real terms at all levels of government, from 4.0 to 3.8 percent of GDP between 2019 and 2020.

The increase in non-financial spending accelerated during the last quarter of the year, due to higher current expenditures to address COVID-19 and positive growth figures for public investment.

**General Government current expenditures** increased by 19.4 percent in real terms, from 15.5 of GDP in 2019 to 20.3 percent in 2020, this increase being observed in all levels of government and in all spending components, particularly in transfers.

The **wages and salaries** component increased by 6.0 percent in real terms and by 1.0 percentage point of output, from 6.4 to 7.4 percent of GDP, mainly in the National Government and regional governments. This is mainly explained by the pay improvement policy in the Education and Health sectors, as well as by higher expenditure to face COVID-19, the bonuses and complementary services granted to Health personnel, and the reactivation bonus given to public sector workers in December.

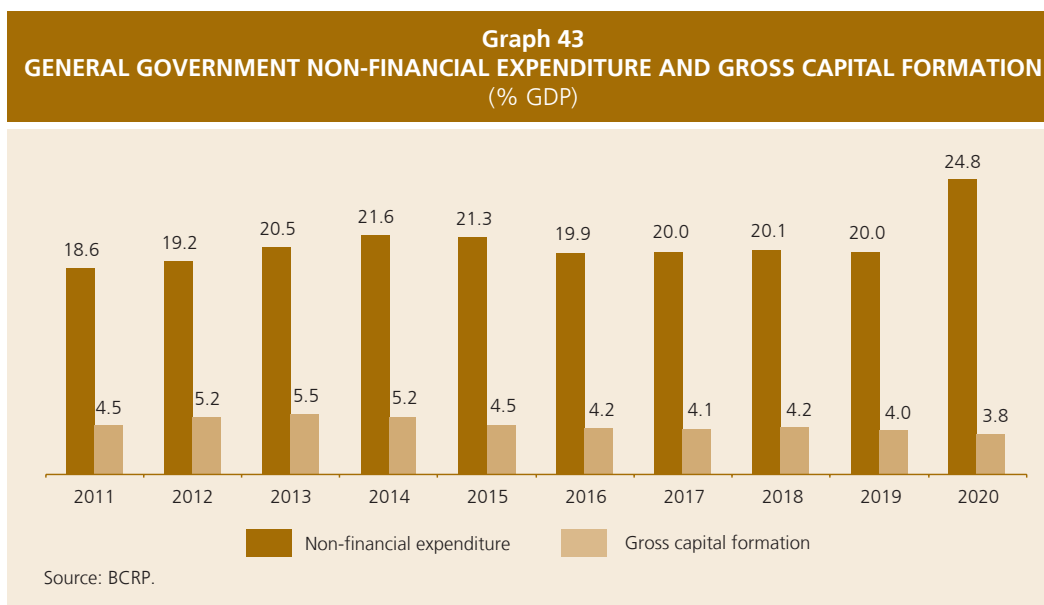
Spending on **goods and services** rose by 8.4 percent in real terms, from 5.9 to 7.0 percent of GDP between 2019 and 2020. This rise was observed in all levels of government, especially in local governments and, to a lesser extent, in the national and regional governments. The acquisition of medical supplies stands out in terms of goods purchased, while CAS contracts and contracts of professional and technical services to address the health emergency stand out in terms of services, as well as spending on the maintenance of neighborhood roads and immediate intervention activities managed by local governments within the framework of the Arranca Perú program.

**Transfers**, which were mainly from the National Government, increased by 65.7 percent in real terms and rose from 3.2 to 5.9 percent of GDP. The main transfers included subsidies to vulnerable households (S/ 12.9 billion), transfers to executing nuclei (S/ 977 million), electricity bonus (S/ 788 million), payroll subsidy (S/ 487 million), food assistance, and vulnerability reduction and response to disaster emergencies, among others.

General Government **gross capital formation** decreased by 13.2 percent in real terms in 2020, mainly due to the suspension of public works during the strict quarantine period and to initial difficulties in restoring the execution of public works. As a result, General Government investment declined from 4.0 to 3.8 percent of GDP between 2019 and 2020, this decline being mainly explained by lower investment by the National Government and local governments. Investment registered a recovery in the fourth quarter (showing a real growth rate of 22.9 percent compared to the same period of 2019), mainly due to the execution of projects under the Reconstruction, Arranca Peru and COVID-19 response schemes, as well as due to the resumption of major projects as from June, after adequating sanitary protocols.

**Capital transfers** increased from 0.6 to 0.7 percent of GDP between 2019 and 2020, with the FAE MYPE Business Support Fund (S/ 300 million) and FAE Tourism (S/ 200 million) explaining mostly this increase.





## National Government

The **National Government's non-financial expenditure** was equivalent to 16.0 percent of GDP, a ratio 3.4 percentage points of GDP higher than in 2019, mainly due to higher current expenditure on transfers and salaries, offset in part by the fall in gross capital formation.

Spending on **wages and salaries** increased by 4.4 percent in real terms, from 3.7 to 4.2 percent of GDP between 2019 and 2020, mostly due to the pay increase policy in the Education and Health sectors, as well as in the Judiciary, in addition to higher payments for bonuses and complementary services to address the health emergency.

Spending on **goods and services** decreased by 1.8 percent in real terms, and yet went from representing 4.1 in 2019 to representing 4.4 percent of GDP in 2020 due to the lower level of nominal GDP. Higher spending in response to the health emergency, especially expenditure on medical supplies (S/ 1,320 million), CAS contracts (S/ 665 million), and professional and technical services (S/ 443 million), was offset mainly by lower spending on road maintenance and road conservation services, maintenance and repair services, travel, procurement of fuels, lubricants and fuels, and cleaning, security and surveillance services.

Expenditure for **current transfers** increased 78.0 percent in real terms, from representing 2.7 percent of GDP in 2019 to representing 5.3 percent of GDP in 2020. Higher transfers for monetary subsidies to households in urban and rural areas by the Ministry of Labor and the Ministry of Development and Social Inclusion stood out in 2020, together with transfers for vulnerability reduction and response to disaster emergencies, transfers to executing units, transfers for electricity bonus, food assistance, scholarships and educational credit, as well as transfers for temporary support to reinforce child development, among other programs.

**Table 50**  
**GENERAL GOVERNMENT NON-FINANCIAL EXPENDITURE 1/**

	Million S/			Real % change		% GDP		
	2018	2019	2020	2019	2020	2018	2019	2020
<b>I. CURRENT EXPENDITURE</b>	<b>113,073</b>	<b>119,366</b>	<b>145,148</b>	<b>3.4</b>	<b>19.4</b>	<b>15.3</b>	<b>15.5</b>	<b>20.3</b>
<b>Wages and salaries</b>	<b>46,167</b>	<b>49,151</b>	<b>53,046</b>	<b>4.2</b>	<b>6.0</b>	<b>6.2</b>	<b>6.4</b>	<b>7.4</b>
National government	26,929	28,150	29,924	2.4	4.4	3.6	3.7	4.2
Regional governments	16,877	18,580	20,597	7.8	8.8	2.3	2.4	2.9
Local governments	2,361	2,421	2,525	0.4	2.4	0.3	0.3	0.4
<b>Goods and services</b>	<b>42,256</b>	<b>45,305</b>	<b>50,039</b>	<b>5.0</b>	<b>8.4</b>	<b>5.7</b>	<b>5.9</b>	<b>7.0</b>
National government	28,531	31,508	31,521	8.1	-1.8	3.9	4.1	4.4
Regional governments	5,208	5,186	6,562	-2.5	24.2	0.7	0.7	0.9
Local governments	8,517	8,610	11,956	-1.1	36.2	1.1	1.1	1.7
<b>Transfers</b>	<b>24,649</b>	<b>24,911</b>	<b>42,064</b>	<b>-1.1</b>	<b>65.7</b>	<b>3.3</b>	<b>3.2</b>	<b>5.9</b>
National government	20,912	20,864	37,862	-2.3	78.0	2.8	2.7	5.3
Regional governments	2,845	3,089	3,244	6.3	3.1	0.4	0.4	0.5
Local governments	892	957	958	4.8	-1.7	0.1	0.1	0.1
<b>II. CAPITAL EXPENDITURE</b>	<b>36,140</b>	<b>35,023</b>	<b>32,237</b>	<b>-5.1</b>	<b>-9.7</b>	<b>4.9</b>	<b>4.5</b>	<b>4.5</b>
<b>Gross Capital Formation</b>	<b>31,415</b>	<b>30,508</b>	<b>26,993</b>	<b>-4.9</b>	<b>-13.2</b>	<b>4.2</b>	<b>4.0</b>	<b>3.8</b>
National government	11,334	11,685	9,739	1.0	-18.2	1.5	1.5	1.4
Regional governments	6,243	6,209	5,971	-2.6	-5.6	0.8	0.8	0.8
Local governments	13,838	12,613	11,284	-10.7	-12.3	1.9	1.6	1.6
<b>Other capital expenditure</b>	<b>4,725</b>	<b>4,515</b>	<b>5,243</b>	<b>-6.4</b>	<b>14.1</b>	<b>0.6</b>	<b>0.6</b>	<b>0.7</b>
National government	3,509	4,678	5,177	30.8	8.7	0.5	0.6	0.7
Regional governments	139	146	144	3.0	-2.9	0.0	0.0	0.0
Local governments	1,076	-309	-78	-128.2	-75.1	0.1	0.0	0.0
<b>III. NON FINANCIAL EXPENDITURE (I + II)</b>	<b>149,212</b>	<b>154,388</b>	<b>177,385</b>	<b>1.3</b>	<b>12.8</b>	<b>20.1</b>	<b>20.0</b>	<b>24.8</b>
National government	91,216	96,886	114,222	4.0	15.7	12.3	12.6	16.0
Regional governments	31,312	33,211	36,518	3.8	7.9	4.2	4.3	5.1
Local governments	26,685	24,292	26,645	-10.9	7.6	3.6	3.2	3.7

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

**Gross capital formation** fell by 18.2 percent in real terms, bringing it down from 1.5 to 1.4 percent of GDP between 2019 and 2020, due to the suspension of project execution during the quarantine, as well as due to the statistical effect resulting from the comparison of results with those of the year in which the sports infrastructure projects for the Pan American and Parapan American Games Lima 2019 were completed. During 2020, there was a lower execution of projects and activities by the Ministry of Transportation and Communications and, to a lesser extent, by the Ministry of Energy and Mines, the Ministry of Justice and Human Rights, by universities, and by the Ministry of Housing, Construction and Sanitation in the fields of road infrastructure and communications, education, rural electrification, drinking water and sewerage, and wastewater treatment, among other areas.

On the other hand, within the framework of response actions to COVID-19, higher project execution was observed in the Ministry of Education (e.g. the acquisition of tablets for a total of S/ 276 million), the Ministry of Health (medical equipment), and the Presidency of the Council of Ministers.

Moreover, the execution of projects under the Reconstruction program, including those carried out within the framework of the Government to Government Agreement with the United Kingdom and other agencies showed a significant dynamism, with the following projects standing out: the reconstruction of sections 1, 2 and 3 of Autopista del Sol, which had been affected by the 2017 El Niño Costero, as well as the reconstruction of roads Dv. Huancabamba - Dv. Canchaque in Piura and Pallasca - Santiago de Chuco in Ancash - La Libertad; Chulucanas Support Hospital, and several flood protection projects (Chico and Mangente rivers in Ica, La Leche in Lambayeque, Zarumilla in Tumbes, and Motupe in Lambayeque). In addition, the execution of important projects, such as Line 2 of the Lima and Callao Metro, was resumed.

**Table 51**  
**GROSS CAPITAL FORMATION OF THE GENERAL GOVERNMENT**  
(Million S/)

	2019	2020	% chg.
<b>National government</b>	<b>11,685</b>	<b>9,739</b>	<b>-16.7</b>
Reconstruction	475	1,183	148.9
Pan American Games	859	68	-92.1
COVID-19	0	616	n.a.
Peru starts	0	12	n.a.
Rest	10,351	7,860	-24.1
<b>Regional governments</b>	<b>6,209</b>	<b>5,971</b>	<b>-3.8</b>
Reconstruction	442	675	52.7
COVID-19	0	208	n.a.
Peru starts	0	40	n.a.
Rest	5,767	5,048	-12.5
<b>Gobierno Locales</b>	<b>12,613</b>	<b>11,284</b>	<b>-10.5</b>
Reconstruction	1,660	1,558	-6.1
COVID-19	0	15	n.a.
Peru starts	0	658	n.a.
Rest	10,953	9,053	-17.3
<b>TOTAL</b>	<b>30,508</b>	<b>26,993</b>	<b>-11.5</b>
Reconstruction	2,577	3,416	32.5
Pan American Games	859	68	-92.1
COVID-19	0	839	n.a.
Peru starts	0	710	n.a.
Rest	27,072	21,961	-18.9

Source: MEF.  
Elaboration: BCRP.

**Table 52**  
**MAIN INVESTMENT PROJECTS OF THE NATIONAL GOVERNMENT: 2020**  
(Million S/)

PROJECTS	Amount
<b>TRANSPORT 1/</b>	<b>3,662</b>
Line 2 of the Lima and Callao Metro	275
Huánuco - Conococha Highway, Huánuco	201
Broadband, Lima	135
Carrretera Pallasca - Santiago de Chuco, Ancash - La Libertad	120
Highway Oyón - Ambo, Huánuco - Lima - Pasco	118
Highway Dv. Huancabamba - Dv. Canchaque, Piura	113
Longitudinal Highway of the Sierra Norte, Cajamarca	99
Highway del Sol: Section 2 (Río Olmos - La Niña), Piura - Lambayeque	99
Highway del Sol: Section 1 (La Leche River - Morrope), Piura - Lambayeque	88
Bellavista - El Estrecho Highway, Loreto	66
Departmental Road Network Moquegua - Arequipa	58
Highway Casma - Tingo María, Ancash	54
Highway del Sol: Section 3 (Río Cascajal - Río Piura), Piura - Lambayeque	53
Replacement of 13 bridges in the Sullana - Sechura Road Corridors	50
Rest	2,135
<b>EDUCATION</b>	<b>1,698</b>
Acquisition of tablets	276
Installed capacity for preparedness and response to emergencies and disasters	166
Educational institutions with conditions for the fulfillment of regulated teaching hours	60
Rest	1,195
<b>AGRICULTURE AND LIVESTOCK</b>	<b>1,033</b>
Technical files, pre-investment studies and Other studies for Reconstruction projects	78
Eradication of the fruit fly in Piura, Tumbes, Cusco and Other	72
Sustainable territorial development, VRAEM	55
Protection against floods in Zarumilla, Tumbes	53
Water waste in, 10 basins, Lima	52
Rest	722
<b>SANITATION</b>	<b>815</b>
Drinking water and sewerage in Chorrillos, Lima	128
Sullana and Bellavista sewage treatment, Piura	95
Drinking water and sewerage in Huarochirí, Lima	80
Drinking water and sewerage in San Juan de Lurigancho, Lima	56
Rest	456
<b>HEALTH</b>	<b>529</b>
Zacarías Correa Regional Hospital, Huancavelica	71
Espinar Hospital, Cusco	29
Acquisition of medical equipment in nine health establishments, Lima	25
Acquisition of medical equipment in eighteen health establishments, Lima	20
National Institute of Neoplastic Diseases, Lima	16
Expansion of health services in Challhuahuacho, Apurímac	15
Improvement of medical support services in Comas, Lima	13
Sergio Enrique Bernales National Hospital, Lima	11
Hospital Dos de Mayo, Lima	10
Rest	319
<b>PANAMERICAN GAMES</b>	<b>68</b>
<b>OTHERS</b>	<b>1,932</b>
<b>TOTAL</b>	<b>9,739</b>

1 / Payments for works carried out in previous years under the concession scheme, payments for expropriations and land releases and works progress. Advances for work and rolling stock are included on the basis of a schedule approximate progress of work.

Source: MEF.

The National Government's **other capital expenditure** increased by 8.7 percent in real terms in 2020, from 0.6 to 0.7 percent of GDP, reflecting mainly transfers to FAE MYPE and FAE Turismo.

### Regional Governments

The **non-financial expenditure of regional governments** was equivalent to 5.1 percent of GDP, 0.8 percentage points of GDP more than in 2019, due to the higher level of current expenditure mainly due to higher spending on wages and salaries, and, to a lesser extent, higher spending on goods and services and transfers. Capital expenditure remained at 0.8 percent of GDP.

Spending on **wages and salaries** rose by 8.8 percent in real terms, from 2.4 to 2.9 percent of GDP between 2019 and 2020, mainly due to the salary increases carried out in the Education and Health sectors in the last quarter of 2019 for both education and health personnel, and in March and November 2020 in the Education sector.

Spending on **goods and services** rose by 24.2 percent in real terms, from 0.7 to 0.9 percent of GDP between 2019 and 2020, mainly as a result of the acquisition of medical supplies and the CAS services hired in response to the COVID-19 crisis. Spending for **current transfers** increased by 3.1 percent in real terms, from 0.4 to 0.5 percent of GDP between 2019 and 2020, mainly as a result of court rulings in favor of payments to pensioners.

**Gross capital formation** decreased by 5.6 percent in real terms, remaining constant as a ratio of GDP. In 2020, spending fell in 14 departments, namely in Ucayali, Madre de Dios and San Martín in the East; in Pasco, Lima, Huanuco and Huancavelica in the Central zone; and in Arequipa, Apurímac and Cusco in the South. On the other hand, investment grew in Piura and, to a lesser extent, in Amazonas, Tacna, Callao and Loreto.

Public investment associated with the Reconstruction program amounted to S/ 675 million, with the following projects standing out: Ruta Departamental PI-101 in Piura; section Los Ejidos-Puente Cáceres of the Piura River; Ruta Departamental PI-110 in Ayabaca-Piura. Other projects worth highlighting included COVID-19 related projects such as the acquisition of medical equipment for a total of S/ 208 million (ICU beds, mechanical ventilators, vital function monitors, oxygen generators, and ambulances, among others).

The execution of other projects declined, including Majes-Siguas Stage II, the Neshuya-Curimaná Highway in Ucayali, the Bambamarca-Piñón highway in Cajamarca, the Uchumayo Bypass in Arequipa, and the Hipólito Unanue Hospital in Tacna, among other projects. Greater progress was observed in the execution of departmental roads in Amazonas; Manuel Núñez Regional Hospital in Puno; Cantuta Bridge in El Tambo in Junín, and the construction of the headquarters of Tacna's Regional Government. It is worth mentioning that regional governments' investment has recovered since August.

**Table 53**  
**INVESTMENT OF REGIONAL GOVERNMENTS**  
(Million S/)

	2019	2020	Change	
			Flow	%
La Libertad	154	182	28	18
Lambayeque	145	124	-21	-15
Piura	455	639	185	41
Tumbes	56	65	9	15
Cajamarca	173	146	-27	-15
<b>TOTAL NORTH</b>	<b>983</b>	<b>1,156</b>	<b>173</b>	<b>18</b>
Áncash	235	209	-26	-11
Callao	34	76	42	125
Huancavelica	198	162	-36	-18
Huánuco	283	249	-35	-12
Ica	126	96	-29	-23
Junín	229	257	29	13
Lima	331	260	-71	-22
Pasco	242	156	-86	-36
<b>TOTAL CENTER</b>	<b>1,677</b>	<b>1,465</b>	<b>-212</b>	<b>-13</b>
Apurímac	268	224	-44	-16
Arequipa	475	415	-60	-13
Ayacucho	284	302	18	6
Cusco	413	376	-36	-9
Moquegua	137	153	16	12
Puno	264	297	33	12
Tacna	189	239	49	26
<b>TOTAL SOUTH</b>	<b>2,030</b>	<b>2,005</b>	<b>-25</b>	<b>-1</b>
Amazonas	205	289	84	41
Loreto	339	381	42	12
Madre De Dios	169	117	-52	-31
San Martín	304	265	-40	-13
Ucayali	502	292	-210	-42
<b>TOTAL EASTERN</b>	<b>1,519</b>	<b>1,344</b>	<b>-175</b>	<b>-12</b>
<b>TOTAL</b>	<b>6,209</b>	<b>5,971</b>	<b>-239</b>	<b>-3.8</b>

Source: MEF and BCRP.

## Local Governments

**Local governments' non-financial expenditures in 2020** represented 3.7 percent of GDP, a ratio 0.5 percentage points of GDP higher than in 2019. This increase –from 1.6 to 2.2 percent of GDP– is



explained by the higher level of current spending, mainly on goods and services, and also on wages and salaries. On the other hand, capital spending remained at 1.6 percent of GDP.

Spending on **wages and salaries** to municipal workers and administrative personnel rose by 2.4 percent in real terms, while purchases of **goods and services** increased by 36.2 percent in real terms, from 1.1 to 1.7 percent of GDP, reflecting higher expenditure on maintenance, conditioning and repair services, as well as on training and improvement services; data processing and computer services; office materials and supplies; acquisition of spare parts and accessories for motorized units, and CAS services, while **transfers** decreased by 1.7 percent in real terms due to lower municipal transfers to towns and villages.

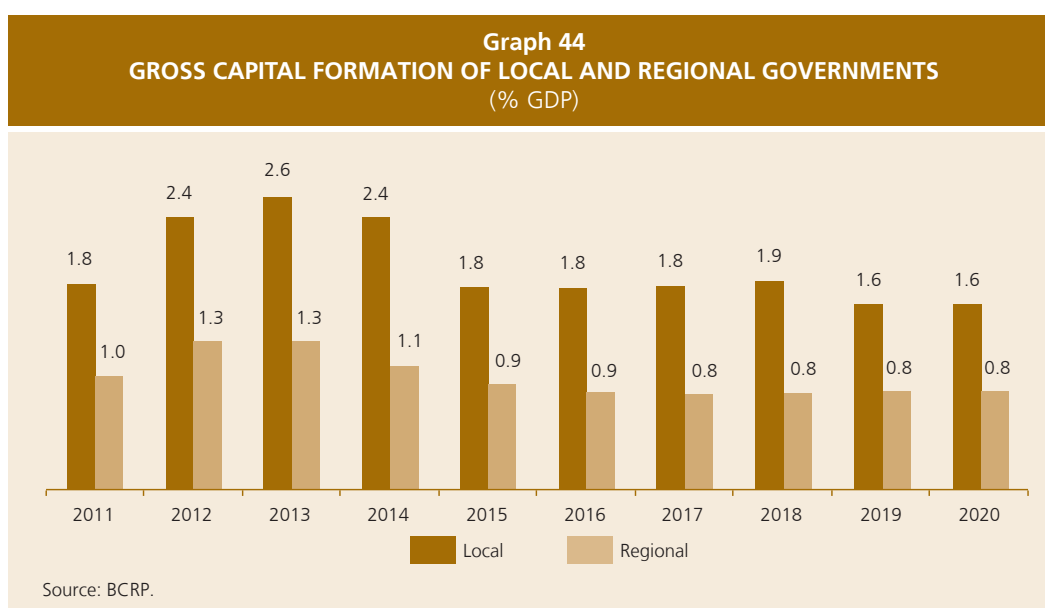
**Gross capital formation** declined by 12.3 percent in real terms, but remained unchanged as a percentage of GDP, although it recovered in the fourth quarter of 2020 compared to the same period in 2019. In 2020, investment declined in 19 departments, particularly in the Central, South and North zones, and to a lesser extent in the East zone. By departments, the largest drops were observed in Lima, Junín, Huánuco and Ica in the Central zone; in Cusco, Apurímac and Ayacucho in the South zone; in La Libertad and Piura in the North zone; and in Ucayali in the East zone.

**Table 54**  
**INVESTMENT OF LOCAL GOVERNMENTS**  
(Million S/)

	2019	2020	Change	
			Flow	%
La Libertad	987	825	-161	-16
Lambayeque	214	234	20	9
Piura	971	932	-40	-4
Tumbes	77	99	22	28
Cajamarca	748	739	-9	-1
<b>TOTAL NORTH</b>	<b>2,998</b>	<b>2,829</b>	<b>-168</b>	<b>-6</b>
Áncash	774	773	-1	0
Callao	96	72	-24	-25
Huancavelica	345	313	-32	-9
Huánuco	391	345	-45	-12
Ica	245	200	-45	-18
Junín	471	403	-68	-14
Lima	1,659	1,224	-435	-26
Pasco	160	148	-12	-8
<b>TOTAL CENTER</b>	<b>4,142</b>	<b>3,479</b>	<b>-663</b>	<b>-16</b>
Apurímac	456	385	-72	-16
Arequipa	671	715	44	7
Ayacucho	681	639	-43	-6
Cusco	1,598	1,259	-338	-21
Moquegua	197	160	-37	-19
Puno	528	497	-30	-6
Tacna	146	191	45	31
<b>TOTAL SOUTH</b>	<b>4,277</b>	<b>3,845</b>	<b>-432</b>	<b>-10</b>
Amazonas	232	209	-22	-10
Loreto	288	318	30	11
Madre De Dios	39	53	13	33
San Martín	406	394	-12	-3
Ucayali	232	157	-75	-32
<b>TOTAL EASTERN</b>	<b>1,197</b>	<b>1,131</b>	<b>-66</b>	<b>-6</b>
<b>TOTAL</b>	<b>12,613</b>	<b>11,284</b>	<b>-1,329</b>	<b>-10.5</b>

Source: MEF and BCRP.

By groups of projects, a decline was observed in the execution of projects carried out under the Reconstruction program, the road works for the Pan American Games and the rest of the projects. The only group of projects that showed a greater rate of execution was the projects under the Arranca Perú program, which consist mainly of optimization, marginal expansion, rehabilitation and replacement projects (IOARR) of relatively smaller size. On the other hand, the execution of projects with a Modified Institutional Budget greater than S/ 30 million increased, with the sewage treatment project of Nauta-Iquitos, the potable water and sewerage project in San Martín and Baños del Inca in Cajamarca, and the Mercado Mayorista of Lima project standing out.



### 3. State-Owned Enterprises

The **economic deficit –on a cash basis– of state-owned enterprises** amounted to S/ 3,971 million in 2020, an amount equivalent to 0.6 percent of GDP, higher than the deficit recorded in 2019 (S/ 1,773 million). This result is explained by the higher deficit of the other companies under the scope of Fondo Nacional de Financiamiento de la Actividad Empresarial del Estado (FONAFE) –the National Fund for Financing State Business Activity–, which comprise regional electricity companies and PetroPerú mainly. By components, this deficit is explained by the effect of higher transfers of FONAFE’s profits to the Public Treasury and by the contraction of sales revenues, which were higher than the fall in spending on goods and services and in gross capital formation.

**Table 55**  
**OVERALL BALANCE ON CASH BASIS OF STATE ENTERPRISES**

	Million S/			% GDP		
	2018	2019	2020	2018	2019	2020
Petroperú	-3,083	-1,876	-2,012	-0.4	-0.2	-0.3
Electroperú	168	-184	248	0.0	0.0	0.0
Regional Electricity Companies	624	579	-34	0.1	0.1	0.0
Sedapal	77	36	46	0.0	0.0	0.0
Other	-198	-328	-2,220	0.0	0.0	-0.3
<b>TOTAL</b>	<b>-2,412</b>	<b>-1,773</b>	<b>-3,971</b>	<b>-0.3</b>	<b>-0.2</b>	<b>-0.6</b>

Source: State enterprises and FONAFE.





**PetroPerú recorded a deficit of S/ 2,012 million, S/ 136 million higher than in 2019.** This result is explained by the drop in sales revenues (-S/ 6.1 billion) as a result of both a lower volume of domestic sales (-21.5 percent) –due to the decline in economic activity– and lower sale prices (-10.5 percent) given the drop of oil prices in the international market, as well as due to lower tax refunds.

This was in part offset by lower expenditure for goods and services (-S/ 5.8 billion), taxes (-S/ 272 million), and capital expenditure (-S/ 731 million), mainly in gross capital formation (-S/ 606 million). The reduction in expenditure on goods and services (-12.3 percent) is explained by the lower volume of purchases of crude oil, diesel B5-S50, and biodiesel B100 and by the lower purchase prices (-25.1 percent) of domestic and imported crude oil, and low-sulfur diesel 2, mainly.

On the other hand, the reduction in gross capital formation was associated mostly with the modernization of the Talara refinery. At the end of 2020, the implementation of this project registered an overall physical progress of 92.9 percent, with the process units being implemented by Técnicas Reunidas showing a progress of 95.9 percent, and the auxiliary units being implemented by Cobra consortium showing a progress of 81.9 percent. The new refinery is expected to start operations in the fourth quarter of 2021.

**ElectroPerú showed a surplus of S/ 248 million, which contrasts with the deficit of S/ 184 million recorded in 2019.** This balance is explained by lower transfers of profits to Fondo Consolidado de Reservas (FCR) and FONAFE given that the profits corresponding to 2018 (S/ 361 million in April) was transferred in 2019 and part of the 2019 profit was brought forward (S/ 198 million in October) in the same year, while the balance of the latter (S/ 197 million in May) was transferred in 2020. In addition, higher sales income (S/ 190 million) was obtained due to higher collections from sales to the regulated market, which was partially offset by higher expenses for purchases of energy, power, and toll services (S/ 123 million).

**Contrasting with the surplus of S/ 579 million they showed in 2019, the regional electricity companies recorded a joint deficit of S/ 34 million.** This result is mainly due to the lower revenues from sales (-S/ 590 million), particularly from the sales of distribution companies, which fractioned collections and faced a greater delay in the payments of their customers. This was partially covered by a fraction of the electricity bonus granted by the government.

In addition, there were also lower “other current revenues” (-S/ 123 million) for items such as complementary revenues, penalties and cut-off and reconnection services, transfers from the Energy Social Inclusion Fund (FISE), and collection of late payments and commercial interest, together with higher expenses for goods and services (S/ 74 million) and “other expenses” (S/ 64 million). This was relatively offset by lower capital expenditure (-S/ 210 million), particularly in gross capital formation (-S/ 172 million), due to the lower execution of investment projects and non-project capital expenditure.

**Sedapal's surplus of S/ 46 million was S/ 10 million higher than in 2019.** This result is explained, on the one hand, by a decrease in gross capital formation (-S/ 239 million), due to the lower execution of expansion and coverage improvement projects for water and sewerage services as a result of quarantine and problems with technical files, and, on the other hand, by an increase in capital revenues (S/ 84 million) due to transfers from the Lima and Callao Urban Transportation Authority (ATU) for the release of land and for solving the obstacles required to make the execution of Metro Line 2 feasible. Moreover, there were also lower payments of taxes on own account (S/ 64 million) and debt interests (S/ 20 million).

Revenues decreased by S/ 269 million, due to the delay and fractioning of collections for potable water and sewerage services corresponding to the quarantine period, while expenditures for goods

and services increased by S/ 99 million, mainly due to the supply of potable water by means of cisterns to the population that does not have access to potable water and sewerage facilities.

**The other State-owned companies<sup>2</sup> showed a deficit of S/ 2,220 million, S/ 1,892 million higher than the deficit for 2019.** This result is explained by the higher deficit recorded by the rest of FONAFE's companies (S/ 1,758 million), due to the effect of the higher transfer of profits to the Public Treasury (S/ 1,400 million). In March, the government established by means of Emergency Decree N° 029-2020 that FONAFE make an exceptional transfer of S/ 1,500 million. In 2019 FONAFE transferred S/ 250 million in March and May, while in 2020 it transferred S/ 1.9 billion: S/ 400 million in February and S/ 1,500 million in December.

Moreover, revenues fell both in terms of sales (-S/ 499 million) and in "other revenues" (-S/ 159 million), with the fall in interest income (-S/ 66 million) and related services (e.g. the revenues of Corporación Peruana de Aeropuertos y Aviación Comercial -Corpac- for airport services fell S/ 96 million) being noteworthy. This fall in revenues was partially offset by the reduction in expenses for goods and services (S/ 113 million), taxes (S/ 126 million), and gross capital formation (S/ 68 million), mainly.

Municipal companies and decentralized agencies registered a joint economic deficit of S/ 99 million, which contrasts with the surplus of S/ 34 million observed in 2019. Revenues from sales decreased by S/ 484 million, while expenditures for purchases of goods and services decreased by S/ 160 million and gross capital formation decreased by S/ 133 million. On the other hand, revenues from capital transfers from the Ministry of Housing, Construction and Sanitation and the Technical Agency for the Administration of Sanitation Services (OTASS) to finance works of the municipal water and sewerage companies totaled S/ 103 million, S/ 32 million more than in 2019.

#### 4. Non-Financial Public Sector Debt

At the end of 2020 the debt of the non-financial public sector totaled S/ 249.2 billion. This debt amount, equivalent to 34.8 percent of GDP, represents an increase of 8.0 percentage points of GDP from the debt ratio recorded at the end of 2019 and is explained mainly by higher long-term external debt resulting from the placement of global bonds and the disbursement of contingent credits from international organizations and, to a lesser extent, from issuances of sovereign bonds.

##### 4.1 External Debt

The external debt of the non-financial public sector, which amounted to S/ 107 billion at the end of 2020, represents 15 percent of GDP, this ratio being 6.5 percentage points of GDP higher than that recorded at the end of 2019.

Global bonds in US dollars for a total of US\$ 7 billion were issued during the year: bonds amounting to US\$ 3 billion were launched in April (US\$ 2 billion of a bond maturing in 2031 and US\$ 1 billion of a bond maturing in 2026 were offered), and bonds amounting to US\$ 4 billion were placed in December (US\$ 2 billion of a bond maturing in 2060, US\$ 1 billion of a bond maturing in 2032, and US\$ 1 billion of a bond maturing in 2121). The bond issuance in December was authorized by Emergency Decree No. 051-2020 of April, which established extraordinary measures to finance the higher expenses derived from the health emergency.

Contingent loans for a total of US\$ 2,134 million were also obtained from international organizations, the World Bank (US\$ 1,834 million) and the Inter-American Development Bank (US\$ 300 million), authorized by Emergency Decree No. 051-2020.

<sup>2</sup> This category includes FONAFE and companies under FONAFE such as Activos Mineros, Corpac, Serpost, and SIMA, among others, as well as municipal companies and decentralized public agencies.

The depreciation of the PEN between December 2019 and 2020 has also contributed to increase the external debt denominated in soles.

## 4.2 Domestic Debt

At the end of December 2020, the domestic debt of the non-financial public sector amounted to S/ 142.2 billion, which represents 19.9 percent of GDP, a ratio 1.6 percentage points of GDP higher than that recorded at the end of 2019.

This increase is explained by placements of S/ 2.8 billion of sovereign bonds, partially offset by the amortization of Recognition Bonds (S/ 418 million), Capitalization Bonds with BCRP (S/ 394 million), and long-term loans (S/ 521 million), which includes obligations recognized for workers' contributions to the National Housing Fund (S/ 285 million) and repayments of General Government loans with commercial banks (S/ 121 million) and Banco de la Nación (S/ 115 million).

<b>Table 56</b>						
<b>DEBT BALANCE OF THE NON-FINANCIAL PUBLIC SECTOR 1/</b>						
	Million S/			% GDP		
	2018	2019	2020	2018	2019	2020
<b>PUBLIC DEBT (I + II)</b>	<b>190,789</b>	<b>206,301</b>	<b>249,197</b>	<b>25.8</b>	<b>26.8</b>	<b>34.8</b>
<b>I. EXTERNAL PUBLIC DEBT</b>	<b>65,505</b>	<b>65,659</b>	<b>106,995</b>	<b>8.8</b>	<b>8.5</b>	<b>15.0</b>
Loans	19,260	20,527	31,088	2.6	2.7	4.3
International organizations	11,525	12,702	22,144	1.6	1.6	3.1
Paris Club	3,550	3,726	4,271	0.5	0.5	0.6
Suppliers	16	5	0	0.0	0.0	0.0
International banks	4,168	4,094	4,673	0.6	0.5	0.7
Bonds	46,246	45,132	75,907	6.2	5.9	10.6
Global bonds	39,506	38,512	68,667	5.3	5.0	9.6
Non financial public enterprise bonds	6,740	6,620	7,240	0.9	0.9	1.0
<b>II. DOMESTIC PUBLIC DEBT</b>	<b>125,284</b>	<b>140,643</b>	<b>142,202</b>	<b>16.9</b>	<b>18.3</b>	<b>19.9</b>
<b>1. LONG TERM 2/</b>	<b>112,209</b>	<b>128,251</b>	<b>129,725</b>	<b>15.1</b>	<b>16.6</b>	<b>18.1</b>
Bank loans	3,902	1,701	1,180	0.5	0.2	0.2
Public Treasury bonds	108,307	126,550	128,545	14.6	16.4	18.0
Capitalization BCRP	645	394	0	0.1	0.1	0.0
Public debt swap with Banco de la Nación	543	295	295	0.1	0.0	0.0
Sovereign bonds	102,009	121,612	124,419	13.8	15.8	17.4
Recognition bonds	5,109	4,249	3,831	0.7	0.6	0.5
<b>2. SHORT TERM</b>	<b>13,075</b>	<b>12,391</b>	<b>12,476</b>	<b>1.8</b>	<b>1.6</b>	<b>1.7</b>
Memo:						
Liabilities of Private-Public Partnerships 3/	3,278	2,768	2,490	0.4	0.4	0.3
FEPCs	270	-106	-548	0.0	0.0	-0.1
External debt from COFIDE and Mivivienda Fund	11,927	8,993	10,544	1.6	1.2	1.5
<b>Bond holdings</b>	<b>141,515</b>	<b>160,123</b>	<b>193,086</b>	<b>19.1</b>	<b>20.8</b>	<b>27.0</b>
Residents	61,789	66,300	65,912	8.3	8.6	9.2
Non-residents	79,726	93,823	127,174	10.8	12.2	17.8
<b>Sovereign bonds</b>	<b>102,009</b>	<b>121,612</b>	<b>124,419</b>	<b>13.8</b>	<b>15.8</b>	<b>17.4</b>
Residents	57,229	62,946	60,430	7.7	8.2	8.4
Non-residents	44,780	58,666	63,989	6.0	7.6	8.9
<b>Global bonds</b>	<b>39,506</b>	<b>38,512</b>	<b>68,667</b>	<b>5.3</b>	<b>5.0</b>	<b>9.6</b>
Residents	4,560	3,354	5,482	0.6	0.4	0.8
Non-residents	34,946	35,157	63,185	4.7	4.6	8.8

1/ Includes national government debt, subnational governments (regional and local) and non-financial public companies.

2/ Includes recognized debt with FONAVI, Law 29625.

3/ Projected. Nominal value of CRPAOs issued between May 2006 and March 2012, net of amortizations made.

Source: MEF, BCRP, Banco de la Nación, Ministry of Transport and Communications, ONP, COFIDE, Petroperú and FMV.

### 4.3 Net Debt

The net debt of the non-financial public sector –defined as the difference between financial liabilities or total public debt and financial assets (total deposits in the financial system and other financial assets)– increased from S/ 100,3 thousand million in 2019 to S/ 160,1 thousand million in 2020, representing 22.4 percent of GDP at the end of the 2020. This result is explained both by the increase in gross debt by 8.0 percentage points of GDP, as well as by the reduction of financial assets by 1.3 percentage points of GDP mainly as a result of the use of deposits.

**Table 57**  
**NET DEBT OF THE NON-FINANCIAL PUBLIC SECTOR**

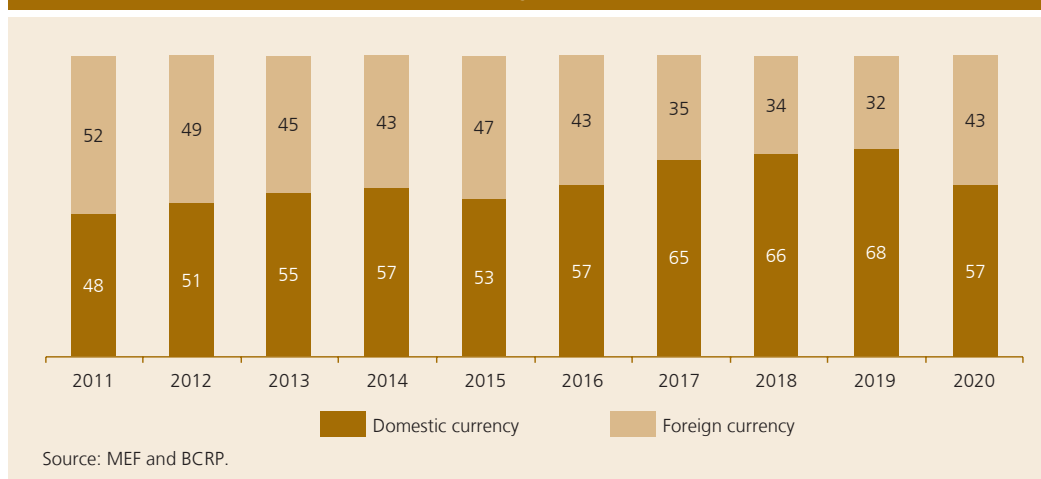
Year (December)	Million S/			% GDP		
	Assets	Liabilities	Debt net	Assets	Liabilities	Debt net
2011	65,824	101,737	35,914	14.0	21.6	7.6
2012	81,130	101,225	20,094	16.0	19.9	4.0
2013	90,041	105,087	15,046	16.5	19.2	2.8
2014	96,994	114,432	17,438	16.9	19.9	3.0
2015	109,033	142,241	33,208	17.9	23.4	5.5
2016	111,649	156,663	45,014	17.0	23.9	6.9
2017	107,407	173,976	66,569	15.4	24.9	9.5
2018	107,185	190,789	83,604	14.5	25.8	11.3
2019	106,019	206,301	100,282	13.8	26.8	13.0
2020	89,121	249,197	160,076	12.5	34.8	22.4

Source: MEF, BCRP, Banco de la Nación, Petroperú, ONP, EsSalud, ElectroPerú and FONAFE.

### 4.4 Debt by Currencies

The ratio of debt in foreign currency increased from 32 to 43 percent of total debt due to the issuance of global bonds and the disbursement of loans from international organizations, in addition to the effect of the depreciation of the sol.

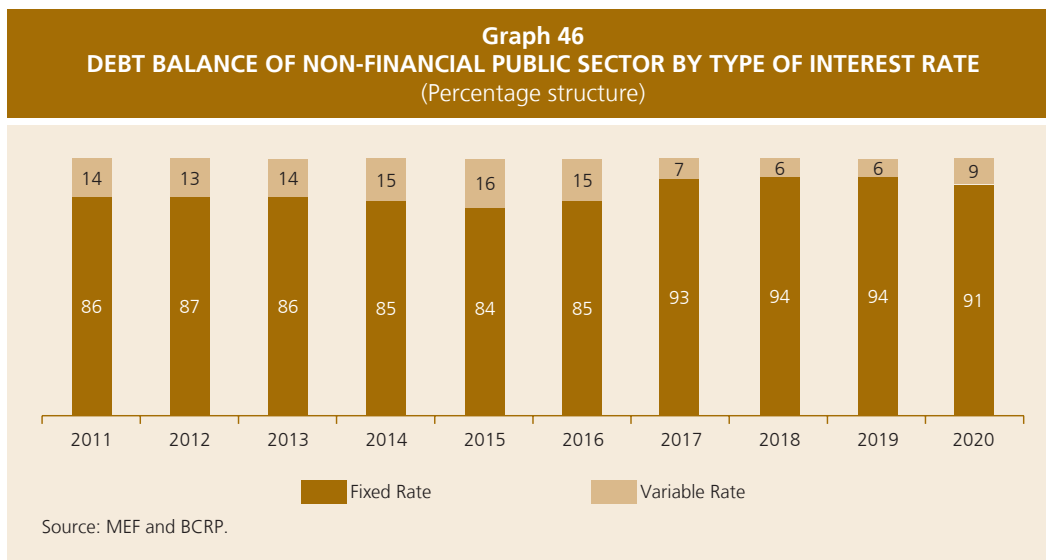
**Graph 45**  
**NON-FINANCIAL PUBLIC DEBT BALANCE BY CURRENCY**  
(Percentage structure)





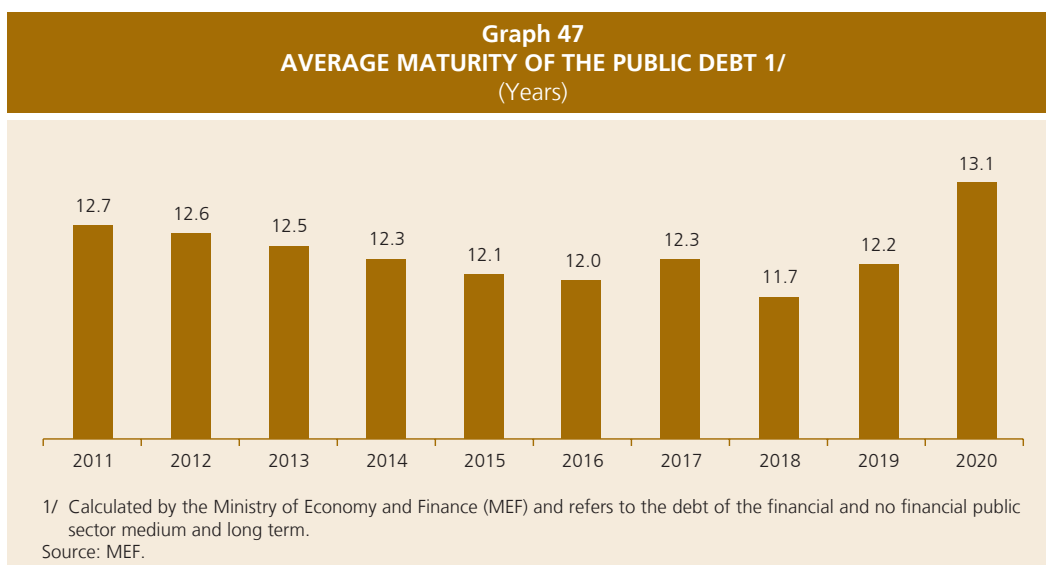
#### 4.5 Debt by Type of Interest Rates

At the end of 2020, the non-financial public sector fixed-rate debt represented 91 percent of the total debt, a lower ratio than in 2019 (94 percent). It is worth pointing out that the ratio of fixed-rate debt has increased by 5.2 percentage points over the last ten years.



#### 4.6 Average Life of the Debt

At the end of 2020, the average life of the medium- and long-term total public debt was 13.1 years, higher than at the end of 2019 (12.2 years). The average life of the domestic public debt was 11.6 years (1 year shorter than in 2019), while the average life of the external public debt was 14.7 years (3.2 years longer than in 2019).



**Box 2**  
**TAX MEASURES AGAINST COVID-19 IN 2020**

A series of extraordinary and temporary measures have been enacted to mitigate the effects of COVID-19 on economic agents' income since the state of health emergency started.

The tax measures adopted have revolved around four points: (i) the extension of the deadlines for tax obligations, (ii) increasing the availability of resources, (iii) deferral or fractionation of tax debts with SUNAT, and (iv) administrative facilities for the payment of obligations.

The first measures determined the automatic refund of income tax overpayments for individuals (fourth and fifth categories). In addition, SUNAT established a procedure for the early release of March tax withholdings (or *detracciones*) and made use of its discretionary power in order not to determine or sanction tax and customs violations incurred during the state of emergency. Additionally, it postponed the regularization of income tax for 2019 and the payment of tax obligations for February, extending the postponement to the tax payments corresponding to the months between March and August.

The postponed monthly obligations included payments on account of income tax, the VAT, the excise tax, as well as the cash disbursement or installments of the Temporary Tax on Net Assets (ITAN). A new schedule extended the deadline for the payment of obligations for Principal Taxpayers (PRICOS) for up to 3 months and for up to 4 months for non-PRICOS. This benefit was available for taxpayers with income below 5,000 tax payment units, while the regular payment schedule was maintained for the rest of taxpayers.

**SUMMARY OF TAX MEASURES 2020 - NATIONAL EMERGENCY**

MEASURES		Corresponding to period:	Extension:		
			Taxpayer type 1 /:		
			PRICOS	No PRICOS	
Extension of deadlines	Annual Return and Regularization of Income Tax (IR).	2019	3 months	4 months	
	New term final - Backlog of physical or electronic books and records. - Sending of the informative statements and communications of the System of Electronic Issuance. - Presentation of the Annual Declaration of Operations with Third Parties.	2019	45 days	4 months	
			3 months		
				45 days	
	Monthly declaration of obligations (IR, IGV, ISC and ITAN).	February	3 months	4 months	
		March and April	2 months	3 months	
		May and June	1 month	2 months	
		July and August	-	1 month	
	Declaration of the Electronic Payroll (PLAME).	February and march	1 month	2 months	
	Expiration of the fractionation payments.	March to June	Until July		
Maximum delay periods for the Sales and Income Registry and the Registry of Electronic Shopping.	January to June	Between 1 to 4 months	Between 2 to 6 months		
	July and August	-	1 month		
Annual payment of the right of validity of mines and / or penalty.	2020	Until September (3 months)			
Availability of resources	Automatic refund of payments in excess of income tax (4th and 5th category)	2019	-		
	Emergency procedure for the early release of withdrawals	March	-		
	Suspension or modification of payments on account of income tax of the 3rd category	April to July	-		
	Loss carry-over (up to 5 years) for the 3rd category income tax calculation	2020	1 year		
	Special Depreciation Regime for taxpayers of the General Regime with higher depreciation rates to encourage asset acquisition and renewal fixed of companies (tourism sector).	2020, 2021 and 2022	-		
Payment of tax debt	Discretionary power not to determine or sanction tax offenses. 2/	March 16 to June 30	-		
	New Default Interest Rates (TIM) in force in MN and ME.	From April 2020	-		
	New Deferral and / or Fractionation Regime (RAF). 3/	Debt to date	-		
Administrative facilities	Facilities to obtain the RUC and the SOL Code online.	-	-		
	Declaration and payment through the virtual platform Sunat Online operations	-	-		
	Creation of SUNAT Virtual Party Table	-	-		
	Electronic payment of taxes with valued documents	-	-		

1 / Taxpayers with net income less than 5,000 UIT in 2019.

2 / Measure was extended only to those regions with targeted quarantine.

3 / In September, the deadline for submitting requests for foster care to the new RAF was extended until December 2020.

Source: SUNAT.



## SCHEDULE OF MONTHLY TAX OBLIGATIONS

In charge of:	% collection	Payment month:					
		Jun.	Jul.	Aug.	Sep.	Oct.	Nov.
<b>NO PRICOS</b>	<b>27.1</b>						
< 2,300	17.5		Feb.-Mar.				
2,300 - 5,000	5.3		Mar.	Apr.-May	Jun.-Jul.	Aug.-Sep.	Oct.
> 5,000	4.3	May.	Jun.	Jul.	Aug.	Sep.	Oct.
<b>PRICOS</b>	<b>72.9</b>						
< 2,300	5.5	Feb.-Mar.					
2,300 - 5,000	1.7	Mar.	Apr.-May	Jun.-Jul.	Aug.	Sep.	Oct.
> 5,000	65.7	May.	Jun.	Jul.			

Note: The monthly obligations include the due dates for the declaration and cash payment of the Temporary Tax on Net Assets.  
Source: RS 096-2020 / SUNAT and RS 099-2020 / SUNAT.

On the other hand, the change of the coefficients for the calculation of payments on account of third category income tax was allowed. Businesses were able to reduce or suspend the payment of installments between April and July, if their net income had decreased in comparison to the same month of 2019. Furthermore, as from 2021, the loss carry forward period was extended to five years and higher depreciation rates were defined to encourage the acquisition and renewal of fixed assets of companies. A special depreciation regime was also established on an exceptional and temporary basis for taxpayers of the general or third category regime.

## SUSPENSION OR MODIFICATION OF PAYMENTS ON ACCOUNT OF INCOME TAX

Monthly net income (compared to the same month of 2019)	Payment on account of IR 3rd category
Decreased > 30%	Suspended
Decreased to 30%	Apply factor 0.5846
Not decreased	Not suspended or reduced

Source: Legislative Decree No. 1471.

In addition to the reduction of obligations, tax debt payment facilities were established and the moratorium interest rate (TIM) was reduced as from April. The deadline for payment of the installments corresponding to March to June was also extended. Subsequently, a new Fractioning or Deferral Regime (RAF) that allows deferring and fractioning tax debt for up to three years, with a reduced interest rate (40 percent of the current MIR), was created for individuals and legal entities in May. The deadline for submitting applications was extended until December 31, 2020.

## NEW REGIME OF POSTPONEMENT AND / OR FRACTIONATION (RAF)

<b>Aimed at:</b>	Persons and enterprises
<b>Items debt:</b>	<ul style="list-style-type: none"> <li>- Balances of deferrals and / or subdivisions of debt</li> <li>- Interest, updates and capitalized interest</li> <li>- ITAN</li> <li>- Payments on account of the IR (January to March 2020)</li> <li>- Tax and customs debt pending on the application date</li> </ul>
<b>Terms:</b>	Only postponement: 6 months Only fractionation: 36 months Up to 6 months of deferral and 30 months of fractionation
<b>Rate:</b>	40% Current Default Interest Rate (TIM = 1%)
<b>Presentation of guarantees:</b>	Only for excess debt > 120 UIT (\$ / 516 thousand)

Source: Legislative Decree No. 1487.

Finally, SUNAT established a series of administrative facilities that not only made it possible to obtain the RUC and Clave Sol through the Internet, but also to declare taxes and make tax payments using the virtual platform "SUNAT Operaciones en línea" as well as to speed up the processing of procedures and requests through SUNAT's Virtual Desk. In addition, the final deadline for filing physical or electronic books and records, informative declarations of the Electronic Issuance System and Annual Declaration of Operations with Third Parties corresponding to 2019 was postponed for up to four months. Likewise, the deadline for filing the Electronic Payroll, the Sales and Income Record, and the Electronic Purchases Record corresponding to the first months of 2020 was also extended.

## Box 3

### UNCONDITIONAL CASH TRANSFERS TO HOUSEHOLDS IN THE CONTEXT OF THE COVID-19 HEALTH EMERGENCY IN COUNTRIES IN THE AMERICAS

In the context of the current health crisis, it is relevant to contrast the measures of unconditional cash transfers provided to households in Chile, Colombia, Brazil, Argentina, Guatemala, Mexico City, the United States, and Peru. The comparison shows that the countries studied have focused their measures on the most vulnerable population in the context of the pandemic, but with different levels of coverage. Two approaches have been used for the identification of beneficiaries: the use of household records (including information on taxes or residential consumption of energy) or a self-selection process (families applying to the program). High diversity is observed in the amount of the subsidies delivered. In most cases, except for Peru and the United States, the design of interventions considered several cash transfers to beneficiary families as subsidy, which could have allowed for flexibility to adjust the policies.

The COVID-19 crisis occurred when the countries of the region reported heterogeneous fiscal deficits and public debt levels, some of which were substantially high and above 70 percent of GDP.

FISCAL INDICATORS, 2019 (% GDP)			
	Fiscal Déficit 1/	Public Debt	Pandemic transfers to households
Argentina 2/	-4.5	90.2	0.8
Brazil	-5.9	87.7	3.5
Chile	-2.7	28.2	2.2
Colombia	-2.5	52.3	0.8
USA	-5.7	108.2	2.1
Guatemala	-2.3	26.6	1.0
Mexico 3/	-2.3	53.3	0.0
Peru	-1.6	26.8	2.0

1/ General Government loans / credit.  
2/ Does not include the death benefit.  
3/ For transfers to households, only Mexico City is considered.  
Source: WEO and own calculations.

The unconditional cash transfer programs adopted in the framework of the health emergency by COVID-19 in Chile, Colombia, Brazil, Argentina, Guatemala, Mexico City, the United States, and Peru<sup>3</sup> are described in this box. The specific transfer programs are detailed in Table 1.

**By April 2020, all the countries and subnational governments in the region had already announced at least one family-support program** as a rapid response to the economic effects of the pandemic.

When analyzing response measures as of June 2020, Gentilini et al (2020) found that 131 of 195 countries with social protection interventions had adopted conditional or unconditional cash transfers, but only five countries had established universal transfers (targeted transfers were applied in the rest, as reflected in the sample of all the countries compared in this note).<sup>4</sup>

**The most effective country in implementing the program was the United States, which began payments within the first week of passing the stimulus law.** One of the main reasons explaining this is

3 The data refers to Mexico City and not to Mexico as a whole, because there is no transfer program at the federal level. Moreover, Mexico City has a high level of autonomy as a federal district.

4 Gentilini et al (2020) Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures.



that tax payment information was used to select beneficiaries in the U.S. and that its tax institution knew the addresses and the bank account numbers of those who qualified for the program.

In contrast, in the rest of cases, the organization and implementation of the programs took several weeks. In the other countries of the region, because of the large numbers of informal and independent workers, it was necessary to verify the eligibility of beneficiaries. This is partly the reason why several countries decided to allow families to apply for benefits, as it will be discussed below.

**TABLE 1: UNCONDITIONAL MONETARY TRANSFERS BY COUNTRY**

COUNTRY	SUBSIDY	DESCRIPTION	TOTAL COST
Chile	Emergency Bonus COVID-19	One-time transfer of US\$ 68 to vulnerable households and beneficiaries of certain social protection programs.	US\$ 5.5 billions (2.2% of GDP)
	Emergency Family Income	Up to six payments to vulnerable households with informal incomes or with older adults or people with disabilities (on average, more than US\$ 100 per capita per payment).	
	Middle Class Bonus	One-time transfer of up to \$ 682 to middle-income workers with a 30 percent drop in income or more.	
	COVID Christmas bonus	One-time transfer of US\$ 34 per person for households recipients of the sixth payment of the Emergency Family Income (US\$ 75 for homes in Quarantine communes in the last week of November).	
Colombia	Subsidies for regrowth (IFE COVID and COVID Bonus)	2 transfers of up to US\$ 135 per person for households in Quarantine (Phase 1), up to US\$ 55 for homes in Transition (Phase 2), and up to US\$ 34 for homes in Preparation or Opening (Phases 3 and 4).	US\$ 2.3 billions (0.8% of GDP)
	Solidarity Income	Fifteen payments of US\$ 45 to households living in poverty or vulnerability (nine in 2020).	
Brazil	Extraordinary Payment for Families in Action and Youth in Action	An additional extraordinary transfer to beneficiaries of both social programs of conditional transfers (US\$ 41 for Families, and US\$ 101 for Youth).	US\$ 66 billions (3.5% of GDP)
	Emergency aid	Five payments of US\$ 112 followed by up to four payments of US\$ 56 for low-income informal, self-employed or unemployed workers (maximum two per household).	
Argentina	Family Income of Emergency	Three payments of US\$ 114 to households with unemployed, workers informal workers, independent workers, domestic workers, or beneficiaries of certain social protection subsidies.	US\$ 2.1 billions (0.8% of GDP) (Without the subsidy by death)
	Containment allowance family	One-time transfer of US\$ 171 for households with the deceased by COVID-19 (for burial / cremation expenses).	
Peru	Universal Family Bonus 1 / and Universal Bonus	Two payments of US\$ 210 to households living in poverty, with independent workers, beneficiaries of Juntos, Pension 65 or Contigo, or without any formal dependent worker or worker high income.	US\$ 4.1 billions (2.0% of GDP)
	Complementary Bonus by Targeted Quarantine	1 payment of US\$ 165 to households in quarantined regions in poverty, with self-employed workers, beneficiaries of Juntos, Pension 65 or Contigo, or without any formal dependent worker or any high-income worker.	
Guatemala	Family Bonus	2 payments of US \$ 129 and 1 payment of US \$ 32 for households with electricity consumption below 200 kWh.	US\$ 773 millions (1.0% of GDP)
Mexico City	Support for working and unemployed people	2 payments of US \$ 74 for non-salaried and temporary workers, 2 payments of US\$ 74 for those who lost formal jobs, and 1 payment of US\$ 148 for independent, non-salaried, household or temporary employment.	US\$ 7.5 million (0.004% of Mexico's GDP)
USA	Economic Impact Payments	1 payment of US\$ 1,200 in 2020 and 1 payment of US\$ 600 in early 2021 for individuals with incomes of up to US\$ 99 thousand per year.	US\$ 447 billion (2.1% of GDP)

1/ Includes the following bonds: I stay at home, independent bond and rural bond.

Note: Own elaboration. The exchange rates for conversion to dollars correspond to February 3, 2021. The percentages over GDP should be seen as rough calculations.

The task was particularly more complicated in Peru and Guatemala, where household registries were outdated. For this reason, the decision in Peru was to develop a new household registry, whereas Guatemala preferred to approach vulnerable households based on a criterion of energy consumption.

### Targeting and Coverage

**In general terms, household support policies during the pandemic show that countries identified four groups of families for the design of their interventions according to the level of social protection they had prior to the crisis:**

- 1) Poor families who did not receive economic support from the government.
- 2) Non-poor families with informal income: the selected countries have a significant proportion of the population that works in the informal sector and is not affiliated to social programs or to the formal social protection network.
- 3) Beneficiaries of non-contributory social protection: families who have been receiving some type of economic support from the government due to their socioeconomic vulnerability (without any type of monetary compensation).
- 4) Beneficiaries of contributory social protection: formal workers whose contributions or employment situation guaranteed them the right to certain benefits in case of contingencies (e.g. unemployment insurance).

**The programs of unconditional cash transfers have mainly targeted the first three groups: poor families, informal workers and beneficiaries of government social programs. However, Chile, Argentina, Mexico City and the United States have also extended these programs to formal dependent workers.**

In Chile, the *Bono Clase Media* was part of a broader policy aimed to support the middle class. In Argentina, the aim was to benefit low-income formal workers (identified by their tax obligations). In Mexico City, the assistance also included formal workers who had lost their jobs, while in the United States, support was given to all individuals regardless of their type of employment, but based on an annual income ceiling determined.

In Brazil and Peru, the transfers also apply to formal self-employed workers, given that this group does not have the full social safety net of a formal dependent worker in these countries.

**Two available mechanisms were used to identify beneficiaries within these groups: (i) the preparation of rolls based on household information, and (ii) the self-selection of beneficiaries.**

The former consists of compiling a list of beneficiaries based on the data available to the government, which allows taking actions more quickly (no processing of applications is required), but requires an extensive and efficient information infrastructure. This was successfully achieved in the United States, for example, thanks to the extensive tax information on the country's workers.

On the other hand, the self-selection of beneficiaries refers to the process whereby those individuals who consider that they meet the program's requirements apply for the program benefits through established

procedures. This mechanism provides flexibility in identifying families affected by the crisis, but makes the delivery process slower, and may leave out families who need the subsidy and do not know how to access it.

Therefore, the strategy for countries that do not have a perfect information network is to include a group of automatic beneficiaries (identified through the household registry), and to incorporate the possibility for other families to apply. This has been the approach followed by Chile, Brazil, Argentina and Peru<sup>5</sup>.

However, the degree of combination of these approaches varies between countries. For example, in Brazil and Argentina, the automatic beneficiaries are basically the recipients of social programs. The bulk of beneficiaries in Peru, on the other hand, were established by means of a broad census, and the incorporation of applicants was carried out done through a temporary enrollment platform.

**There is wide variety in the levels of coverage achieved.** Peru has the most extensive coverage, serving 68 percent of its population, followed by Chile, where the sum of the beneficiaries of the three cash-transfers represents a priori a little more than two thirds of the population. However, given the overlap existing between the three transfers, effective coverage is much lower. On the other hand, cash-transfers in the rest of the countries have been more targeted and cover less than half of the population.

It goes without saying that a more focused coverage scheme is less costly or that it potentially allows the most vulnerable families to be served with larger amounts, whereas a more extensive coverage scheme increases the social viability of the transfers by leaving fewer people excluded and does not require so many targeting efforts that could hinder the process.

### Payment Design

**Of the sample of countries studied, only Chile, Peru, and the United States did not consider, from the initial design of their policies, providing a sequence of cash transfers. However, Chile later implemented a multi-payment program (the Emergency Family Income), which proved to be flexible in adjusting payments and coverage.**

Chile went from giving families a first COVID-19 emergency cash-transfer, which involved a single payment (the Emergency Family Income), to designing a monthly subsidy to households. The amounts, requirements and level of coverage were modified in the process, and the months of payment were eventually extended due to the economic situation and the related political demands.

In Peru, on the other hand, once the delivery of the first four transfers was completed (with a single *bono* per family), the government decided to create a new cash-transfer called *Bono Universal* which is, in essence, a second cash-transfer of the first four deliveries. This approach has ended up being slow. This second payment was announced in July 2020, approved on August 20, and only started to be paid on October 10, 2020.

<sup>5</sup> In Colombia, it is not possible to apply for the subsidy (everything is determined by the corresponding competent authority).

TABLE 2: COMPARISON OF UNCONDITIONAL MONETARY TRANSFERS IN CHILE AND PERU

Name of Subsidy	Beneficiaries	Subsidy amount in each delivery	Subsidy unit	No. of beneficiaries	Total cost	Periodicity	Targeting
COVID-19 Emergency Bonus	<ul style="list-style-type: none"> <li>Persons responsible for the Single Family Subsidy (SUP). In this case, a family burden payment is given</li> <li>Families of the Securities and Opportunities Subsystem that do not receive SJF. In this case, a subsidy is given per household</li> <li>Households of the 60% most vulnerable, according to the Social Registry of Households (RSH); without formal income from work or pension, and without benefits such as Assignment Family. In this case, an allowance is given per household.</li> </ul> <p>* In case the person belongs to more than one group, the bonuses do not add up.</p>	CLP 50 thousand (US\$ 68 or 1.2 basic food baskets)	Transfer to household or household member (depending on classification)	1.6 million households (out of a total of 5.7 million households)	US\$ 170 million (0.1% of GDP of 2019)	1 single payment	Based on performance data social and RSH. I don't know apply to the program.
COVID-19 Emergency Family Income (IFE)	<ul style="list-style-type: none"> <li>There are 3 groups of beneficiaries:</li> <li>Group 1: Households that all members of legal age have no formal income.</li> <li>Group 2: Households with members of legal age with mainly informal income, and where their formal income does not exceed the contribution they would receive if they were in Group 1.</li> <li>Group 3: Households where at least 1 of its members: (i) is 65 years of age or older and receives the Basic Old Age Solidarity Pension (PBSV); (ii) is a beneficiary of the Basic-Solidarity Pension for Disability; or (iii) is a beneficiary of the Solidarity Pension Contribution (provided that the total pension is less than what they would receive in the PBSV).</li> </ul> <p>All households must have a Social Registry of Households to receive benefits.</p>	<ul style="list-style-type: none"> <li>Up to six monthly payments, reducing the amount of the contribution to 80% the fourth month.</li> <li>Group 1: From the second contribution, they receive CLP 100 thousand (US\$ 136 or 2.3 basic food baskets) per person per month up to households with four members. From the fifth member, the amount per person decreases.</li> <li>Group 2: Monthly allowance to match their formal income with the amount they would receive if they were in Group 1.</li> <li>Group 3: CLP 100 thousand (US\$ 136 or 2.3 basic food baskets) for people with the mentioned characteristics.</li> <li>Group 1 will receive a fifth and sixth contribution of CLP 70 and 55 thousand (US\$ 96 and 75).</li> </ul>	Transfer home adjusting for number of members	<ul style="list-style-type: none"> <li>About 8.3 million people (out of a total of 18.7 million)</li> <li>** The estimate is made from data from the Comptroller of Chile</li> </ul>	About US\$ 4.5 billion (1.6% of GDP)	4 monthly payment between June and September	Database Social Registry Households (for most of the households the benefit is automatic). I know how homes can apply in a special platform of the IFE.
Chile Middle Class Bonus	<ul style="list-style-type: none"> <li>Formal dependent workers and individual entrepreneurs who have had a monthly income greater than CLP (Chilean peso) 400 thousand (US\$ 546) and less than CLP 2 million (US\$ 2,730) during 2019 and who register a monthly income drop of 30% or more when requesting the benefit.</li> <li>Formal dependent workers must also: (i) be covered by unemployment insurance, (ii) have agreed to reduce their working hours or pay with their employer, or (iii) currently unemployed.</li> </ul>	<ul style="list-style-type: none"> <li>CLP 500 thousand (US\$ 682 or 11.7 basic food baskets)</li> <li>* For workers with monthly income between CLP 1.5 and 2 million, the amounts are decreasing.</li> <li>** If the worker received the Emergency Family Income, the amount of this subsidy is deducted from the payment of the Middle Class Bonus.</li> </ul>	Transfer to the individual	1 million people (out of a total of 18.7 million people)	US\$ 500 million (0.2% of GDP)	1 single payment	The potentials beneficiaries request the subsidy through Tax Service Interns and the system perform a verification of the subsidy amount that corresponds.
COVID-19 Christmas Bonus	Families that received the sixth payment of Emergency Family Income	<ul style="list-style-type: none"> <li>Up to CLP 25 thousand for each member of the household (US\$ 34).</li> <li>* The amount rises to CLP 55 thousand (US\$ 75) per person if the family lives in a commune that was in Quarantine during the last week of November 2020 (November 24 to 30).</li> <li>** The bonus could only be collected until December 31</li> </ul>	Transfer home adjusting for number of members	<ul style="list-style-type: none"> <li>Around 3.4 million households (8.3 million people)</li> </ul>	US\$ 300 million (0.1% of GDP)	1 single payment	According to the standard of Family Income of emergency. Not you can apply to bond.
Regrowth subsidies	<ul style="list-style-type: none"> <li>IFE COVID Quarantine: Families of communes that have been in Quarantine for more than 2 weeks (Phase 1 of the health situation, the most extreme).</li> <li>IFE COVID Transition: Families of communes that have been in Transition for at least 14 days (Phase 2 of the health situation).</li> <li>COVID Preparation and Opening Bonus: Families of communes that have spent at least 14 days in Preparation or Opening (Phase 3 and 4, respectively).</li> </ul> <p>In all three cases, families must have at least one member who received the sixth payment from the IFE, or have a single family subsidy or user of the Security and Opportunities System as long as the household reports income below the IFE threshold and is within the 60% most vulnerable.</p> <p>** COVID IFE are understood as a seventh payment of the original IFE, but focused.</p>	<ul style="list-style-type: none"> <li>Up to CLP 100,000 (US\$ 136) per person in the household for communes in quarantine from 28 days to more, and up to CLP 80,000 (US\$ 109) per person for quarantines between 14 and 27 days.</li> <li>3) Up to CLP 40 thousand per person in the household (US\$ 55).</li> <li>4) Up to CLP 25 thousand per person in the household (US\$ 34).</li> </ul> <p>There are two payments for households, but in each one the situation of the commune is previously evaluated the month before applying. The first payment was made in January and considers the period November 27 - December 31 to evaluate the phase of the commune. The second payment will be made in February and considers the period 28 of December - January 31 to evaluate the phase of the commune.</p> <ul style="list-style-type: none"> <li>* In all three cases, the amount decreases from families of 5 to more, and there is a ceiling for households of 10 people to more.</li> </ul>	Transfer home adjusting for number of members	<ul style="list-style-type: none"> <li>1) 378 508 households, equivalent to 908 thousand people</li> <li>2) 2 437 545 people</li> <li>3) 453 628 households equivalent to 1.4 million people</li> </ul>	US\$ 470 million (0.2% of GDP)	2 payments	Homes that quality should request your payment through a platform Government.
Universal Family Bonus (includes the "stay at home" bonus and Universal Independent Bonus)	<ul style="list-style-type: none"> <li>Households living in poverty according to SISFOH in urban areas of sanitary emergency (2.7 million from the "1 stay at home" Bonus) and in rural areas (980 thousand from the Rural Bonus)</li> <li>Households with at least 1 independent worker and no formal dependent worker in a vulnerable situation (780 thousand households from the Independent Bonus)</li> <li>Households that are beneficiaries of social programs: JUNTOS, "Pension 65" or "Contigo" (in the Universal Family Bonus a transfer is contemplated for 743 thousand households of these characteristics)</li> <li>Households without a formal dependent worker or with a worker with a monthly income above 5/3 000 (US\$ 827).</li> </ul> <p>The "Universal Bond" is in practice a second payment of the previous bonds (in theory it includes more households, but with the same characteristics).</p>	<ul style="list-style-type: none"> <li>PEN 760 (US\$ 210, or the equivalent of 4.2 basic food baskets)</li> <li>* Register National Household identifies 12.5 million homes.</li> </ul>	Transfer to home	<ul style="list-style-type: none"> <li>8.5 million households (68% of homes in Peru)</li> <li>* Register National Household identifies 12.5 million homes.</li> </ul>	<ul style="list-style-type: none"> <li>PEN 12.8 billion (US\$ 3.5 billion or 1.7% of the GDP of 2019)</li> </ul>	2 payments	According to the Registry National Households A first was enabled inquiry line for serve families not considered, and then it was established a platform temporary in may to register (already the postulation).
Targeted Quarantine Bonus	<ul style="list-style-type: none"> <li>Households in poverty according to SISFOH in urban areas of sanitary emergency (2.7 million from the "1 stay at home" Bonus) and in rural areas (980 thousand from the Rural Bonus).</li> <li>Households with at least 1 independent worker and no formal dependent worker in a vulnerable situation (780 thousand households from the Independent Bonus)</li> <li>Households that are beneficiaries of social programs: JUNTOS, "Pension 65" or "Contigo" (in the Universal Family Bonus a transfer is contemplated for 743 thousand households of these characteristics).</li> <li>Households without a formal dependent worker or with a worker with a monthly income above 5/3 000 (US\$ 827).</li> </ul> <p>Homes must be at an extreme health alert level between January 31 and February 14.</p>	<ul style="list-style-type: none"> <li>PEN 600 (US\$ 165, or the equivalent of 3.3 basic food baskets)</li> </ul>	Transfer to home	<ul style="list-style-type: none"> <li>4.2 million homes (34% of households in Peru)</li> </ul>	<ul style="list-style-type: none"> <li>PEN 2.5 billion (US\$ 662 million or 0.3% of GDP of 2019)</li> </ul>	1 single payment	According to the Registry National Households. I don't know about this bonus postulates.

Note: The calculations are made with the exchange rates of February 3, 2021. For the calculations, the GDP of Chile is US\$ 282 billion (data from the World Bank), and that of Peru, to PEN 770 billion (BCRP data) in 2019.

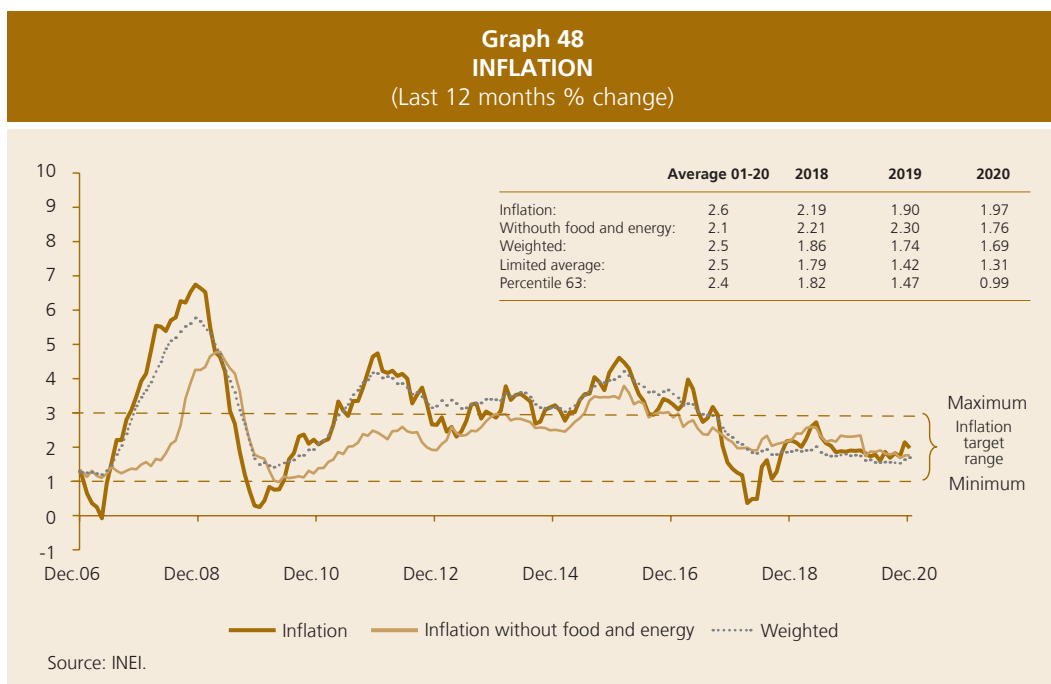


Toads, ceramics, Vicús Culture.  
*Domingo Seminario Collection.*

# INFLATION IV

In December 2020, annual inflation –measured by the percentage change in the consumer price index (CPI) of Metropolitan Lima– recorded 1.97 percent year-on-year (1.90 percent in 2019), a level in the center of the BCRP inflation target range (1 - 3 percent). At the national level, the change in the CPI was 2.15 percent (1.88 percent in 2019). Even though the health crisis caused by the pandemic led economic activity to be below its potential and generated pressures for a decline in prices, there were also other elements that contributed to a rise in inflation, such as higher costs derived from sanitary measures, the lower supply of some food products, and the increase in the exchange rate.

In line with a level of activity below its potential, the statistical measures of trend inflation showed rates between 1.0 and 1.8 percent; that is, rates in the lower part of the target range. Inflation excluding food and energy was 1.76 percent, lower than in 2019 (2.30 percent), whereas the variation of food and energy prices, on the other hand, reached 2.22 percent, a higher level than in 2019 (1.43 percent).



**Table 58**  
**TREND INDICATORS OF INFLATION**  
(12 months % change)

	CPI	Re-weighted 1/	Bounded mean 2/	Percentile 63 3/	CPI without food and energy 4/
<b>2001-2020</b>					
Average % change	2.56	2.47	2.52	2.45	2.13
Standard deviation	0.30	0.14	0.12	0.13	0.23
Dec.17	1.36	2.28	2.01	1.79	2.15
Dec.18	2.19	1.87	1.79	1.82	2.21
Dec.19	1.90	1.74	1.42	1.47	2.30
Jan.20	1.89	1.76	1.33	1.31	2.31
Feb.20	1.90	1.74	1.28	1.29	2.34
Mar.20	1.82	1.61	1.30	1.25	1.73
Apr.20	1.72	1.62	1.37	1.17	1.87
May.20	1.78	1.55	1.34	1.02	1.86
Jun.20	1.60	1.55	1.28	0.98	1.91
Jul.20	1.86	1.56	1.22	0.88	1.81
Ago.20	1.69	1.55	1.19	0.85	1.79
Sep.20	1.82	1.54	1.18	0.82	1.83
Oct.20	1.72	1.53	1.15	0.82	1.68
Nov.20	2.14	1.63	1.22	0.86	1.75
Dec.20	1.97	1.69	1.31	0.99	1.76

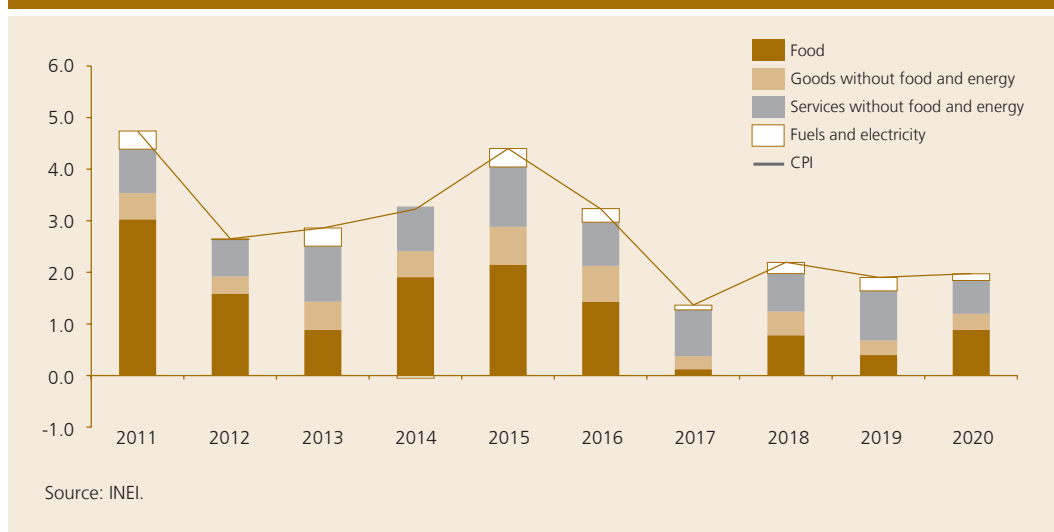
1/ Re-weighted: Reduces the weight of items with greater volatility, considers the original weights of each item between the standard deviation of their monthly percentage changes.

2/ Bounded mean: Weighted average of the percentage change of prices between the 34th and 84th percentiles.

3/ Percentile 63: Corresponds to the percentage changes of the item located in the 63th percentile

4/ CPI without food and energy: CPI excluding food, fuel and electricity.

**Graph 49**  
**CONTRIBUTIONS TO THE ANNUAL CPI VARIATION**  
(% points)



**Table 59**  
**INFLATION**  
(% change)

	Weight	2018	2019	2020	Average % chg. 2001-2020
<b>CPI</b>	<b>100.0</b>	<b>2.19</b>	<b>1.90</b>	<b>1.97</b>	<b>2.56</b>
<b>1. CPI excluding food and energy</b>	<b>56.4</b>	<b>2.21</b>	<b>2.30</b>	<b>1.76</b>	<b>2.13</b>
<b>a. Goods</b>	<b>21.7</b>	<b>2.25</b>	<b>1.39</b>	<b>1.52</b>	<b>1.81</b>
Textiles and footwear	5.5	0.92	0.23	0.07	1.95
Domestic appliances	1.3	1.32	0.34	-0.42	-0.30
Other industrial products	14.9	2.83	1.90	2.20	1.86
<i>Of which:</i>					
Medicinal products	2.1	1.09	1.68	5.53	2.62
<b>b. Services</b>	<b>34.8</b>	<b>2.19</b>	<b>2.86</b>	<b>1.91</b>	<b>2.37</b>
<i>Of which:</i>					
Education	9.1	4.73	5.22	1.98	4.03
Rent	2.4	1.27	0.74	0.50	0.54
Health	1.1	1.76	1.47	1.20	2.75
Transportation	8.9	1.09	2.15	2.47	2.42
Water consumption	1.6	0.00	5.01	3.03	4.40
<b>2. Food and energy</b>	<b>43.6</b>	<b>2.17</b>	<b>1.43</b>	<b>2.22</b>	<b>3.02</b>
<b>a. Food and beverages</b>	<b>37.8</b>	<b>1.95</b>	<b>1.00</b>	<b>2.24</b>	<b>3.03</b>
<i>Of which:</i>					
Chicken meat	3.0	-1.32	-7.27	6.63	1.87
Bread	1.9	0.94	0.92	0.25	3.17
Beef	1.2	2.16	2.60	9.73	3.31
Rice	1.9	-0.23	0.14	3.34	1.60
Sugar	0.5	-11.45	-7.00	16.41	1.77
Noodles	0.5	2.54	2.39	5.60	2.35
Oils	0.5	-2.10	-2.28	4.09	2.64
Potato	0.9	27.16	12.57	-18.73	3.05
Fresh and frozen fish	0.7	-5.95	-2.53	-0.08	2.55
Meals outside the home	11.7	2.19	1.69	1.00	3.40
<b>b. Fuels and electricity</b>	<b>5.7</b>	<b>3.67</b>	<b>4.32</b>	<b>2.13</b>	<b>2.82</b>
<b>Fuels</b>	<b>2.8</b>	<b>5.35</b>	<b>-0.39</b>	<b>-4.20</b>	<b>1.97</b>
Oil and lubricants	1.3	7.75	0.64	-11.16	1.28
Gas	1.4	3.28	-1.65	1.97	1.20
<b>Electricity</b>	<b>2.9</b>	<b>2.39</b>	<b>8.04</b>	<b>6.73</b>	<b>3.03</b>

Source: INEI.  
Elaboration: BCRP.

The increase in **food and energy prices** was mainly due to supply constraints for certain goods, as well as to the rise in the exchange rate. Foodstuffs showing a noteworthy rise included chicken meat, following a recovery in demand for poultry that was faster than the supply recorded in Lima, as well as beef and sugar. On the other hand, the prices of potatoes, tomatoes, and *ollucos* decreased.

**Fuel prices fell** mainly due to the lower international price of oil and gasoline, while **electricity rates** increased in accordance with the price adjustments authorized by Osinermin and the higher exchange rate pass-through effect in rate contracts.

The items that contributed more to the rise in inflation were electricity with 0.24 percentage points, education (tuition and fees) with 0.21 percentage points, urban fares with 0.20 percentage points, chicken meat with 0.17 percentage points, and away-from-home meals with 0.14 percentage points.



**Table 60**  
**ITEM WITH THE HIGHEST WEIGHTED CONTRIBUTION TO INFLATION: 2020**

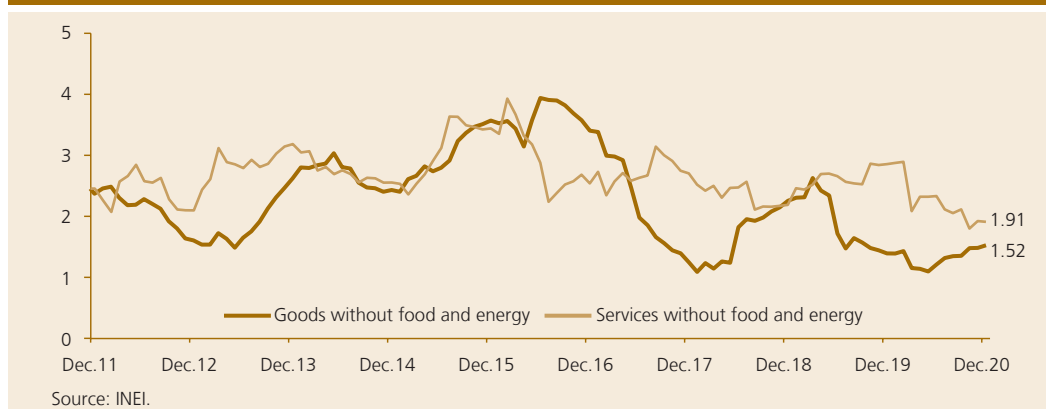
Positive	Weight	% chg.	Contribution	Positive	Weight	% chg.	Contribution
Electricity	2.9	6.7	0.24	Potato	0.9	-18.7	-0.20
Tuition and tuition fees	8.8	2.0	0.21	Gasoline and lubricants	1.3	-11.2	-0.14
Urban passage	8.5	2.5	0.20	Tomato	0.2	-11.4	-0.03
Chicken meat	3.0	6.6	0.17	Olluco and similar	0.1	-21.6	-0.02
Meals outside the home	11.7	1.0	0.14	Fresh vegetables	0.2	-6.5	-0.02
Beef	1.2	9.7	0.13	Internet service and others	0.8	-1.9	-0.01
Medicinal products	2.1	5.5	0.11	Airfare	0.4	-3.3	-0.01
Tickets to shows	1.7	6.9	0.11	Fluid refreshments	0.2	-2.1	0.00
Sugar	0.5	16.4	0.08	Pumpkin	0.1	-4.4	0.00
Banana	0.3	15.1	0.06	Avocado	0.1	-1.7	0.00
<b>Total</b>			<b>1.45</b>	<b>Total</b>			<b>-0.43</b>

Source: INEI.

## 1. Inflation excluding food and energy prices

Inflation excluding food and energy, an indicator reflecting trend inflation, was in the lower part of the target range. The prices of goods increased from 1.4 percent in 2019 to 1.5 percent in 2020, mainly due to the higher prices of medicinal products. The services component registered a slower pace of growth, falling from 2.9 percent in 2019 to 1.9 percent in 2020, influenced by the lower dynamism of education tuitions, which fell from 5.2 percent in 2019 to 2.0 percent in 2020.

**Graph 50**  
**CPI GOODS AND SERVICES WITHOUT FOOD AND ENERGY**  
(Percentage change last 12 months)



### Goods

In 2020, the prices of goods increased 1.5 percent, with the higher prices of medicines (5.5 percent), vehicles (3.3 percent), and cigarettes (9.5 percent) standing out.

The 5.5 percent increase in the price of **medical products** was due to higher demand in the context of the COVID-19 pandemic, the highest rate of increases being recorded between May and July, in line with the way in which the first wave of COVID-19 infections evolved in the country.

The **prices of vehicles** rose 3.3 percent, affected by the higher exchange rate.

**Cigarette prices** rose 9.5 percent mainly due to the 6.7 percent increase registered in February due to the update in the calculation of the excise tax, which led it to rise from S/. 0.27 to S/. 0.32 per unit.

### Services

The 1.9 percent growth in the price of services in 2020 reflected increases in education costs - tuition and fees (2.0 percent), urban fares (2.5 percent), entertainment tickets (6.9 percent), and water consumption rates (3.0 percent).

It should be said, however, that the inflation rate for **education (tuition and fees)** was lower than the average rate of the last 20 years. The increase registered at the beginning of the school year was lower than in other years as a result of the migration from face-to-face education to virtual classes due to the measures decreed by the Government to contain the spread of COVID-19.

**Urban fares** rose 2.5 percent, showing a similar increase to the average of the past two decades, but the highest in the last five years. The largest price increases occurred between March and May due to the measures implemented with the beginning of the state of emergency, among which the restriction on the use of private vehicles and the reduction in the capacity of public transportation stand out.

The prices under the heading **Entertainment tickets** showed a 6.9 percent increase, mainly due to higher cable television fees applied since January 2020.

The **water consumption** rate increased 3 percent between November and December 2020 due to the application of the automatic rate adjustment clause, which allows sanitation service providers to adjust their rates when the variation of the Wholesale Price Index (IPM), published by INEI, reaches 3 percent.

## 2. Food and Energy Prices

Food and energy prices, whose changes are mainly related to supply factors, increased by 2.2 percent in 2020 (1.4 percent in 2019). Food prices increased by 2.2 percent (1.0 percent in 2019), while energy prices rose by 2.1 percent (4.3 percent in 2019). In the energy sector, the price of electricity rose by 6.7 percent, while fuel prices fell by 4.2 percent.

### Food

Changes in food prices standing out in 2020 included the increases observed in the prices of chicken meat, beef, and sugar, as well as the decreases in the prices of potatoes, tomatoes, *ollucos*, and legumes.

**Chicken meat** recorded a price increase of 6.6 percent in 2020. The significant rise of 29 percent in July largely offset the decline in prices observed in previous months due to lower sales during the quarantine season. The reopening of restaurants in July reactivated demand in part, but the poultry industry's supply continued to be restricted and remained below the requirement for the year. Overall, supply in 2020 was affected by lower sales during the quarantine, higher production costs due to higher feed prices, and uncertainty regarding the recovery of the economy.

**Beef prices** rose 9.7 percent due to supply problems during the state of emergency. The quarantine not only made it difficult, but also more expensive to move cattle from the highlands to Lima, and frost in the high Andean areas increased cattle mortality. The price of beef was also affected by



the rise in the exchange rate, which increased the cost of imported inputs for fattening domestic cattle.

The price of **sugar** rose 16.4 percent, after having grown 33 percent in the first four months of the year due to the stoppage of sugar mills (due to maintenance) and the higher cost of imported sugar. In addition, with the declaration of the state of emergency and mandatory confinement, the demand for storable foodstuffs, such as sugar, increased. Confinement also affected the supply of some sugar mills given the lower supply of inputs for the production process due to marketing and transit difficulties.

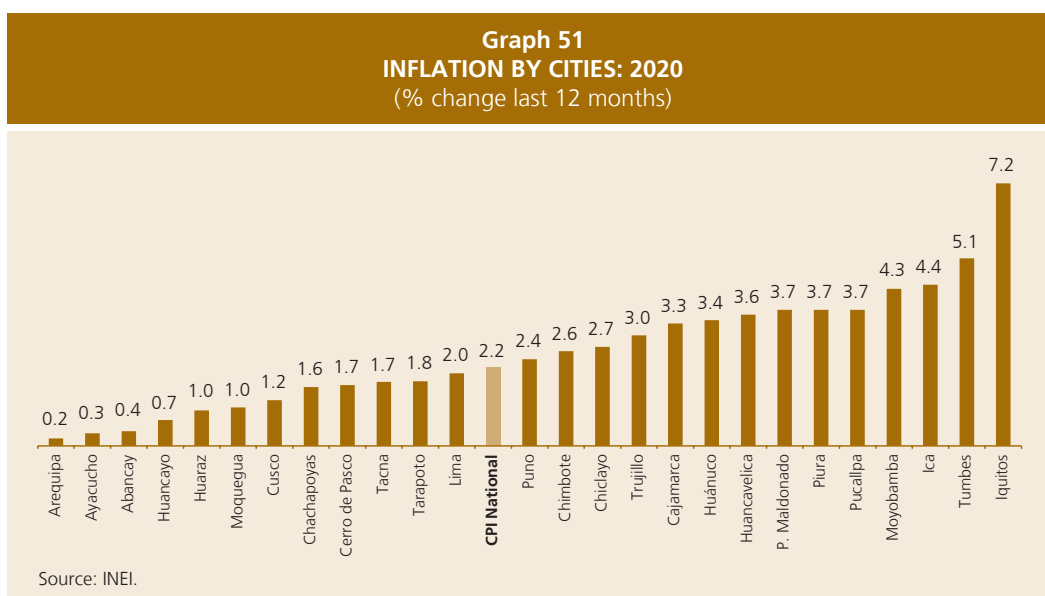
### Energy

**Electricity rates** increased by 6.7 percent in 2020, the largest adjustments occurring in November and July. The electricity generation price was updated as from June, in line with the quarterly settlement made by the regulator to compensate the differences in the contracts between electricity generation and distribution companies. A series of parameters included in the distribution component, such as the Fondo de Compensación Social Eléctrica (FOSE), were also adjusted in June. The increases in the following months were associated with increases in the transmission component due to the collection of tolls for some lines, as well as to the updating of charges to ensure the continuity of the electricity service. Moreover, half of the adjustments reflected increases in the exchange rate.

On the other hand, the prices of **gasoline and lubricants** recorded a drop of 11.2 percent. Ex-plant prices at local refineries declined, albeit with lags, in line with the drop in oil prices in the international market. Price variations were also related to the decline in the international price of gasoline in the U.S. Gulf Coast, in line with the import parity price.

### 3. Domestic Inflation

Increasing from a rate of 1.9 percent in 2019, domestic inflation recorded a year-on-year rate of 2.2 percent in 2020. On the other hand, inflation excluding food and energy prices at the country level was 2.2 percent, the same rate as that recorded in 2019.

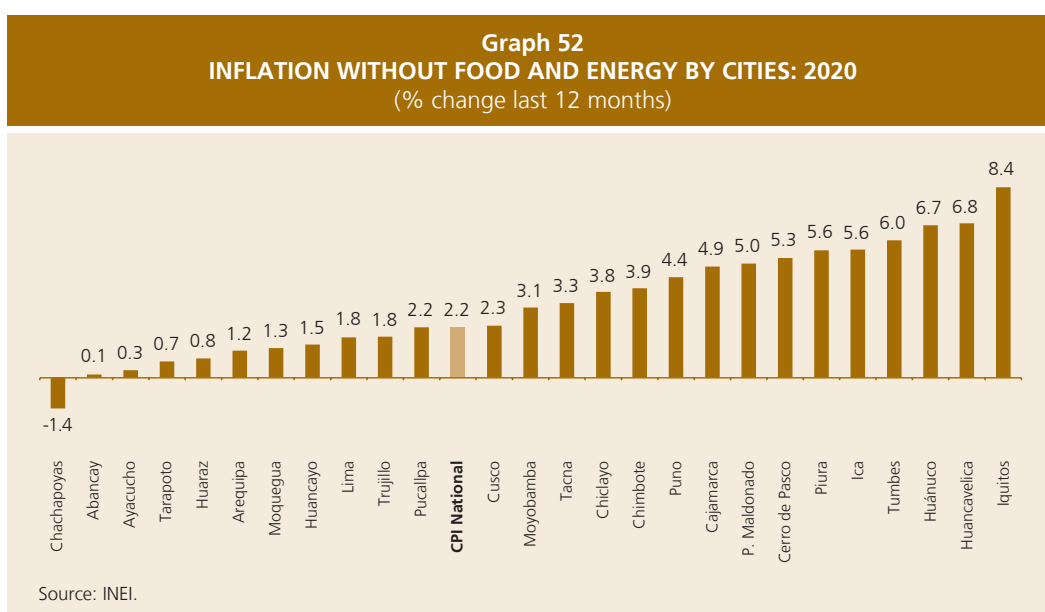


Domestic inflation is calculated as the average inflation rate of the 26 major cities in the country. In 2020, 14 cities showed higher inflation rates than Lima, while 11 cities showed lower rates.

The cities with higher inflation rates in 2020 were Iquitos (7.2 percent), Tumbes (5.1 percent), Ica (4.4 percent), and Moyobamba (4.3 percent).

Urban fares and away-from-home meals were the items with the highest contribution to inflation in these four cities. In addition, the increase in chicken meat prices also contributed to the increase in the CPI in Iquitos and Tumbes.

Moreover, in the case of inflation without food and energy, eight cities showed a lower price variation than Lima, while 17 cities showed a higher variation.



Iquitos, Huancavelica, Huánuco, and Tumbes were the cities with the higher rates of non-food and energy inflation, with urban fares, education (tuition and fees), and medicinal products being the items that contributed most to this indicator.



Warrior, ceramic work, Vicús Culture.  
*Domingo Seminario Collection.*

# LIQUIDITY AND CREDIT

## **1. Monetary Policy**

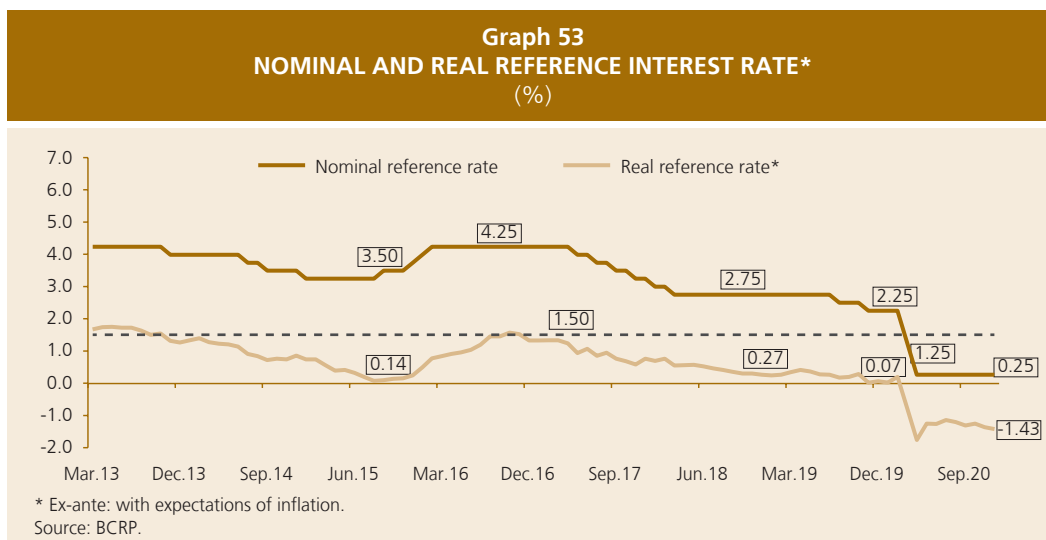
Before the pandemic started, the monetary policy interest rate stood at 2.25 percent. Since the national state of emergency was declared in the country to contain the spread of the virus, BCRP took monetary and financial measures to support the proper functioning of markets, prevent the disruption of the flow of payments in the economy, and support the recovery of economic activity.

The BCRP measures focused on reducing the cost of financing, providing liquidity to the financial system, and reducing volatility in long-term interest rates and in the exchange rate.

In a context of a sharp contraction in domestic demand and an international environment of global recession, BCRP applied an unprecedented expansionary monetary policy and reduced the benchmark rate to its historic low of 0.25 percent. Given the size of the shock and its imminent effects on the economy, it amplified monetary impulse through additional quantitative monetary policy measures.

### **BCRP Monetary Policy Actions**

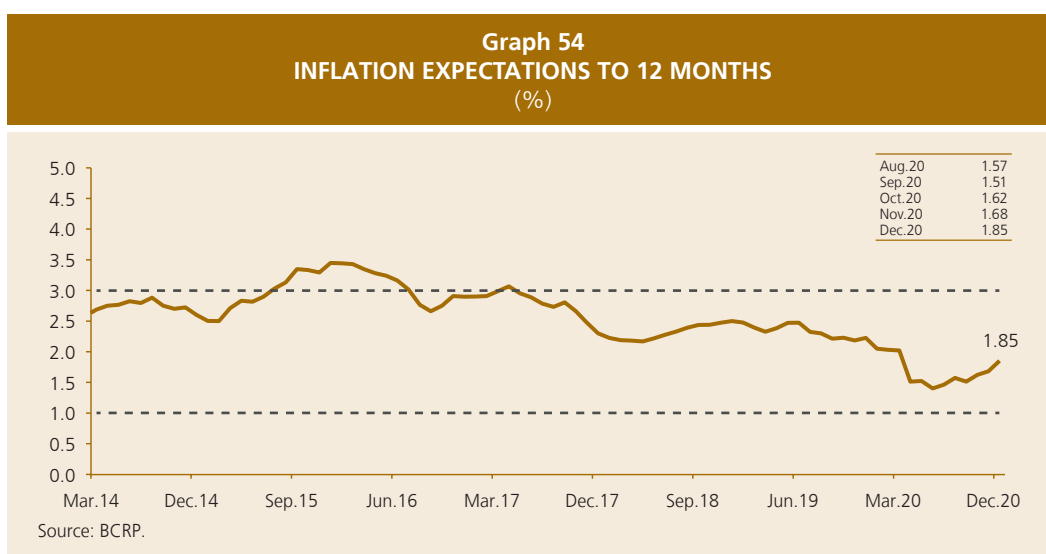
With the beginning of the mandatory confinement period, the BCRP Board of Directors decided to lower the monetary policy interest rate by 200 basis points between March 19 and April 9, reducing it from 2.25 percent to 0.25 percent, its historic minimum level.



The decisions of lowering the benchmark interest rate and maintaining monetary stimulus during 2020 were based on the following indicators:

- i. Annual inflation projections lie within the target range (1 - 3 percent), although with a tendency to be in the lower part of this range over the forecast horizon due to the weakness of domestic demand.
- ii. Inflation expectations and trend indicators are at the lower part of the inflation target range.
- iii. Economic activity was severely affected by simultaneous aggregate supply and demand shocks between March and April 2020. A recovery began thereafter, as reflected by leading indicators of activity and in line with indicators of business expectations.
- iv. Global economic activity, which contracted materially at the onset of the pandemic, showed a recovery in the following months, although without reaching pre-pandemic levels.

Although 12-month inflation expectations continued to be anchored within the target range and remained in the lower part of the target range for most of the year, economic agents' perception of deflationary pressures associated with weak domestic demand persist.



In terms of communication, after lowering the policy rate to 0.25 percent in April where it has remained, the Board of Directors of BCRP emphasized in its policy statements that “It considers it appropriate to maintain a strongly expansionary monetary stance for a prolonged period and while the negative effects of the pandemic on inflation and its determinants persist”. In this way, the BCRP Board gave guidance on the future monetary policy stance, providing more information to the market for the formation of expectations. The Board also said that “the Central Bank is attentive to expanding the monetary stimulus under different modalities”.

The reduction of the monetary policy interest rate was accompanied by an extension of the amounts and maturities (up to 3 years) of security and currency repos with the aim of reducing interest rates along the yield curve as well.

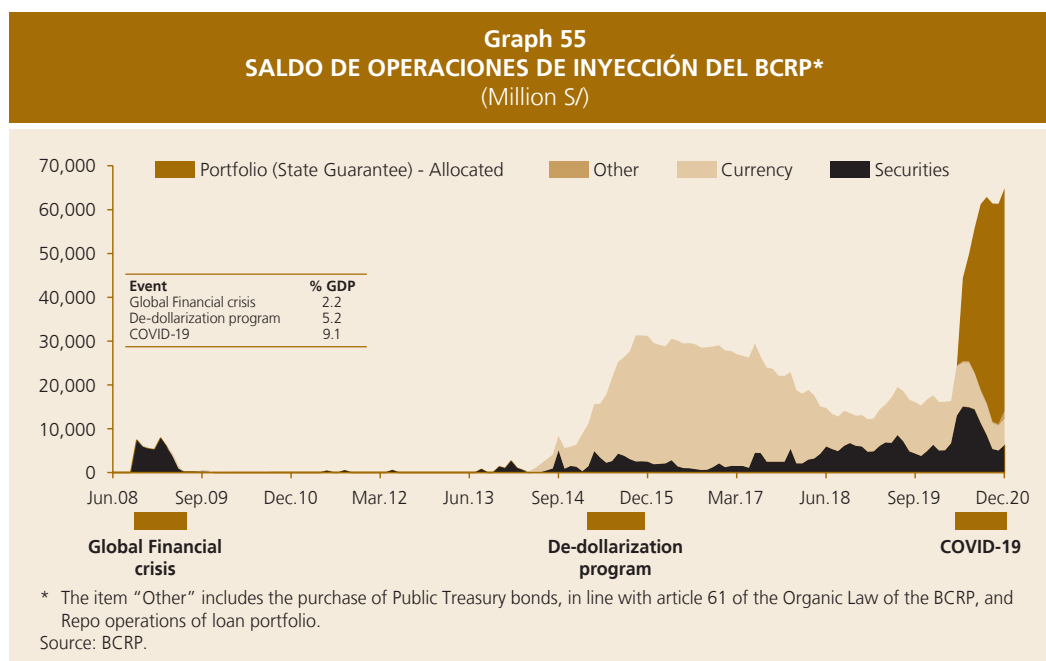
Between March and December 2020, the BCRP took the actions required to sustain the payments system and the flow of credit in the economy. The balance of liquidity injection operations reached record historic levels, increasing from S/ 14.8 billion at the end of February to S/ 64.8 billion (9.1 percent of GDP) on December 31, 2020. Moreover, S/ 50.7 billion of the latter amount corresponds to Government guaranteed-credit repos operations with banks. It is worth mentioning that the total balance of liquidity injection repo operations (S/ 64.8 billion) is 8 times higher than the maximum balance of these operations during the 2008-2009 international financial crisis (S/ 7.9 billion) and 2 times the balance obtained during the period of falling commodity prices (2013-2016) and the de-dollarization program (S/ 31.8 billion).

**Table 61**  
**BALANCE OF INJECTION OPERATIONS OF BCRP**  
(Million S/)

Episode	Date	Values	Currency (Regular)	Currency (Expansion)	Currency (Substitution)	Portfolio (General and alternative)	Other*	Total
Financial crisis 2008-2009	Oct-08	7,383	300	0	0	0	0	7,683
	Nov-08	5,959	30	0	0	0	0	5,989
	Dec-08	5,412	0	0	0	0	0	5,412
	Jan-09	5,239	0	0	0	0	0	5,239
	Feb-09	7,877	0	0	0	0	0	7,877
De-dollarization program	Mar-09	5,989	735	0	0	0	0	6,724
	Dec-14	1,300	8,600	0	0	0	0	9,900
	Mar-15	4,900	8,600	2,200	1,500	0	0	17,200
	Jun-15	2,631	11,500	5,100	4,305	0	0	23,536
	Sep-15	3,034	16,050	7,900	4,805	0	0	31,789
COVID-19 crisis	Dec-15	2,500	14,900	7,900	4,805	0	0	30,105
	Feb-20	5,100	9,650	0	0	0	0	14,750
	Mar-20	6,675	11,150	0	0	0	0	17,825
	Apr-20	13,015	10,030	0	0	0	250	23,295
	May-20	15,060	10,145	0	0	19,017	260	44,482
	Jun-20	14,947	8,095	0	0	24,338	260	47,640
	Jul-20	14,452	7,195	0	0	33,090	154	54,891
	Aug-20	11,379	6,895	0	0	42,363	250	60,886
Sep-20	8,604	5,895	0	0	47,002	304	61,805	
Oct-20	5,359	5,695	0	0	49,798	295	61,146	
Nov-20	5,059	5,970	0	0	50,246	269	61,543	
Dec-20	6,309	5,970	0	0	50,729	1,785	64,793	

\* The item “Other” includes the purchase of Public Treasury bonds, in line with article 61 of the Organic Law of the BCRP, and Repo operations of loan portfolio.  
Source: BCRP.





Moreover, in order to provide additional liquidity facilities, the Board of BCRP eliminated the limit for financial institutions to carry out direct repo transactions at the window rate (a maximum of 10 direct repo transactions in a 12-month interval) on March 19.

The following is a description of all the measures designed and implemented by the BCRP during 2020 in the context of the crisis associated with the COVID-19 pandemic, as described in the circulars.

#### **Ratios of additional reserve requirements in local currency associated with sales of derivative instruments (Circular 008-2020-BCRP dated March 14, 2020)**

To limit volatility in the foreign exchange market, BCRP increased the ratios of additional reserve requirement in soles associated with the sales of derivative instruments (forwards and swaps). The reserve requirement rate is increased when:

- (i) Weekly sale transactions of foreign exchange derivatives exceed US\$ 675 million (previously US\$ 575 million).
- (ii) The balance of sales of foreign exchange derivatives exceeds the greatest of the following three figures: 135 percent (previously 115 percent) of the effective net worth at December 31, 2014, the average daily balance of sales of foreign exchange derivatives in December 2014, or US\$ 1,170 million (previously US\$ 1 billion).

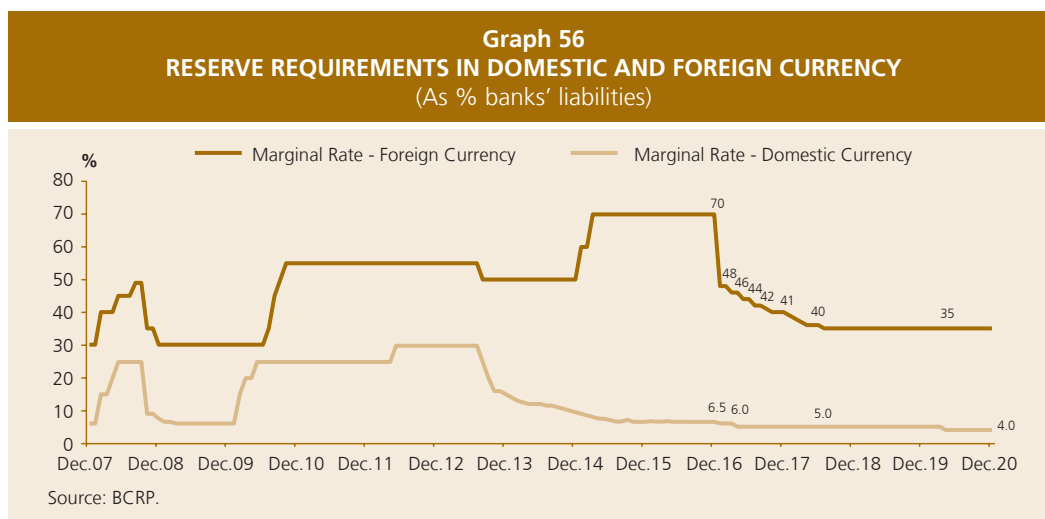
#### **Reserve requirements in domestic currency and in foreign currency (Circulars 010-2020-BCRP and 011-2020-BCRP dated March 31, 2020, and Circular 034-2020-BCRP dated December 19, 2020).**

In order to release loanable funds held in the reserve requirement current account of banks and thus contribute to ease financial conditions, BCRP amended the following dispositions, effective as from the April reserve requirement period:

- a. Reduction of the minimum legal reserve in soles from 5 to 4 percent.
- b. Reduction of the minimum current account requirement in soles from 1.0 to 0.75 percent of total obligations or deposits subject to reserve requirements.
- c. Reduction of the reserve requirement rate for obligations in foreign currency with average terms of 2 years or less with foreign financial entities from 50 to 9 percent.

- d. Suspension of the additional reserve requirement for foreign currency loans for the remainder of 2020. This suspension was extended until April 2021 in December 2020.

With these measures, the equivalent of S/ 2 billion was released to all financial institutions, with the reduction of the rate of reserve requirement in local currency accounting for S/ 1,125 million of this total.



**Repos of credit portfolio represented by securities (Circular 014-2020-BCRP dated April 3, 2020 and Circular 033-2020-BCRP dated December 19, 2020).**

The instrument was created by BCRP in April 2009 in a context of international financial crisis, but did not become operational until 2020. Through this injection mechanism, financial institutions receive liquidity from BCRP using a portion of their loan portfolio as a counterpart. At the end of December, the balance of these operations amounted to S/ 260 million. This instrument was used for the first time in April 2020. At the beginning of that month, the set of guarantees and collateral to carry out these operations was extended:

- Expansion of the collaterals for portfolio repos, including invoices discounted by financial institutions (factoring).
- Modification of the minimum risk rating required for financial entities to be able to participate in the alternative scheme of repo transactions with "A" to "B+" rated securities.
- Reduction of the minimum credit amount that financial entities may use as collateral in portfolio repo operations in the alternative scheme (Circular 014-2020-BCRP) from S/ 500,000 to S/ 300,000.

**Security repos in exchange for domestic currency (Circular 016-2020-BCRP dated April 13, 2020)**

Sovereign bonds were included as assets that may be used to carry out repo transactions with private pension funds. Previously, repo transactions could only be carried out with CDBCRP (Circular 019-2019-BCRP dated August 28, 2019). This allowed carrying out securities repo transactions with AFPs, which were placed at three-month maturity terms mainly. The purpose of these operations was to avoid upward pressures on interest rates in the bond market and on the exchange rate as a result of possible disorderly sales of these securities to pay withdrawals. In fact, the hasty offering of sovereign bonds would have resulted in a lower bond price, to the detriment of economic recovery (as this

would raise the interest rate) and the value of the members' funds. In this context, repos of pension funds for a total of S/ 4.9 billion were carried out for the first withdrawal (May 2020), while repos for a total of S/ 1.25 billion were carried out for the second withdrawal (November 2020). These operations currently show a zero balance.

### **Repos of Government-guaranteed loans represented by securities (Circular 017-2020-BCRP dated April 14, 2020).**

Amid the sharp contraction of activity following the quarantine and the serious risk of heading towards economic depression –a deep persistent recession–, a scheme of guaranteed-credit repos was implemented under the Reactiva Perú program. The aim of the new liquidity injection instrument created for this was to support the replacement of companies' working capital and ensure in this way the functioning of the credit market while preventing disruptions in the flow of payments in the economy. The program initially placed S/ 30 billion (first phase), increasing the amount to S/ 60 billion thereafter (second phase) because of the extension of the lockdown and confinement period.

Under this mechanism, BCRP charges financial institutions an interest rate of 0.5 percent per annum for principal and interest for the resources granted for 3 years, with a grace period of 1 year. The funds were allocated through auctions to the financial institutions that offered the lowest interest rates to their clients. The auctions in the first phase were held between April 23 and June 11, and were then resumed on June 30 once the start of the second tranche had been approved and the program's operating regulations had been modified<sup>6</sup>. The fifty sessions of auctions of the Reactiva Perú program ended on October 20 with a total of S/ 55.3 billion having been awarded at an average interest rate of 1.40 percent. The number of companies benefited exceeded 500 thousand and credit disbursements continued until December. At the end of 2020, the balance of repos transactions under this program totaled S/ 50.7 billion. It should be pointed out that the maximum balance reached in the liquidation of these repo operations was over S/ 52 billion and that subsequently, the year-end balance (S/ 50.7 billion) included the amortizations made by the companies that received these loans.

<b>Table 62</b>						
<b>REPOS OF PORTFOLIO WITH GOVERNMENT GUARANTEE*</b>						
<b>Guarantee percentage</b>	<b>Auctioned amount (Million S/)</b>	<b>Allocated amount* (Million S/)</b>	<b>Interest rate for clients (%)</b>			<b>Allocated amount* (%)</b>
			<b>Minimum</b>	<b>Maximum</b>	<b>Average</b>	
80	14,400	9,597	0.79	2.15	1.16	17.4
90	37,050	24,275	0.90	2.50	1.21	43.9
95	34,800	14,302	0.54	3.25	1.30	25.9
98	39,079	7,108	0.50	5.25	2.59	12.9
<b>Total</b>	<b>125,329</b>	<b>55,282</b>	<b>0.50</b>	<b>5.25</b>	<b>1.40</b>	<b>100.0</b>

\* As of October 20.

Through these operations, BCRP injected liquid resources to financial institutions, allowing credit to the business sector to expand by 22 percent in 2020. This program was carried out under exceptional conditions of abrupt contraction of both supply and aggregate demand due to the pandemic, which required a swift injection of liquidity to prevent the disruption of the flow of payments in the economy.

6 Supreme Decree No. 159-2020-EF, dated June 25, 2020, approved the extension of the guarantee amount by S/ 30 billion, while the Operating Regulations of the Reactiva Perú program were modified through Ministerial Resolution No. 181-2020-EF/15 on June 28, 2020.

### **Repo operations with rescheduling of loan portfolios (Circular 021-2020-BCRP dated June 7, 2020)**

The BCRP's Board of Directors approved the creation of repos that promote loan rescheduling to achieve lower interest rates and longer maturities. Through the use of these operations, financial entities can obtain liquidity in exchange of the sale of first quality securities, foreign currency, or loan portfolio, as long as they refinance their clients' loans for a term between 6 and 48 months and at lower interest rates than those initially agreed. The effects of these operations are reflected in better conditions for debtors, who can recover more quickly from the negative shock in the local economy.

Moreover, the amount refinanced must be equivalent to the amount awarded to the bank in the transaction. Loans purchased from other financial institutions for rescheduling purposes are also included in this category. Repo operations with loan rescheduling are of direct placement and follow the guidelines provided in the circulars about repos of securities, currency, and loan portfolios. As of December 31, the balance of rescheduling repos amounted to S/ 525 million, of which S/ 491 million corresponded to portfolio repos under the alternative scheme and S/ 34 million to security repos.

### **BCRP Interest Rate Swaps (Circular 035-2020-BCRP dated December 19, 2020)**

The interest rate swaps of BCRP –abbreviated “STI BCRP” in Spanish– are derivative instruments denominated in domestic currency, in which the BCRP assumes the commitment to pay a variable interest rate in exchange for the participating entity's commitment to pay a fixed interest rate. The interest accrued is compensated and settled every three months until the maturity date. The variable interest rate will be equal to the capitalization of the Interbank Overnight Index (ION). The fixed interest rate will be the rate offered by the financial entity in the auction or the interest rate established by BCRP in the direct placement.

Given that interest rates are at historic lows, financial institutions do not consider it profitable to grant long-term loans, so BCRP seeks to encourage the granting of long-term loans in a context of ample monetary stimulus and available liquidity in the short run. This instrument would boost the placement of long-term loans, as it would reduce the maturity mismatch in operations. In addition, this instrument is also expected to boost the development of the swap market in soles.

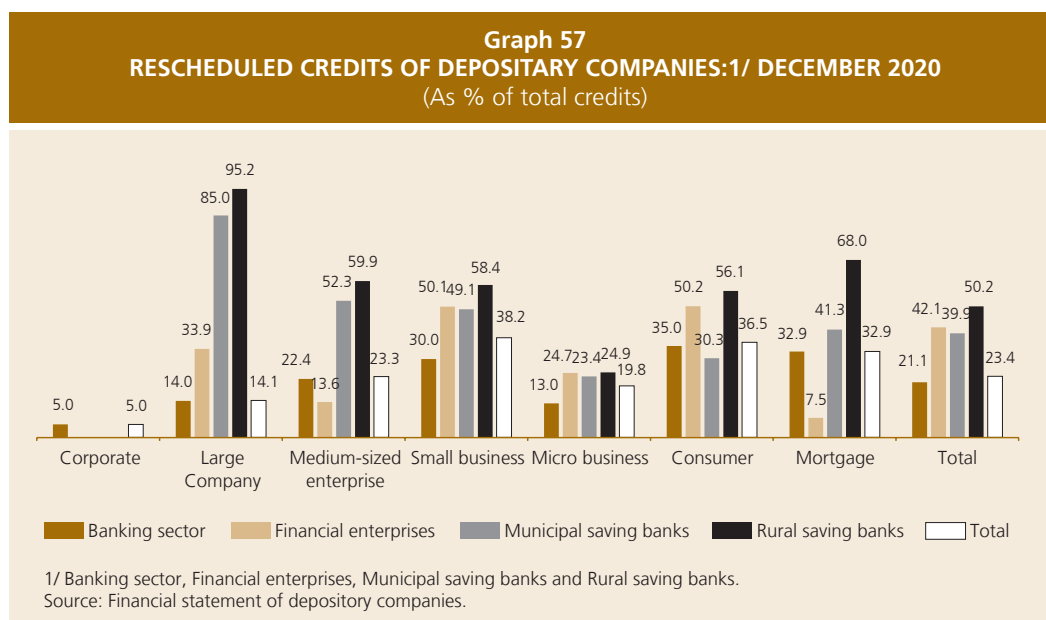
### **Operations Conditioned to the Expansion of Long-Term Credit (Circular 036-2020-BCRP dated December 21, 2020)**

As part of its monetary instruments, BCRP incorporated operations conditioned to the expansion of long-term credit in order to enhance the transmission of its monetary policy to long-term interest rates. Participating entities that comply with the expansion of long-term credit, in accordance with certain criteria, will be able to access interest rate swaps and interest rate swaps. The entity that carries out these operations with the BCRP commits to expand its long-term credits in such a way that the increase of such loans is at least equivalent to the sum of the current amount of the repo operations and the current notional amount of the interest rate swaps agreed by such entity.

This instrument may boost the growth of mortgage lending in particular, considering that the rate of private savings increased significantly during the pandemic.

In addition to the measures adopted by BCRP, since March, the Superintendencia de Banca, Seguros y AFP (SBS) allowed financial entities to adopt exceptional measures so that debtors (individuals and companies) affected by the state of emergency could comply with the payment of their current loans. Financial institutions were allowed to modify the contractual conditions of the various types of loans in a general manner without having to contact each client individually and without this modification implying a refinancing of the loan or a deterioration in the debtors' credit rating, provided that the total term of such loans was not extended by more than six months from the original term (this term was later extended to 12 months) and provided that the debtors' payments were up to date when the state of emergency was declared.

As of December 31, the depository corporations (comprising banks, financial companies, municipal and rural savings banks) rescheduled loans for a balance of approximately S/ 86 billion (23.4 percent of the depository corporations' total portfolio). Moreover, 38 percent of the small business loan portfolio, 20 percent of the microenterprise loan portfolio, and 37 percent of consumer loans have been rescheduled as of the same date, and specialized microfinance institutions have rescheduled at least 40 percent of their portfolios.



Furthermore, the total balance of rescheduled loans by depository companies as of December 2020 was S/ 42 billion lower than that observed in June of that year (S/ 128 billion, equivalent to 35.6 percent of the portfolio), which is explained by the payment of rescheduled loans in line with the reopening of economic activities.

## 2. Interest Rates

Money market interest rates, as well as credit and deposit interest rates incorporated the effect of the BCRP measures implemented in the wake of the pandemic, such as the reduction of the BCRP benchmark rate by 200 basis points, the liquidity injection operations in local currency to the financial system for up to 3 years, and the measures that reduced reserve requirements in local currency, as a result of which all interest rates decreased between May and December 2020 with respect to their 2019 levels. In addition, the interest rates of several credit segments showed historical minimum levels, influenced by the low interest rates of the Reactiva Peru program.

**Table 63**  
**INTEREST RATES ON OPERATIONS IN SOLES**  
(%)

	2018	2019	2020	Average May.-Dec.2020	Change 2020/2019
Interbank rate	2.8	2.3	0.3	0.2	-2.0
90-day prime rate on deposits	4.0	2.8	0.2	0.3	-2.6
Deposits up to 30 days 1/	2.4	1.6	0.2	0.2	-1.4
31-day to 360-day term deposits 1/	2.9	2.4	0.7	1.1	-1.7
More than 360-day term deposits 1/	3.7	3.5	2.0	2.7	-1.5
Loans to large companies	6.4	6.0	4.6	3.7	-1.4
Loans to medium-sized enterprises	9.8	9.3	6.1	4.2	-3.2
Loan to small businesses	18.5	18.0	17.2	7.5	-0.8
Loan to microbusinesses	32.7	31.3	30.1	13.0	-1.2
Mortgage loans	7.6	7.0	6.4	6.7	-0.6
90-day corporate prime rate	4.5	3.3	0.7	0.9	-2.6
FTAMN 2/	20.4	18.2	17.6	11.6	-0.7

1/ Interest rates on deposits correspond to individuals.  
2/ Average market lending rate of the operations carried out in the last 30 business days.  
Source: BCRP and SBS.

On the other hand, in the case of interest rates on operations in dollars, the fall in the interbank rate and the 90-day corporate prime lending rate was associated with the reduction in the Federal Reserve's policy rate by 150 basis points and with high liquidity in global markets. Moreover, interest rates by credit sector also decreased, especially in the segments of small and micro businesses.

**Table 64**  
**INTEREST RATES ON OPERATIONS IN DOLLARS**  
(%)

	2018	2019	2020	Average May.-Dec.2020	Change 2020/2019
3-month Libor rate	2.8	1.9	0.2	0.2	-1.8
Interbank rate	2.3	1.8	0.3	0.2	-1.5
90-day prime rate on deposits	2.5	1.6	0.2	0.2	-1.4
Deposits up to 30 days 1/	1.8	1.2	0.1	0.1	-1.2
31-day to 360-day term deposits 1/	1.5	1.0	0.2	0.4	-0.8
More than 360-day term deposits 1/	1.6	1.3	0.5	0.7	-0.8
Loans to large companies	5.5	5.5	4.5	4.9	-1.0
Loans to medium-sized enterprises	6.9	6.6	5.9	6.5	-0.7
Loan to small businesses	9.9	8.8	5.3	6.0	-3.5
Loan to microbusinesses	7.1	11.0	8.5	10.6	-2.5
Mortgage loans	6.1	5.6	5.4	5.8	-0.2
90-day corporate prime rate	3.6	2.7	1.0	1.1	-1.7
FTAMEX 2/	7.6	7.1	6.3	6.1	-0.8

1/ Interest rates on deposits correspond to individuals.  
2/ Average market lending rate of the operations carried out in the last 30 business days.  
Source: BCRP and SBS.

### 3. Monetary and Credit Aggregates

Liquidity and credit to the private sector accelerated their growth rate compared to the previous year. Private sector liquidity recorded an annual expansion of 25.9 percent in 2020 (9.4 percent in 2019).

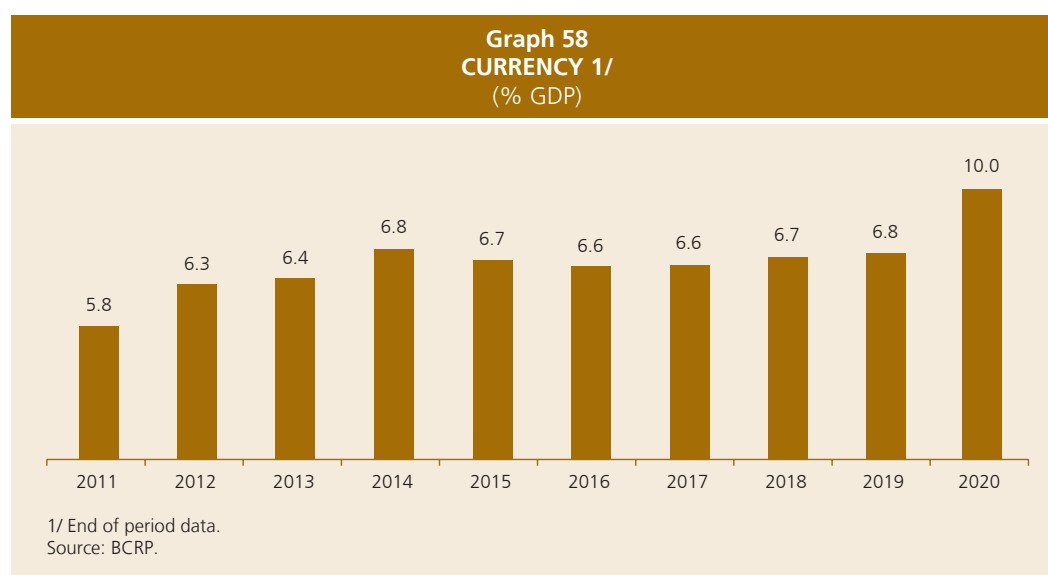
Liquidity in domestic currency grew 32.3 percent while liquidity in foreign currency grew 10.8 percent. Thus, the liquidity dollarization ratio continued to decline as in previous years, falling from 29.9 percent in 2019 to 26.3 percent at the end of 2020.

Total credit to the private sector grew 11.8 percent during the year (6.9 percent in 2019), with credit in domestic currency growing 19.7 percent while credit in foreign currency declined 10.6 percent. The credit dollarization ratio fell from 25.9 percent in 2019 to 20.7 percent in December 2020.

### 3.1 Currency in Circulation

The balance of currency held by the public in December 2020 was S/ 71,575 million, which represented 10.0 percent of GDP and an increase of S/ 19,458 million (37.3 percent) compared to December 2019. This annual growth rate of currency is one of the highest rates observed among many advanced and emerging economies.

The increase in currency in 2020 was largely related to the stimulus measures taken in response to the COVID-19 pandemic, including the delivery of cash subsidies to support families, the withdrawal of a fraction of the Compensation for Time of Service (CTS) deposits, and the withdrawal of AFP funds (25 percent). These disbursements were then reflected in a greater demand for cash due to precautionary reasons mainly.

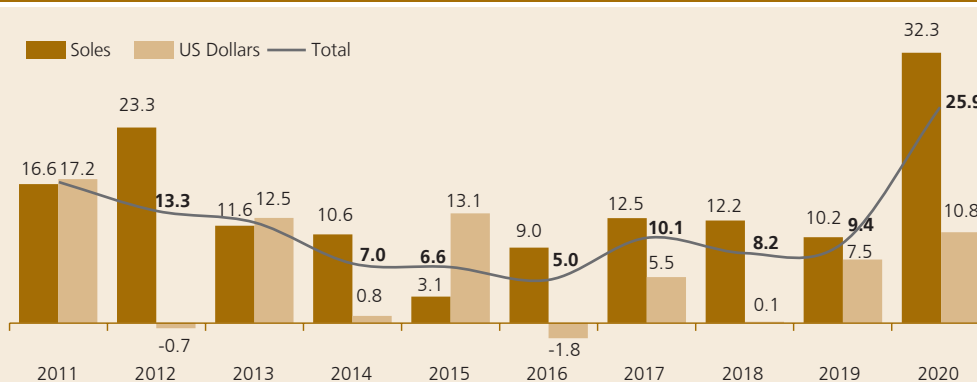


### 3.2 Liquidity

Total liquidity grew 25.9 percent in 2020, with this growth rate being reflected in higher deposits in both soles (33.1 percent) and in dollars (9.3 percent). It is worth mentioning that the dollarization ratio of deposits fell from 35.8 percent in 2019 to 31.4 percent in 2020.

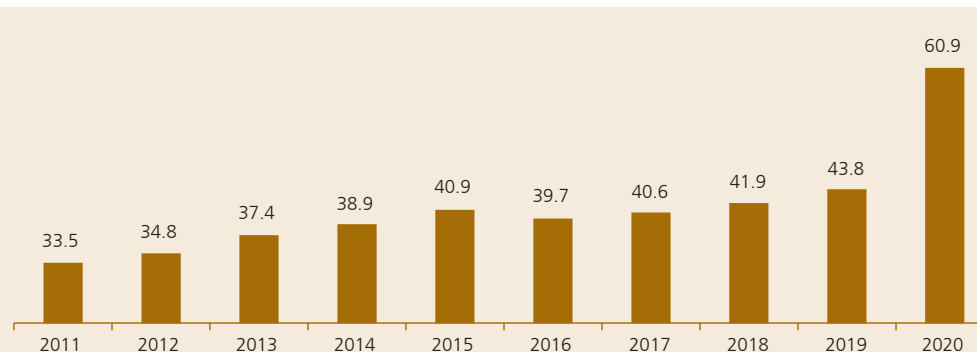
The dynamism of liquidity during the year was reflected in an increase in the ratio of this aggregate to GDP, which is an indicator of the economy's degree of financial deepening. This indicator rose from 43.8 percent in December 2019 to 60.9 percent in December 2020.

**Graph 59**  
**LIQUIDITY IN THE PRIVATE SECTOR 1/**  
(Annual % change, end-of-period)



1/ The balance in dollars is valued at the constant exchange rate in December 2019.  
Source: BCRP.

**Graph 60**  
**LIQUIDITY IN THE PRIVATE SECTOR 1/**  
(% GDP, end-of-period)



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

**Table 65**  
**MAIN MONETARY AGGREGATES 1/**

	Balance in million soles			Growth rates (%)	
	2018	2019	2020	2019	2020
<b>Currency</b>	<b>49,778</b>	<b>52,117</b>	<b>71,575</b>	<b>4.7</b>	<b>37.3</b>
<b>Money</b>	<b>92,198</b>	<b>99,448</b>	<b>143,022</b>	<b>7.9</b>	<b>43.8</b>
<b>Deposits 1/</b>	<b>253,614</b>	<b>278,865</b>	<b>347,415</b>	<b>10.0</b>	<b>24.6</b>
In Soles	160,096	179,128	238,435	11.9	33.1
Demand deposits	42,420	47,332	71,446	11.6	50.9
Savings deposits	53,723	59,454	95,495	10.7	60.6
Terms deposits	63,952	72,342	71,494	13.1	-1.2
In dollars (Million US\$)	28,253	30,132	32,924	6.6	9.3
Demand deposits	10,025	11,087	13,079	10.6	18.0
Savings deposits	8,950	9,223	10,794	3.1	17.0
Terms deposits	9,278	9,822	9,052	5.9	-7.8
<b>Liquidity 1/</b>	<b>308,706</b>	<b>337,747</b>	<b>425,123</b>	<b>9.4</b>	<b>25.9</b>
In soles	214,901	236,862	313,325	10.2	32.3
In dollars (Million US\$)	28,340	30,479	33,776	7.5	10.8

1/ The balance in dollars is valued at the constant exchange rate in December 2019.  
Source: BCRP.



This higher liquidity in soles resulted mainly from the increase in private sector savings deposits, which rose 60.6 percent annually, faster than in the previous year (10.7 percent). Demand deposits recorded an expansion rate of 50.9 percent, while time deposits fell by 1.2 percent.

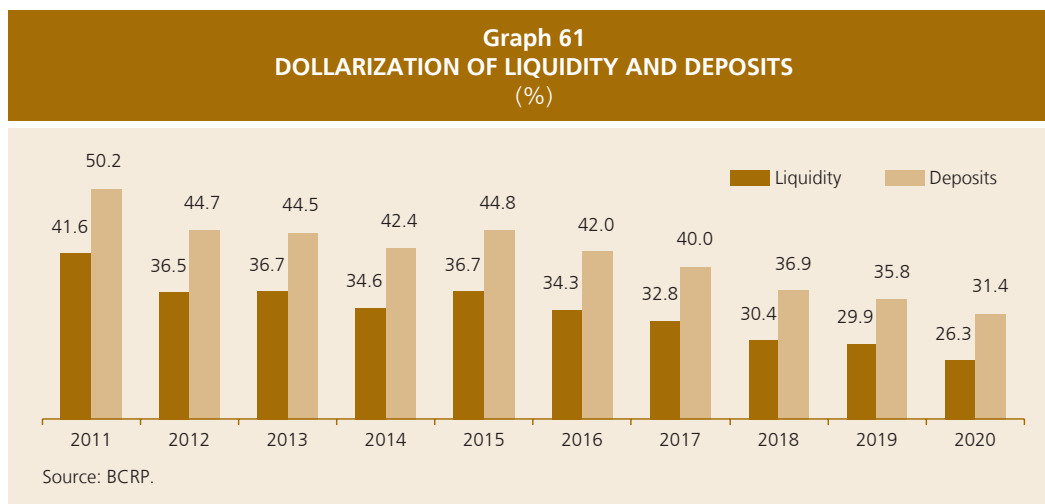
Liquidity in foreign currency also recovered during the year, showing a growth rate of 10.8 percent, higher than the 7.5 percent increase observed in the previous year. Demand deposits and savings deposits in dollars registered the highest growth rates, with an increase of 18.0 and 17.0 percent, respectively, over the course of the year (10.6 and 3.1 percent in 2019, respectively).

By type of depositor, corporate deposits increased by 34.0 percent, while household deposits grew by 19.3 percent. Deposits in local currency topped the list (51.6 percent) in the corporate segment, while growth in household deposits was mainly concentrated in deposits in local currency (25.1 percent per year).

<b>Table 66</b>					
<b>DEPOSITS BY TYPE OF DEPOSITOR</b>					
	<b>Balance in million soles</b>			<b>Growth rates (%)</b>	
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>
<b>Individuals 1/ 2/</b>	<b>165,482</b>	<b>179,089</b>	<b>213,671</b>	<b>8.2</b>	<b>19.3</b>
In soles	111,273	125,183	156,640	12.5	25.1
In dollars (Million US\$)	16,377	16,286	17,230	-0.6	5.8
<b>Legal entities 2/</b>	<b>88,132</b>	<b>99,776</b>	<b>133,743</b>	<b>13.2</b>	<b>34.0</b>
In soles	48,822	53,944	81,796	10.5	51.6
In dollars (Million US\$)	11,876	13,846	15,694	16.6	13.3
<b>Total 2/</b>	<b><u>253,614</u></b>	<b><u>278,865</u></b>	<b><u>347,415</u></b>	<b><u>10.0</u></b>	<b><u>24.6</u></b>
In soles	160,096	179,128	238,435	11.9	33.1
In dollars (Million US\$)	28,253	30,132	32,924	6.6	9.3

1/ Includes non-profit legal persons.  
2/ The balance in dollars is valued at the constant exchange rate in December 2019.  
Source: BCRP.

The dollarization ratio of liquidity fell by 3.6 percentage points over the year, from 29.9 to 26.3 percent). Similarly, the dollarization ratio of deposits fell from 35.8 percent in December 2019 to 31.4 percent in December 2020. By segment, the dollarization ratio of household deposits fell from 30.1 percent to 26.7 percent, whereas the dollarization ratio of companies' deposits fell from 45.9 percent to 38.8 percent.

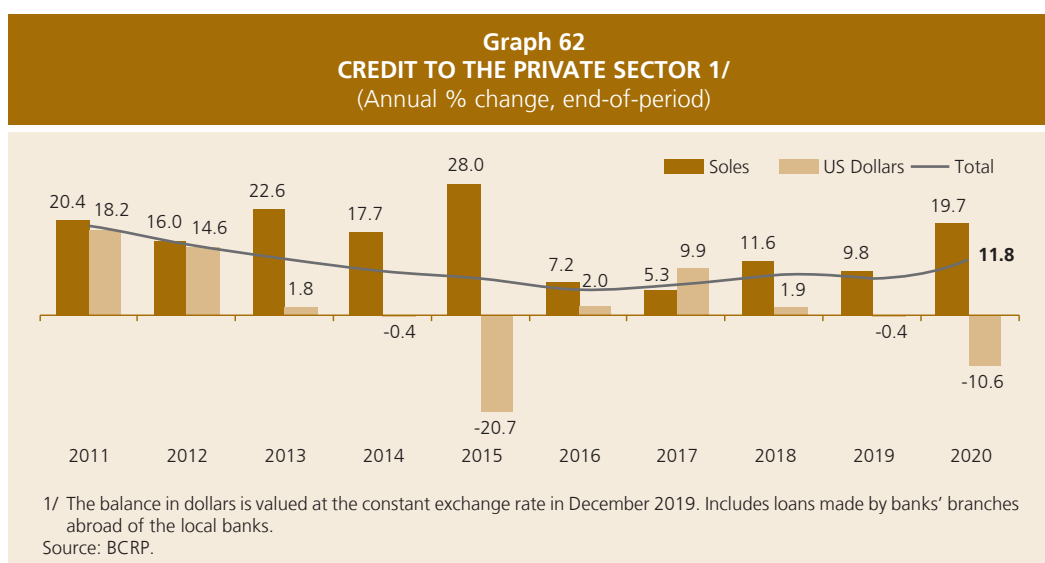


### 3.3 Credit to the Private Sector

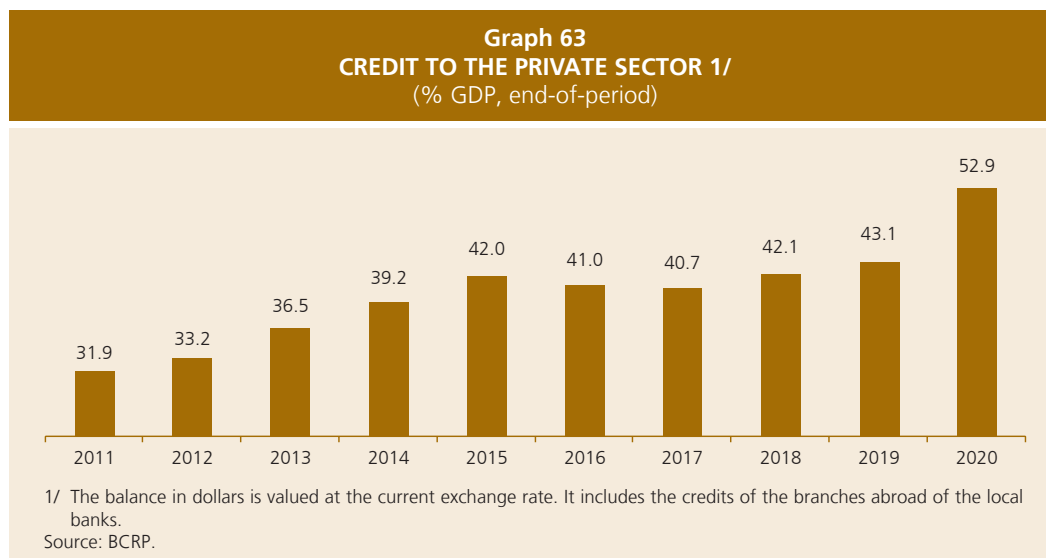
Despite a context of domestic political uncertainty, the effects of the COVID-19 pandemic and the international context, the growth rate of lending accelerated from 6.9 percent in 2019 to 11.8 percent in 2020 due to the impact of credit disbursements to businesses under the Reactiva Peru Program. As a percentage of GDP, the balance of credit to the private sector rose to 52.9 percent from 43.1 percent in the previous year.

The expansion of credit was higher in local currency due to loans granted through the Reactiva Peru program. Thus, credit in domestic currency grew from 9.8 percent in 2019 to 19.7 percent in 2020, whereas credit in foreign currency went from showing a 0.4 percent drop in 2019 to showing a 10.6 percent contraction in 2020. As a result, the credit dollarization ratio fell from 25.9 to 20.7 percent.

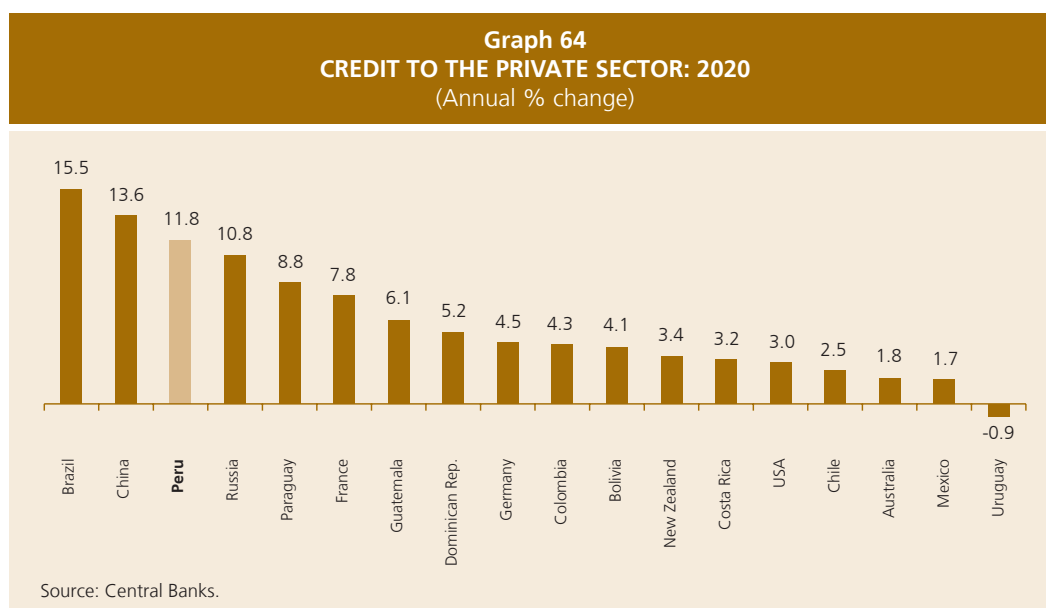
It is also worth mentioning that the annual growth rate of credit to the private sector in Peru was one of the highest observed in 2020, following the rates recorded in Brazil and China. Furthermore, the growth of credit to businesses in Peru was one of the highest worldwide (21.7 percent in 2020).

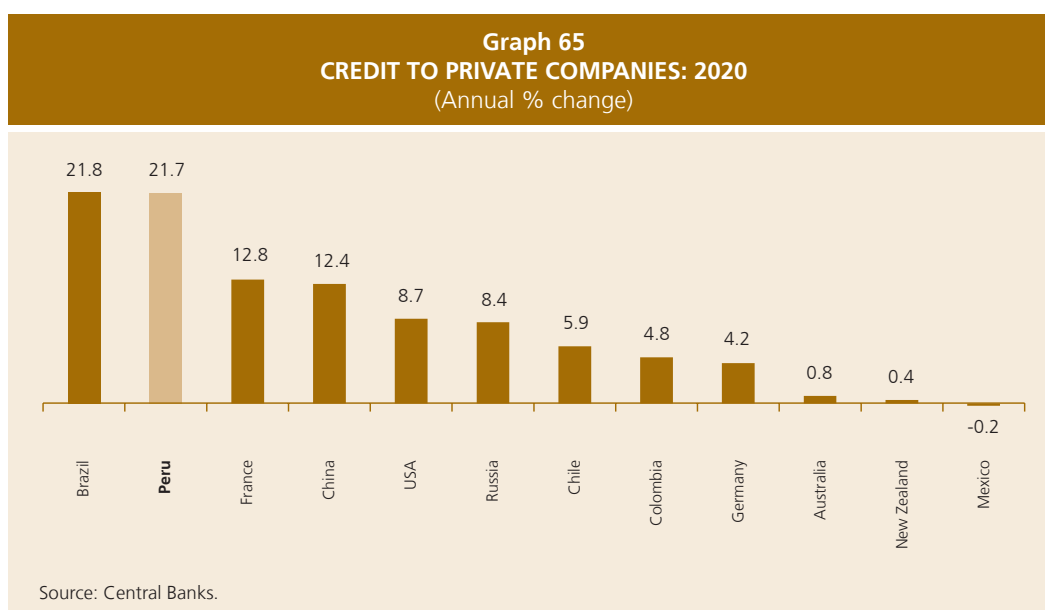


By type of segment, credit to businesses increased from 4.2 percent in 2019 to 21.7 percent in 2020. This significant increase was the result of the loans granted through the Reactiva Perú program, the largest credit expansion rates being observed in loans to medium, small, and micro businesses. Credit to medium-sized firms increased 51.0 percent, while credit to MSEs grew 24.4 percent. Moreover, credit to corporations and large companies grew 8.3 percent.



The growth rates of total credit and corporate credit in Peru are among the highest at the global level. In comparison to developed countries, the growth rate of credit to the private sector in Peru is higher than the growth rates registered in Russia (10.8 percent), France (7.8 percent), Germany (4.5 percent), New Zealand (3.4 percent), the United States (3.0 percent), and Australia (1.8 percent). In addition, it is also higher than the growth rates observed in other countries in the region, such as Paraguay (8.8 percent), Colombia (4.3 percent), Bolivia (4.1 percent), Chile (2.5 percent), and Mexico (1.7 percent). A similar pattern is observed in the case of corporate loans.





On the other hand, credit to households went from a rate of 11.3 percent in 2019 to a contraction of 3.1 percent in 2020, associated with a lower dynamism of consumer loans, which registered a drop of 7.1 percent in 2020 after having risen 12.8 percent in 2019. Mortgage lending also slowed its pace of expansion, going from a 9.0 percent increase in 2019 to a 3.2 percent increase in 2020.

**Table 67**  
**TOTAL CREDIT TO THE PRIVATE SECTOR 1/**

	Balance in million soles			Growth rates (%)	
	2018	2019	2020	2019	2020
<b>Businesses</b>	<b>191,297</b>	<b>199,404</b>	<b>242,721</b>	<b>4.2</b>	<b>21.7</b>
Corporate and large companies	102,893	107,411	116,310	4.4	8.3
Medium-sized enterprises	44,874	45,112	68,103	0.5	51.0
Small businesses and microbusinesses	43,530	46,881	58,307	7.7	24.4
<b>Individuals</b>	<b>119,318</b>	<b>132,791</b>	<b>128,708</b>	<b>11.3</b>	<b>-3.1</b>
Consumer	71,387	80,545	74,802	12.8	-7.1
Car loans	2,105	2,356	2,298	11.9	-2.5
Credit cards	23,790	26,979	21,532	13.4	-20.2
Rest	45,491	51,210	50,972	12.6	-0.5
Mortgage	47,931	52,246	53,906	9.0	3.2
<b>TOTAL</b>	<b>310,616</b>	<b>332,195</b>	<b>371,429</b>	<b>6.9</b>	<b>11.8</b>

1/ The balance in dollars is valued at the exchange rate in December 2019. Includes loans made by banks' branches abroad.  
Source: BCRP.

By currency, credit to the private sector in soles grew 19.7 percent during 2020. Credit in soles to the corporate sector grew 40.8 percent, with credit to the segments of medium-sized companies and small and micro enterprises being the most dynamic (with growth rates of 91.5 and 26.6 percent, respectively). Lending to larger companies increased by 26.2 percent.

Credit to households in soles fell 2.2 percent, mainly due to lower consumer loans, whereas, in contrast, credit in the mortgage segment grew by 5.3 percent.

<b>Table 68</b>					
<b>CREDIT TO THE PRIVATE SECTOR IN DOMESTIC CURRENCY</b>					
	<b>Balance in million soles</b>			<b>Growth rates (%)</b>	
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>
<b>Businesses</b>	<b>117,201</b>	<b>125,069</b>	<b>176,104</b>	<b>6.7</b>	<b>40.8</b>
Corporate and large companies	49,492	53,132	67,035	7.4	26.2
Medium-sized enterprises	26,866	27,734	53,120	3.2	91.5
Small businesses and microbusinesses	40,843	44,203	55,949	8.2	26.6
<b>Individuals</b>	<b>106,962</b>	<b>121,020</b>	<b>118,384</b>	<b>13.1</b>	<b>-2.2</b>
Consumer	66,852	75,736	70,717	13.3	-6.6
Car loans	1,812	2,008	1,913	10.8	-4.7
Credit cards	22,090	25,073	20,297	13.5	-19.1
Rest	42,951	48,655	48,507	13.3	-0.3
Mortgage	40,110	45,284	47,667	12.9	5.3
<b>TOTAL</b>	<b>224,163</b>	<b>246,090</b>	<b>294,488</b>	<b>9.8</b>	<b>19.7</b>

Source: BCRP.

Credit to the private sector in foreign currency fell 10.6 percent during 2020. By component, credit to companies declined 10.4 percent: credit to corporations and large companies fell 9.2 percent; credit to medium-sized companies fell 13.8 percent, and credit to small and micro-businesses fell 11.9 percent. On the other hand, loans to individuals fell 12.3 percent, with declines being observed in both consumer loans (-15.0 percent) and mortgages (-10.4 percent).

<b>Table 69</b>					
<b>CREDIT TO THE PRIVATE SECTOR IN FOREIGN CURRENCY 1/</b>					
	<b>Balances in million US dollars</b>			<b>Growth rates (%)</b>	
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>
<b>Businesses</b>	<b>22,386</b>	<b>22,458</b>	<b>20,126</b>	<b>0.3</b>	<b>-10.4</b>
Corporate and large companies	16,133	16,399	14,887	1.6	-9.2
Medium-sized enterprises	5,440	5,250	4,527	-3.5	-13.8
Small businesses and microbusinesses	812	809	712	-0.3	-11.9
<b>Individuals</b>	<b>3,733</b>	<b>3,556</b>	<b>3,119</b>	<b>-4.7</b>	<b>-12.3</b>
Consumer	1,370	1,453	1,234	6.1	-15.0
Car loans	89	105	116	18.6	10.5
Credit cards	514	576	373	12.1	-35.2
Rest	768	772	745	0.6	-3.5
Mortgage	2,363	2,103	1,885	-11.0	-10.4
<b>TOTAL</b>	<b>26,119</b>	<b>26,014</b>	<b>23,245</b>	<b>-0.4</b>	<b>-10.6</b>

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

The dollarization ratio of credit to business, measured at constant exchange rates, was 20.7 percent in 2020, lower than in 2019 (37.3 percent). This reduction reflects the lower dollarization of large

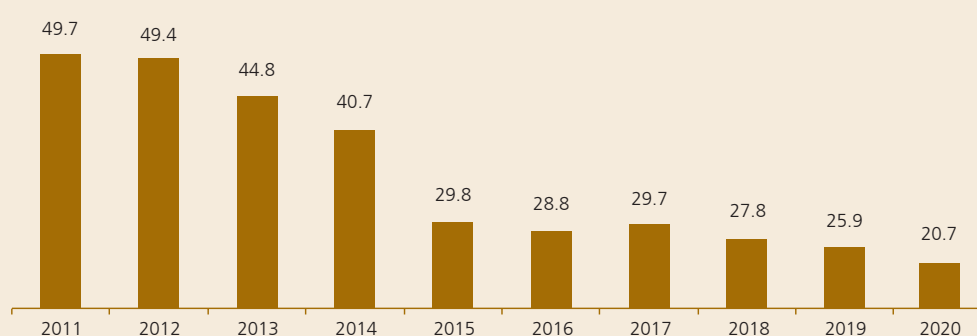
companies and corporations' credit obligations, which fell from 50.5 to 42.4 percent, as well as the lower dollarization of the debt contracted by medium-sized companies, which fell from 38.5 to 22.0 percent. Similarly, the dollarization ratio of credit to individuals fell from 8.9 to 8.0 percent. The ratio of dollarization in this group continued to decline in the segments of consumer loans and mortgage loans, where the respective ratios fell to 5.5 and 11.6 percent during the year. This drop of almost 5 percentage points in dollarization is largely associated with the loans granted through the Reactiva Perú program.

**Table 70**  
**DOLLARIZATION RATIO OF CREDIT TO THE PRIVATE SECTOR (%) 1/**  
(%)

	2018	2019	2020
<b>Businesses</b>	<b>38.7</b>	<b>37.3</b>	<b>20.7</b>
Corporate and large companies	51.9	50.5	42.4
Medium-sized enterprises	40.1	38.5	22.0
Small businesses and microbusinesses	6.2	5.7	4.0
<b>Individuals</b>	<b>10.4</b>	<b>8.9</b>	<b>8.0</b>
Consumer	6.4	6.0	5.5
Vehicular	13.9	14.8	16.7
Credit cards	7.1	7.1	5.7
Rest	5.6	5.0	4.8
Mortgage	16.3	13.3	11.6
<b>TOTAL</b>	<b>27.8</b>	<b>25.9</b>	<b>20.7</b>

1/ The balance in dollars is valued at the exchange rate in December 2019. Includes loans made by banks' branches abroad.  
Source: BCRP.

**Graph 66**  
**DOLLARIZATION RATIO OF CREDIT TO THE PRIVATE SECTOR 1/**  
(%)



1/ It includes the credits of the branches abroad the local banks.  
Source: BCRP.

### 3.4 Rescheduled Loans

Another measure taken to mitigate the effect of the COVID-19 pandemic in 2020 was the rescheduling of loans. The balance of rescheduled loans as of December 2020 decreased in comparison to the first half of 2020 and with respect to November.

By segment, the biggest drop compared to June was observed in consumer loans, loans to MSEs, and loans to segment of corporations and large companies. On the other hand, compared to November, the largest contractions were observed in mortgage loans, consumer loans, and loans to MSEs.

<b>Table 71</b>									
<b>BALANCE OF RESCHEDULED CREDITS 1/</b>									
<b>(Million S/)</b>									
	<b>Balance in million soles</b>							<b>Flow</b>	
	<b>Jun.20</b>	<b>Jul.20</b>	<b>Ago.20</b>	<b>Sep.20</b>	<b>Oct.20</b>	<b>Nov.20</b>	<b>Dec.20</b>	<b>Dec.20/ Jun.20</b>	<b>Dec.20/ Nov.20</b>
Corporate and large companies	21,322	18,964	17,212	15,004	13,285	12,270	11,181	-10,141	-1,088
Medium-sized enterprises	21,104	20,364	19,669	19,190	18,668	18,212	16,178	-4,926	-2,033
Small businesses and microbusinesses	27,789	28,475	26,414	24,627	23,555	21,288	17,708	-10,081	-3,580
Consumer	35,665	34,643	32,691	31,199	30,134	28,337	23,573	-12,092	-4,764
Mortgage	22,181	22,302	22,122	21,961	21,807	21,482	17,555	-4,626	-3,927
<b>Total</b>	<b>128,062</b>	<b>124,748</b>	<b>118,108</b>	<b>111,982</b>	<b>107,448</b>	<b>101,588</b>	<b>86,196</b>	<b>-41,866</b>	<b>-15,392</b>

1/ Banking sector, Financial enterprises, Municipal saving banks and Rural saving banks are taken into consideration.  
Source: Financial statement.

By type of financial institution, banks and municipal savings banks showed the largest contractions both in comparison to June and to November 2020.

<b>Table 72</b>									
<b>BALANCE OF RESCHEDULED CREDITS</b>									
<b>(Balance in million soles)</b>									
	<b>Million S/</b>							<b>Flow</b>	
	<b>Jun.20</b>	<b>Jul.20</b>	<b>Ago.20</b>	<b>Sep.20</b>	<b>Oct.20</b>	<b>Nov.20</b>	<b>Dec.20</b>	<b>Dec.20/ Jun.20</b>	<b>Dec.20/ Nov.20</b>
Bancos	100,974	98,888	94,166	90,046	86,172	82,107	68,623	-32,351	-13,484
Cajas Municipales	16,157	15,494	14,145	12,757	12,744	11,573	10,426	-5,731	-1,147
Cajas Rurales	1,544	1,491	1,425	1,392	1,301	1,262	1,184	-360	-78
Financieras	9,387	8,874	8,373	7,787	7,231	6,646	5,963	-3,424	-684
<b>Total</b>	<b>128,062</b>	<b>124,748</b>	<b>118,108</b>	<b>111,982</b>	<b>107,448</b>	<b>101,588</b>	<b>86,196</b>	<b>-41,866</b>	<b>-15,392</b>

Source: Financial statement.

#### 4. Global Financing to the Private Sector

During 2020, overall financing to the private sector grew by 8.7 percent, a higher rate than that recorded in the previous year. It is worth pointing out that the concept of total funding to the private sector includes not only the credit provided by deposit-makers to the private sector, but also the financing resources obtained through the capital market via mutual funds, insurance companies, and private pension funds, as well as direct foreign loans obtained by companies.

**Table 73**  
**EXPANDED FINANCING TO THE PRIVATE SECTOR 1/**

	Balance in million soles			Growth rates (%)	
	2018	2019	2020	2019	2020
<b>I. CREDIT OF DEPOSITORY CORPORATIONS</b>	<b>310,616</b>	<b>332,195</b>	<b>371,429</b>	<b>6.9</b>	<b>11.8</b>
Domestic currency	224,163	246,090	294,488	9.8	19.7
Foreign currency (Million US\$)	26,119	26,014	23,245	-0.4	-10.6
<i>Dolarization (%)</i>	28.2	25.9	22.2		
<b>II. CREDIT OF OTHER FINANCIAL CORPORATIONS 2/</b>	<b>39,295</b>	<b>43,079</b>	<b>42,556</b>	<b>9.6</b>	<b>-1.2</b>
Domestic currency	23,169	27,206	26,510	17.4	-2.6
Foreign currency (Million US\$)	4,872	4,795	4,848	-1.6	1.1
<i>Dolarization (%)</i>	41.5	36.8	39.8		
<i>Of which:</i>					
AFP's loans	18,262	20,215	17,804	10.7	-11.9
Loans of mutual funds	1,839	2,358	3,492	28.3	48.1
Loans of insurances	12,197	13,623	14,174	11.7	4.0
<b>III. EXTERNAL PRIVATE INDEBTNESS (Million US\$)</b>	<b>91,501</b>	<b>86,194</b>	<b>87,498</b>	<b>-5.8</b>	<b>1.5</b>
<b>(Million US\$)</b>	<b>27,644</b>	<b>26,041</b>	<b>26,434</b>	<b>-5.8</b>	<b>1.5</b>
Short-term (Million US\$)	4,079	3,585	4,507	-12.1	25.7
Medium- and long-term (Million US\$)	23,565	22,456	21,927	-4.7	-2.4
Domestic currency	1,469	5,109	5,109	247.7	-
Foreign currency (Million US\$)	23,121	20,912	20,384	-9.6	-2.5
<b>IV. TOTAL</b>	<b>441,412</b>	<b>461,468</b>	<b>501,483</b>	<b>4.5</b>	<b>8.7</b>
Domestic currency	247,332	273,296	320,998	10.5	17.5
Foreign currency (Million US\$)	58,634	56,850	54,527	-3.0	-4.1
<i>Dolarization (%)</i>	44.4	40.8	38.1		

1/ The balance in dollars is valued at the exchange rate in December 2019.  
2/ Includes loans and investment in fixed income from institutional investors.  
Source: BCRP.

The largest component of this overall financing was the credit granted by deposit-makers, the balance of which was S/ 371,429 million in December 2020. The second largest component was direct financing obtained by companies abroad, whose balance in December was US\$ 26,434 million (S/ 87,498 million), equivalent to 17.4 percent of total extended financing.

The third component was the direct financing obtained by companies through the domestic capital market (bond issuances) via institutional investors such as AFPs, mutual funds, and local insurance companies. This type of financing showed a contraction of 1.2 percent after recording an increase of 9.6 percent in 2019.

## 5. Financial Indicators

In 2020 banking companies were able to maintain a stable financial position despite the challenging conditions they had to face due to the COVID-19 crisis. The deteriorating economic environment increased banks' credit risk and provisioning expenses, which, together with a reduction in intermediation margins, had a negative impact on profitability indicators. Faced with a greater risk





of default, banks set up provisions, mainly voluntary, to cover possible increases in delinquency. They also strengthened their equity base through the capitalization of profits, cash contributions, and the issuance of subordinated bonds, which was reflected in an increase in their overall capital ratio.

In the adverse economic environment of 2020, some indicators of asset quality deteriorated slightly. The high-risk portfolio increased from 4.5 to 5.5 percent of the total portfolio, whereas the level of coverage of the high-risk portfolio with provisions increased from 103.0 to 122.3 percent.

<b>Table 74</b>				
<b>FINANCIAL INDICATORS ON COMMERCIAL BANKS</b>				
<b>(%)</b>				
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Average 2011-2020</b>
Ratio global capital	14.7	14.6	15.5	14.4
Overdue loans / gross placements 1/	3.0	3.0	3.8	2.6
High risk portfolio / gross placements 2/	4.4	4.5	5.5	3.8
Allowance for loans / high-risk portfolio	102.0	103.0	122.3	120.2
Return on equity (ROE)	18.4	18.3	4.0	18.9
Return on assets (ROA)	2.2	2.2	0.4	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

At the beginning of the state of emergency, the SBS granted facilities for loan rescheduling operations. These operations prevented a rapid deterioration of the loan portfolio and gave financial entities room for maneuver to absorb the impact of the health crisis. In addition, the broad set of early measures and actions designed by BCRP to ensure liquidity, together with the Government's relief and support programs, allowed banks to record slack liquidity levels.

The Reactiva Perú program stands out among these measures as it not only ensured the normal functioning of the flow of payments in the economy, but also sustained credit growth in 2020. Moreover, the resources obtained through this program enabled the beneficiary companies to meet their commercial and financial obligations, thus contributing to reducing the financial system's delinquency rate.

As a result of the COVID-19 crisis, there was an accelerated growth in delinquent loans in 2020. Consumer loans of people who rescheduled their debts accounted mostly for this higher delinquency –the ratio of the overdue portfolio of consumer loans increased from 3.0 to 6.4 percent– given that this type of credit deteriorated materially due to the strict lockdown and containment measures that led the economy to a near-total standstill, bringing about a significant reduction in household income and an increase in the unemployment rate.

On the other hand, although non-performing loans to medium, small and micro enterprises also increased, credit in these segments showed a higher expansion in 2020 due to the boost given by programs such as Reactiva Perú. Because of this, the percentages of overdue portfolio decreased with respect to those observed in 2019, except in the case of the obligations of microbusinesses.

**Table 75**  
**BANKS: DELINQUENCY RATES BY TYPE AND SIZE OF DEBTOR**  
(%)

	2018	2019	2020	Average 2011-2020
Corporate loans	0.0	0.0	0.7	0.1
Loans to large companies	1.3	1.3	1.2	0.8
Loans to medium-sized companies	7.4	8.0	6.1	5.4
Loans to small companies	8.8	8.2	7.8	7.8
Loans to microbusinesses	3.5	3.4	3.6	3.2
Consumer loans	2.9	3.0	6.4	3.5
Mortgage loans	3.0	3.0	3.6	2.1
<b>TOTAL</b>	<b>3.0</b>	<b>3.0</b>	<b>3.8</b>	<b>2.6</b>

Source: SBS.

The financial indicators of non-bank institutions registered a greater deterioration due to these entities' exposure to economic sectors more vulnerable to the COVID-19 crisis. Higher provisioning expenses generated by the deterioration of consumer loans and loans to small businesses affected the income generation of most non-banks. Like banks, these entities took measures to offset the impact of the pandemic on their solvency, with the strengthening of their capital base and improvements in the control of operating and financial expenses standing out among these measures.

**Table 76**  
**FINANCIAL INDICATORS OF NON-BANK COMPANIES**  
(%)

	2018	2019	2020	Average 2011-2020
<b>Overdue loans / gross placements 1/</b>				
Financial Firms	5.4	4.6	10.8	5.6
Municipal savings banks	6.5	6.9	5.1	5.7
Rural savings banks 2/	6.9	7.8	8.5	7.1
Edpymes	4.3	4.1	5.7	4.5
<b>Provision for loans / high-risk portfolio 3/</b>				
Financial Firms	112.6	116.4	125.8	123.2
Municipal savings banks	95.8	98.6	128.5	106.2
Rural savings banks 2/	76.7	100.1	156.2	94.6
Edpymes	136.5	103.7	106.8	122.9
<b>Ratio on equity (ROE)</b>				
Financial Firms	18.1	19.4	-8.2	13.7
Municipal savings banks	11.2	12.2	2.1	12.6
Rural savings banks 2/	2.5	-0.2	-10.1	-1.2
Edpymes	15.6	13.9	2.2	5.0

1/ Overdue loans and loans in judicial collection processes.

2/ As of 2019, it includes CRAC Cencosud Scotia that previously operated as Banco Cencosud.

3/ The high-risk portfolio is equal to the non performing loans plus the refinanced and restructured portfolio.

Source: SBS.

## 6. Exchange Rate

In 2020, the PEN depreciated 9.2 percent in nominal terms (from S/ 3.31 to S/ 3.62 per dollar). The currencies of the emerging economies were greatly affected by the COVID-19 pandemic, with these

currencies showing an average depreciation of 5 percent in 2020, in contrast to the 0.1 percent appreciation they recorded in 2019. The U.S. dollar weakened by 6.7 percent, while the euro and the pound strengthened. The U.S. dollar/PEN exchange rate reached a new all-time high (S/ 3.667) since 2002, associated with uncertainty due to the presidential impeachment process. In terms of volatility, the PEN continues to register one of the lowest levels globally, even below the euro, the pound, the yen, and those of other currencies in the region. However, even though commodities (copper and gold) showed a positive performance, the sol's annual volatility in 2020 was the highest since 2008. Copper reached its highest historical high since 2012, while gold showed a 25 percent appreciation as a store of value.

**Table 77**  
**EXCHANGE RATE AND PRICE OF COMMODITIES 1/**

		Dec.17	Dec.18	Dec.19	Dec.20	% change Dec.20 respect to:		
						Dec.19	Dec.18	Dec.17
<b>Dollar Index</b>	C.U. per US\$	92	96	96	90	-6.7	-6.5	-2.4
<b>Eurozone</b>	US\$ per Euro*	1.201	1.147	1.121	1.222	8.9	6.5	1.8
<b>Japan</b>	Yen	112.7	109.7	108.6	103.3	-4.9	-5.9	-8.4
<b>Brazil</b>	Real	3.31	3.88	4.02	5.19	29.0	33.8	56.8
<b>Chile</b>	Peso	615	694	753	711	-5.6	2.4	15.5
<b>Colombia</b>	Peso	2,984	3,248	3,287	3,428	4.3	5.5	14.9
<b>Mexico</b>	Peso	19.65	19.65	18.93	19.91	5.2	1.3	1.3
<b>Peru</b>	Sol	3.24	3.37	3.31	3.62	9.2	7.4	11.8
<b>Copper</b>	US\$/pound	330	263	280	352	25.8	33.8	6.6
<b>Gold</b>	US\$/troy ounce	1,303	1,282	1,517	1,898	25.1	48.0	45.7
<b>Oil</b>	US\$/barrel	60.4	45.4	61.1	48.5	-20.5	6.8	-19.7

1/ End of period.  
\* In all cases, a positive percentage change implies appreciation of the dollar, except for the euro.

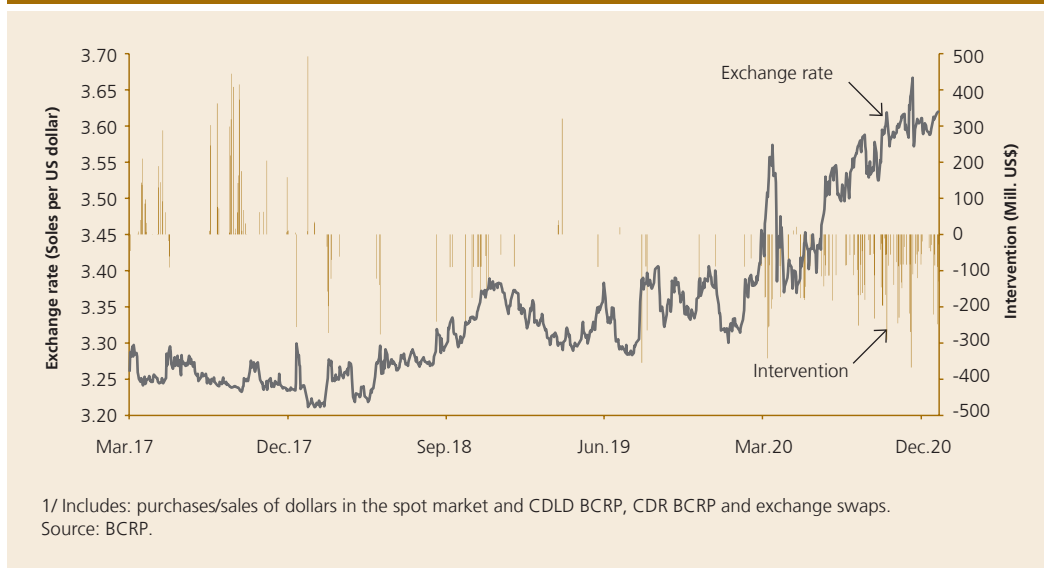
The local foreign exchange market recorded a net demand for dollars of US\$ 4,058 million, while BCRP showed a net supply of dollars of US\$ 3,694 million, mainly through placements of FX swaps and CDR BCRP. It is worth mentioning that the net dollar demand in 2020 was broken down as follows: (i) net supply in the derivatives market (US\$ 9,914 million) that came mainly from AFPs and non-resident investors and (ii) net demand for dollars in the spot market (US\$ 13,973 million), mainly from retail companies and the non-financial sector. Moreover, AFPs sold a total of US\$ 2,862 million in the second and third quarters after the liquidation of their investments abroad in order to pay members.

On the other hand, in 2020 non-resident investors did not massively liquidate their assets in soles despite the episode of financial volatility. On the contrary, there was a US\$ 1,578 million dollar supply in the spot market during the year. Only in the second and fourth quarters were settlements observed. In the derivatives market, foreign investors provided a net supply of US\$ 2,595 million. Thus, in the bond market, non-resident investors increased their BTP holdings by S/ 5,359 million during 2020.

Moreover, in 2020 BCRP intervened in the foreign exchange market mainly through the placement of foreign exchange swaps-sale, with total intervention being broken down as follows: (i) net dollar sales (US\$ 159 million), mainly in the fourth quarter of the year and (ii) placement of instruments for a total amount of US\$ 11,705 million (US\$ 7,529 million of FX swaps and US\$ 4,176 million of CDR

BCRP). A total of US\$ 5,458 million of FX swaps and US\$ 2,407 million of CDR BCRP matured during the year. As of December 31, the balance of FX swaps and CDR BCRP amounts to S/ 14,527 million (2.0 percent of GDP). The number of intervention days in 2020 was the highest since 2016. Moreover, the 5 percent ratio of interventions in the spot market represents the highest percentage since 2017, as well as the highest percentage through derivative instruments since 2016.

**Graph 67**  
**EXCHANGE RATE AND INTERVENTIONS IN THE FOREIGN EXCHANGE MARKET<sup>1/</sup>**



**Table 78**  
**FOREIGN EXCHANGE INTERVENTION**

	Trading days	Spot Market	Number of intervention days			% of days with intervention		SD of the Exchange Rate (Annual % chg.)
			Placements of derivatives and indexed instruments	Total (spot and/or placement)	Spot	Instruments		
<b>2017</b>	249	55	26	64	22%	10%	4.5%	
<b>2018</b>	245	4	27	30	2%	11%	3.4%	
<b>2019</b>	249	4	6	10	2%	2%	4.4%	
<b>2020</b>	254	13	97	100	5%	38%	7.4%	

Source: BCRP.

## 7. Financial Savings and Capital Markets

Financial savings include the total amount of assets that businesses and households have in the financial system in the form of savings deposits, time deposits, securities, and holdings of mutual funds, life insurance policies, and contributions to private pension funds. In 2020, the balance of financial savings increased by 12.4 percent (12.1 percent in 2019) and totaled S/ 509,857 million.

**Table 79**  
**FINANCIAL SAVINGS**  
(Balances at the end of period)

	Domestic currency (Mill. S/)	Foreign currency (Mill. US\$)	Total 1/ (Mill. S/)
<b>2011</b>	137,337	24,683	203,982
<b>2012</b>	171,331	25,041	235,187
<b>2013</b>	184,630	27,210	260,817
<b>2014</b>	206,279	27,556	288,396
<b>2015</b>	217,189	31,281	323,857
<b>2016</b>	242,734	31,851	349,751
<b>2017</b>	278,771	34,119	389,318
<b>2018</b>	289,852	34,117	404,825
<b>2019</b>	327,637	38,089	453,710
<b>2020</b>	356,943	42,241	509,857
<b>Growth rates</b>			
<b>2019</b>	13.0	11.6	12.1
<b>2020</b>	8.9	10.9	12.4

1/ Balances in dollars are valued at the current exchange rate.  
Source: BCRP.

By currency, financial savings in soles increased 8.9 percent in 2020 (13.0 percent in 2019), mainly as a result of the higher growth of private sector deposits in soles. Financial savings in dollars grew 10.9 percent (11.6 percent in 2019).

## 7.1 Fixed-Income Market

At the end of 2020, the balance of fixed-income securities issued through public offering in the local market amounted to S/ 25,891 million, a balance 10.1 percent lower than the balance at the end of 2019. This figure does not include the sovereign bonds issued regularly by the Treasury.

The flow of fixed-income securities placed through public offerings in the domestic market during 2020 amounted to S/ 1,745 million, a lower amount than in the previous year (S/ 5,793 million). In addition, Peruvian companies placed securities in the international market for a total of S/ 12,911 million (US\$ 3,679 million), this amount being quite close to that recorded in 2019 (S/ 12,570 million or US\$ 3,757 million).

**Table 80**  
**FIXED-INCOME SECURITIES ISSUED BY PRIVATE COMPANIES**

	Amounts			Growth rates (%)	
	2018	2019	2020	2019	2020
<b>Balances at the end of period (Million soles)</b>	<b>29,494</b>	<b>28,799</b>	<b>25,891</b>	<b>-2.4</b>	<b>-10.1</b>
Non-financial sector	17,817	16,023	15,265	-10.1	-4.7
Financial sector 1/	11,676	12,776	10,627	9.4	-16.8
<b>Composition by currency (%)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>		
Soles	80.2	86.7	86.1		
Fixed rate	73.7	82.2	80.7		
VAC	6.5	4.5	5.4		
US dollars	20.1	13.3	15.2		
<b>Structured</b>	<b>-0.4</b>	<b>-</b>	<b>-1.3</b>		
<b>Balance as % GDP</b>	<b>4.0</b>	<b>3.7</b>	<b>3.6</b>		

1/ Securities issued or originated by a financial organization. Including Banco de la Nación, COFIDE, and MiVivienda.  
Source: SMV.

By type of issuer, non-financial private companies placed public offering securities for an equivalent of S/ 545 million (S/ 1,572 million in 2019), with which their balance decreased by 4.7 percent compared to the previous year (-10.1 percent in 2019). Likewise, financial entities placed securities for S/ 1,292 million (S/ 4,221 million in 2019), and their balance decreased by 16.8 percent (9.4 percent in 2019). The largest single issuance of securities (S/ 240 million) was made by Fondo Mivivienda in January, followed by the issuance of ElectroDunas (S/ 230.5 million) in December.

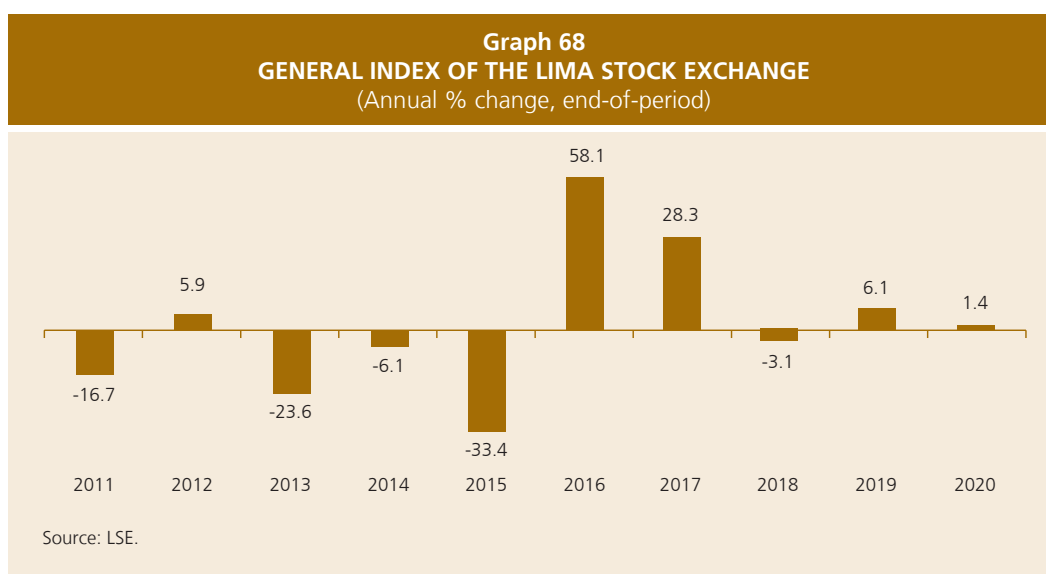
By currency, bonds issued in soles represented 86.1 percent of the outstanding balance of securities (86.7 percent at the end of 2019), while bonds issued in dollars represented 15.2 percent (13.3 percent in 2019). Furthermore, bonds in soles at a fixed-rate represented 80.7 percent of the balance (82.2 percent in 2019), while inflation-indexed bonds (VAC) represented 5.4 percent (4.5 percent in 2019).

The average term of the bonds placed, weighted by the amount placed, was 4.4 years in soles and 7.2 years in dollars. The longest maturity term in both currencies was 10 years, which in the case of placements in soles corresponded to ElectroDunas and, in the case of placements in dollars, corresponded to two different issuances: Interseguro (US\$ 25 million) and Pacifico Peruano Suiza (US\$ 50 million).

## 7.2 Stock Exchange

During the year, the Lima Stock Exchange (LSE) had mixed results: a positive return of 1.4 percent measured through its General Index (SP/BVL PERU GENERAL) and a negative return of 2.2 percent in its Selective Index (SP/BVL LIMA 25). The LSE also recorded an increase in the volume traded in both bonds and shares in comparison with 2019.

The COVID-19 pandemic was the main factor affecting the performance of the LSE in 2020, as reflected in the volatility observed. The stock market basically recorded four characteristic periods throughout the year. During the first three months, results were significantly negative due to the uncertainty generated by the rapid spread of the coronavirus across the world and by the anticipated effects of the strict measures that countries would take to contain its spread. A second period began in April as markets gradually returned to calm, taking advantage of the economic impulses promoted by governments, particularly the governments of China and the United States. A third period of declines began between September and October due to the sudden appearance of a second wave of Covid infections in the old continent. In addition, the political uncertainty generated by the tensions between the Legislative and Executive Branches in Peru contributed to amplify these falls, particularly during the first half of November. Subsequently, calm returned to the market with the consequent recovery of the indexes.



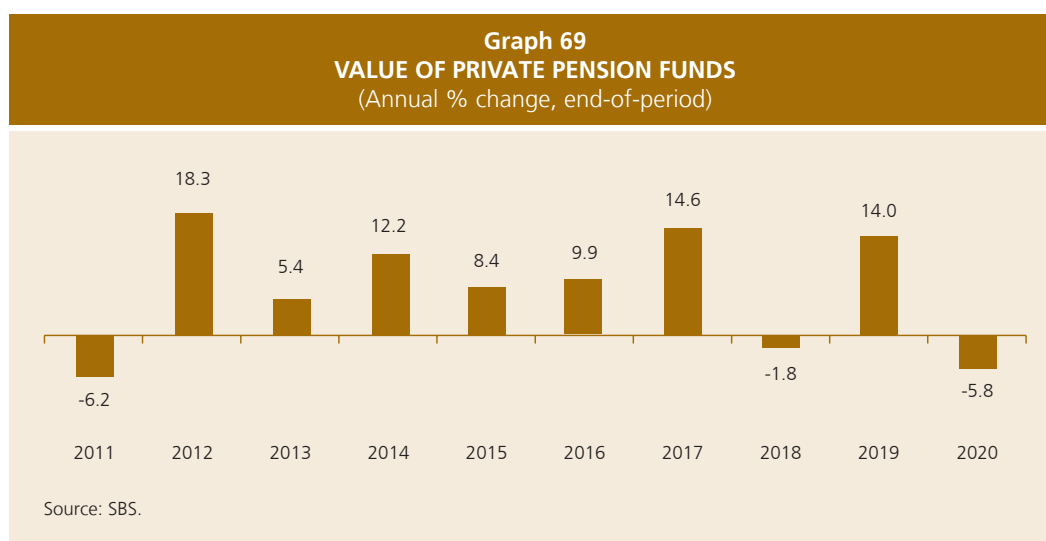
Significant differences were observed at the sector level, the mining index being the only one to record a positive performance of 28.0 percent as the rest had negative results. The banking and financial sector index registered the largest loss (-12.4 percent), followed by the manufacturing sector index (-9.7 percent) and the construction index (-7.7 percent).

The total volume traded in stocks, which increased 6.1 percent compared to 2019, amounted to S/ 14,688 million, while bond trading grew 23.4 percent to S/ 5,420 million. Market capitalization at the end of the year was S/ 599,007 million, 11.5 percent higher than at the end of 2019 (S/ 537,308 million).

Until June, the amount of dematerialized shares –i.e., the amount of shares electronically registered in CAVALI– totaled S/ 376,192 million, equivalent to 46.7 percent of the market capitalization value (42.4 percent in 2019). The share of non-resident investors with respect to total dematerialized shares decreased from 34.2 percent in December 2019 to 34.0 percent in June 2020.

### 7.3 Private Pension System

The net worth of private pension fund assets decreased 5.8 percent during 2020 and amounted to S/ 163,329 million in December, which was equivalent to 22.8 percent of GDP. The number of members of the system increased 4.8 percent and reached 7.8 million people. However, the percentage of contributors in relation to the total number of participants decreased from 44 percent in December 2019 to 39.7 percent in September 2020 (latest available data), reflecting the loss of jobs due to the pandemic.



It should be pointed out that the variation of the pension fund portfolio was particularly affected in 2020 by Emergency Decrees N° 034 and N° 038 and Law N° 31017 issued during the year, which allowed AFP members to withdraw S/ 24,350 million of pension funds. Despite the particularly unfavorable context, Fund Type 2 –the most representative type of fund given its strong participation in the total private pension fund (72.2 percent)– had a real positive return of 8.4 percent annually, after recording a return of 10.8 percent in 2019.

The percentage of investments abroad increased from 44.9 percent to 49.7 percent in 2020, only 0.3 points below the maximum authorized limit of 50 percent. On the other hand, deposits in soles in local banks increased their share from 1.6 to 4.4 percent (mostly as a result of the sale of securities), while

deposits in dollars reduced their share to 0.2 percent. It is also worth mentioning that the equities of the non-financial private sector –the component with the highest relative risk– increased their share from 8.2 to 9.3 percent.

<b>Table 81</b>			
<b>COMPOSITION OF THE PRIVATE PENSION SYSTEM PORTFOLIO</b>			
(% structural)			
	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>I. DOMESTIC INVESTMENTS</b>	<b>54.8</b>	<b>54.3</b>	<b>50.6</b>
<u>Deposits</u>	<u>2.5</u>	<u>2.2</u>	<u>4.6</u>
In soles	2.4	1.6	4.4
In dollars	0.2	0.6	0.2
<u>Bonds and fixed income</u>	<u>35.2</u>	<u>35.4</u>	<u>28.1</u>
Central Bank securities	-	-	0.1
Sovereign bonds	23.2	23.1	16.9
Values issued by the private sector	11.9	12.2	11.1
<u>Stocks and variable income</u>	<u>17.1</u>	<u>16.7</u>	<u>17.9</u>
Shares	11.1	11.4	12.5
Investment funds	6.0	5.3	5.3
<b>II. FOREIGN INVESTMENTS</b>	<b>44.6</b>	<b>44.9</b>	<b>49.7</b>
<b>III. OPERATIONS IN TRANSIT</b>	<b>0.6</b>	<b>0.8</b>	<b>-0.2</b>
<b>IV. TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Million S/</b>	<b>153,414</b>	<b>174,823</b>	<b>164,875</b>
<b>As % GDP</b>	<b>20.7</b>	<b>22.7</b>	<b>23.0</b>

Source: SBS.

By fund type, Fund Type 2 or mixed fund (which has a maximum investment of 45 percent in variable-income securities) accounted for 72.2 percent of the total value of the funds, and had a real return of 8.4 percent per year. Fund Type 3 (or capital appreciation fund, which has a maximum investment of 80 percent in equities) accounted for 10.5 percent and had a real return of 6.3 percent per year. Fund Type 1 (or capital preservation fund, which has a maximum investment of 10 percent in equities) totaled 14.8 percent and had a real return of 7.2 percent. Finally, Fund Type zero, which invests only in fixed income, had a share of 2.5 percent and a real positive return of 1.0 percent. Uncertainty and the demand for liquidity due to the pandemic caused many members to transfer their funds from Fund Type 2 and Fund Type 3 to funds Type 1 and Type 0. As a result, the share of Fund Type 3 decreased from 11.9 to 10.5 while the share of Fund Type 2 decreased from 74.9 to 72.2 percent between 2019 and 2020. In contrast, the shares of Fund Type 1 and Fund Type 0 increased, with the former rising from 1.6 to 2.5 percent and the latter, from 11.6 to 14.8 percent during the same time period.

The balance of voluntary contributions, which amounted to S/ 2,670 million (S/ 2,295 million in 2019), represented 1.6 percent of the total accumulated funds. Most of these contributions were used for non-pension purposes (S/ 2,438 million).

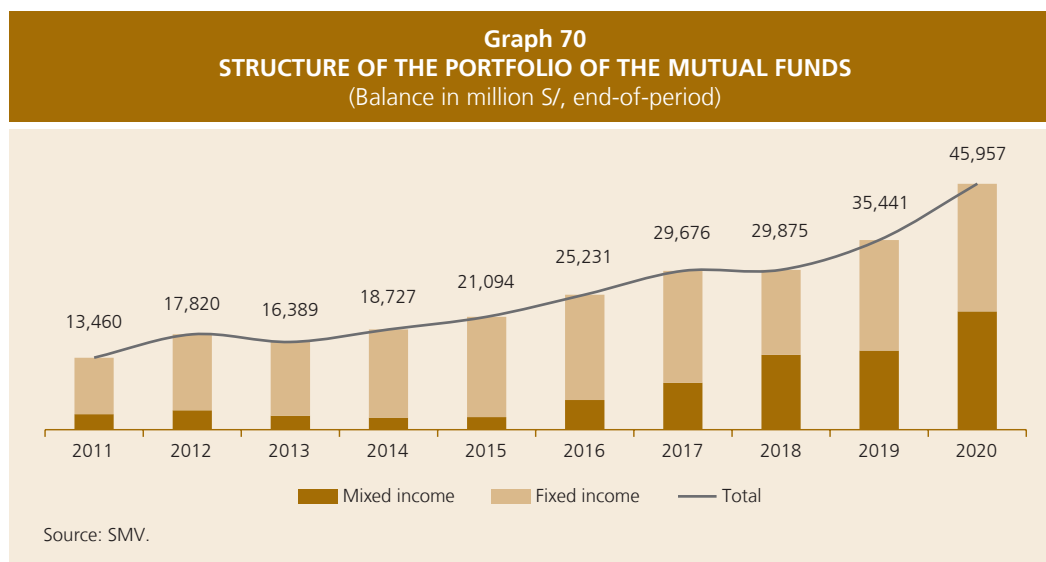
#### 7.4 Mutual Funds

The combined assets of mutual funds increased 29.7 percent compared to the previous year, reaching a balance of S/ 45,957 million (6.4 percent of GDP) at the end of 2020. The number of participants increased 0.3 percent to 437 thousand at the end of the year (436 thousand participants in 2019). On



the other hand, the number of operating mutual funds decreased from 179 to a final number of 162, of which 122 were mutual funds in foreign currency and 40 were mutual funds in domestic currency.

In terms of assets under management, by currency, the share of mutual funds in soles increased from 37.2 to 40.9 percent, while the percentage share of mutual funds in dollars fell from 62.8 to 59.1 percent.



In contrast to what happened with pension funds, the share of mutual funds' investments abroad decreased from 43.8 to 43.2 percent over 2020. In the case of domestic investments, the share of deposits decreased from 40.8 to 36.3 percent, while the share of bonds and fixed income instruments –which includes both bonds of private issuers and BCRP securities– increased from 8.7 to 13.9 percent,.

**Table 82**  
**COMPOSITION OF MUTUAL FUNDS' INVESTMENT**  
(% structural)

	2018	2019	2020
<b>I. DOMESTIC INVESTMENTS</b>	<b>56.0</b>	<b>56.2</b>	<b>57.8</b>
<u>Deposits</u>	<u>41.0</u>	<u>40.8</u>	<u>36.3</u>
In soles	28.9	24.1	20.9
In dollars	12.2	16.7	15.4
<u>Bonds and fixed income</u>	<u>10.7</u>	<u>8.7</u>	<u>13.9</u>
Central Bank securities	0.5	0.1	2.6
Sovereign bonds	0.9	0.7	0.8
Values issued by the private sector	9.3	8.0	10.4
Stocks and variable income	2.7	3.4	3.6
Other	1.6	3.3	4.1
<b>II. FOREIGN INVESTMENTS</b>	<b>44.0</b>	<b>43.8</b>	<b>42.2</b>
<b>III. TOTAL</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Million S/</b>	<b>29,875</b>	<b>35,441</b>	<b>45,957</b>
<b>As % GDP</b>	<b>4.0</b>	<b>4.6</b>	<b>6.4</b>

Source: SMV.

## 7.5 Payments System

The state of emergency originated by COVID-19 led to an economic lockdown and to the adoption of several isolation measures that restricted mobility and activity in the country. Despite this, the payment systems and particularly the Real Time Gross Settlement System (RTGS), managed by the Central Bank, continued to operate. BCRP also carried out its oversight actions, promoting security in the payment systems, and fostering the development and implementation of innovations in retail payments that facilitated fund transfers in a context marked by restricted mobility.

Table 83 PAYMENT SYSTEMS (Monthly average, value in million soles, number of operations in thousands)								
	2018		2019		2020		% chg.	
	Value	Number	Value	Number	Value	Number	Value	Number
<b>Real Time Gross Settlement System (RTGS System)</b>	<b>362,235</b>	<b>80</b>	<b>373,434</b>	<b>82</b>	<b>292,051</b>	<b>72</b>	<b>-22</b>	<b>-12</b>
<b>Electronic Clearing House (Cámara de Compensación Electrónica - CCE)</b>	<b>22,146</b>	<b>2,519</b>	<b>25,059</b>	<b>3,220</b>	<b>22,528</b>	<b>5,192</b>	<b>-10</b>	<b>61</b>
- Checks	8,866	355	9,886	310	5,512	150	-44	-52
- Credit transfers	12,802	1,943	14,400	2,489	15,575	3,963	8	59
- Instant transfers	479	221	773	421	1,442	1,080	86	157
<b>Multibank Securities Settlement System (MSSS)</b>	<b>6,486</b>	<b>10</b>	<b>7,537</b>	<b>8</b>	<b>8,209</b>	<b>10</b>	<b>9</b>	<b>24</b>
- Stock Exchange	1,820	9	1,381	7	1,178	9	-15	33
- Government securities	4,666	1	6,156	1	7,031	1	14	-17
<b>TOTAL</b>	<b>390,867</b>	<b>2,609</b>	<b>406,031</b>	<b>3,310</b>	<b>322,788</b>	<b>5,275</b>	<b>-23</b>	<b>73</b>

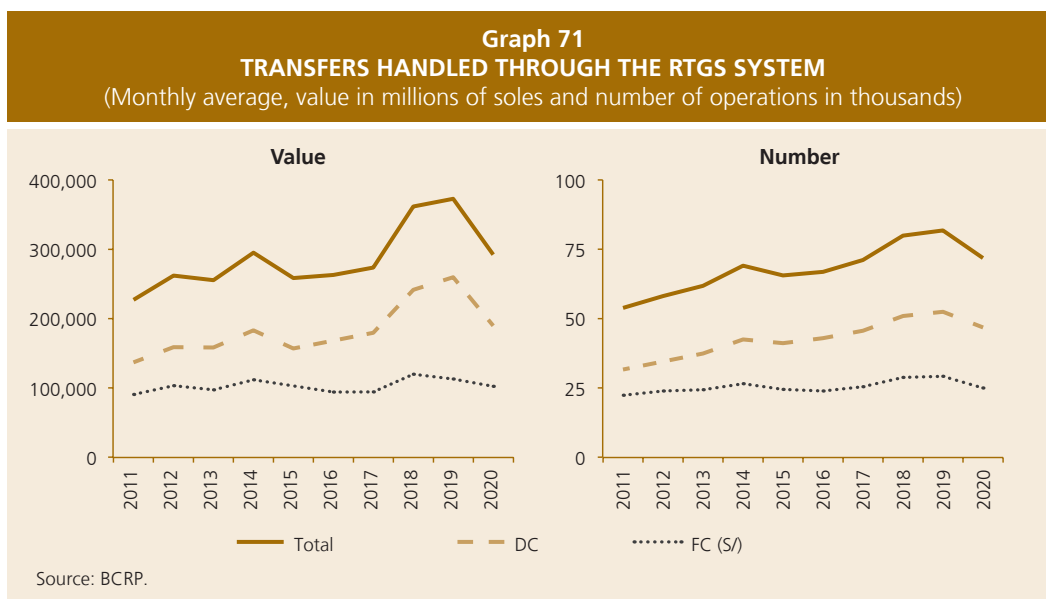
Source: BCRP.

In 2020, the value of transactions settled in payment systems decreased by around 23 percent due to banks' lower transactions, among other reasons. In contrast, people made greater use of digital payment instruments, including transfers through the Electronic Clearing House (ECC), which resulted in a 73 percent increase in the number of transactions carried out in payment systems in 2020.

### Real Time Gross Settlement System (RTGS System)

The RTGS system is the main payment system in Peru since it is used to make high value transfers among the institutions of the financial system, either for their own operations or for the operations of their clients. It represents 90 percent of the total value transferred in the payment systems. The RTGS system also settles the operations of the CCE and the Multibank Securities Settlement System, as well as the operations of the Electronic Money Payment Agreement (Acuerdo de Pago de Dinero Electrónico - APDE). Furthermore, it is also used to settle the Central Bank's monetary policy operations with the financial system entities (FSEs).

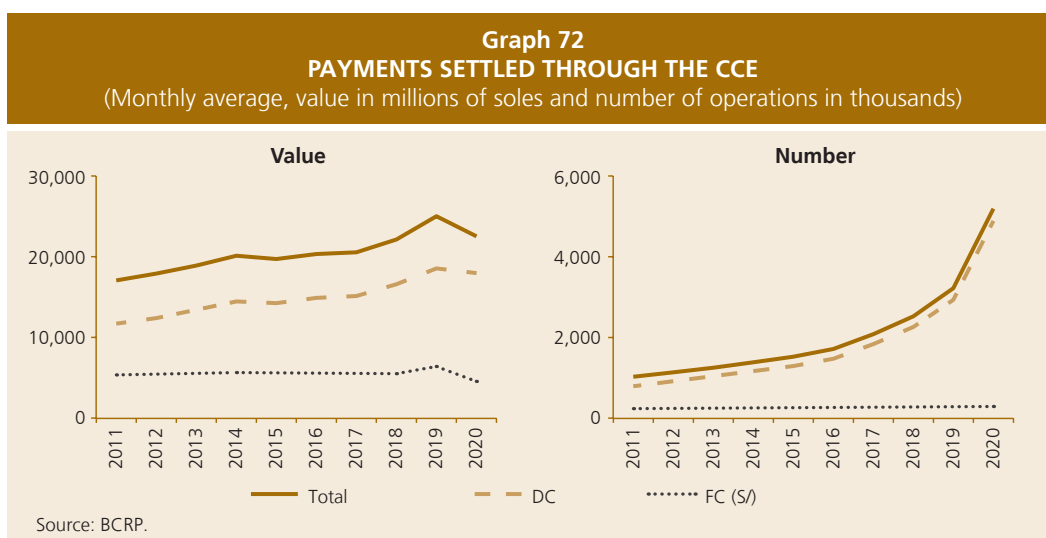
In 2020, the value of fund transfers between FSEs decreased by 22 percent, mainly due to the lower volume of FSEs' own operations (loans and foreign exchange). The value of transfers in domestic currency declined faster than the value of transfers in foreign currency, so their participation in this system fell to 65 percent (69.7 percent in 2019).



The Central Bank continued to promote the electronic access of micro finance entities (i.e. municipal and rural savings banks and non-bank financial entities) to the RTGS system. In 2020, CRAC Raíz and CRAC Prymera were electronically connected with this system, which has implied greater efficiency and security in the transfers carried out by these entities. In addition, the Bank of China was also interconnected.

### Electronic Clearing House (ECC)

The CCE manages services such as check clearing, credit transfers, and immediate transfers between customers of the different FSEs. Because of the retail nature of the transactions (large number of low-value operations), transfers in this system represent 98.4 percent of the total number of transactions in the payment systems,

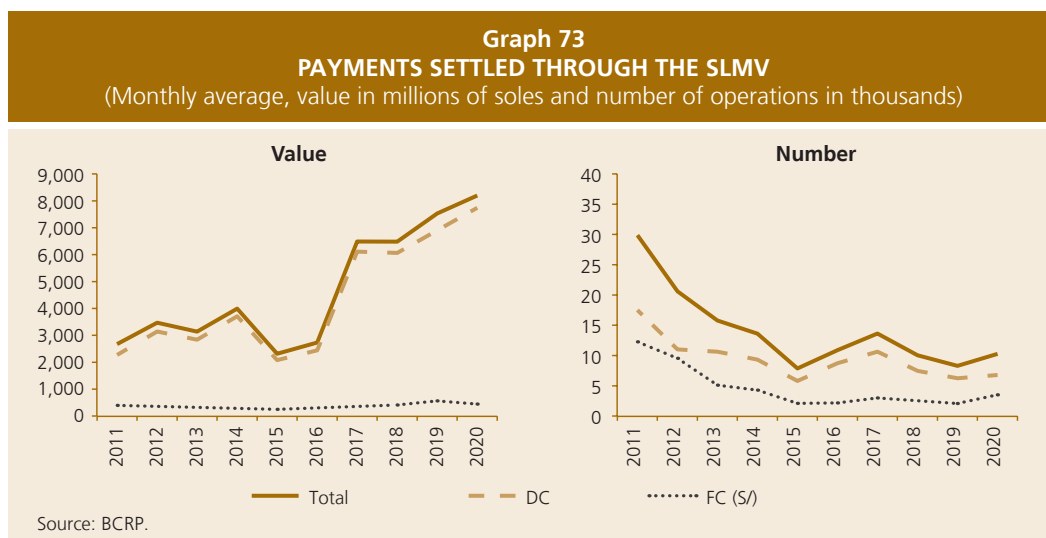


Although the value of transactions decreased by 10 percent in the year due to the health emergency, the number of transactions increased by 61 percent, reflecting the need of FSE clients to carry out transfers and payments in a non-face-to-face manner. In line with people's greater acceptance of digital payments in the context of the pandemic, credit transfers and immediate transfers grew

rapidly, the latter accounting for 20.8 percent of the number of transactions in the ECC. In contrast, the downward trend observed in check transactions intensified, falling by 52 percent to represent only 2.9 percent of total ECC transactions (9.6 percent in 2019).

### Multibank Securities Settlement System (MSSS)

The MSSS, which managed by CAVALI, processes payments related to transfers of stock exchange securities and Treasury bonds.



The average monthly value of payments in the MSSS System increased by 9 percent in 2020 as a result of the greater number of Government Securities transactions (14 percent)<sup>7</sup>. Likewise, the average monthly number of transactions increased by 24 percent, driven by a larger volume of transactions in the stock exchange market (33 percent)<sup>8</sup>.

### Oversight

The Central Bank's oversight activities in 2020 allowed it to verify that current security and efficiency regulations and standards are complied with by payment systems in general terms. The BCRP oversight was also combined with the efforts made by the administrators of payment systems to strengthen risk management and improve the efficiency of their services.

### 7.6 Other Digital Retail Payments

In addition to the digital payments processed at the ECC, there are other digital payments carried out under payment agreements such as cards and the APDE Bim (BIM Electronic Money Payment Agreement), as well as payment instruments such as (intrabank) transfers and direct debits between clients of the same financial entity. In the context of mobility restrictions associated with the pandemic, people made more intensive use of transfers, both internal and those processed at the ECC, as a result

<sup>7</sup> Operations with Government Securities showed significant growth, both in terms of value and in terms of number, mainly due to increased trading of Sovereign Bonds by non-residents.

<sup>8</sup> Two important transactions were carried out in the first half of 2020: the transfer of 98.6% of class B shares representing the capital stock of Telefónica del Perú S.A. to Telefónica Latinoamérica Holding (March 30), and the transfer of shares between Sempra Energy and Yangtze Andes Holding Co. Limited for the sale of Luz del Sur's shareholding (April 24).

of which the number of transactions showed high growth rates. In this regard, the importance that electronic wallets have gained in retail payments is worth mentioning.

Moreover, the increased use of digital channels to instruct payment orders (through mobile banking and internet banking, for example) given the difficulties and risks of making payments in person (POS and teller window) is also worth pointing out.

Table 84 DIGITAL RETAIL PAYMENTS (PAYMENT AGREEMENTS AND SERVICES) (Monthly average*)								
Instruments/ Channels	2018		2019		2020		% chg. 2020-2019	
	Value	Number	Value	Number	Value	Number	Value	Number
<b>Intra-bank transfers</b>	<b>116,588</b>	<b>23,276</b>	<b>149,957</b>	<b>31,986</b>	<b>181,557</b>	<b>53,195</b>	<b>21.1</b>	<b>66.3</b>
Offline channel	95,658	18,306	133,998	29,162	167,043	50,314	24.7	72.5
In-person channel	20,930	4,969	15,959	2,824	14,514	2,881	-9.1	2.0
<b>Debit cards</b>	<b>1,839</b>	<b>21,084</b>	<b>2,181</b>	<b>26,360</b>	<b>2,491</b>	<b>25,624</b>	<b>14.2</b>	<b>-2.8</b>
Offline channel	147	2,450	253	4,235	682	6,934	169.6	63.7
In-person channel	1,692	18,633	1,927	22,125	1,808	18,690	-6.2	-15.5
<b>Credit cards</b>	<b>4,556</b>	<b>16,338</b>	<b>5,164</b>	<b>18,685</b>	<b>3,555</b>	<b>12,217</b>	<b>-31.2</b>	<b>-34.6</b>
Offline channel	694	2,364	860	3,289	811	2,454	-5.7	-25.4
In-person channel	3,862	13,974	4,304	15,397	2,744	9,764	-36.2	-36.6
<b>Bim</b>	<b>11</b>	<b>364</b>	<b>75</b>	<b>577</b>	<b>74</b>	<b>649</b>	<b>-1.8</b>	<b>12.4</b>
Offline channel	11	364	75	577	74	649	-1.8	12.4
<b>Total</b>	<b>122,994</b>	<b>61,062</b>	<b>157,377</b>	<b>77,609</b>	<b>187,676</b>	<b>91,686</b>	<b>19.3</b>	<b>18.1</b>
Offline channel	96,510	23,485	135,186	37,263	168,610	60,351	24.7	62.0
In-person channel	26,484	37,577	22,191	40,346	19,066	31,335	-14.1	-22.3

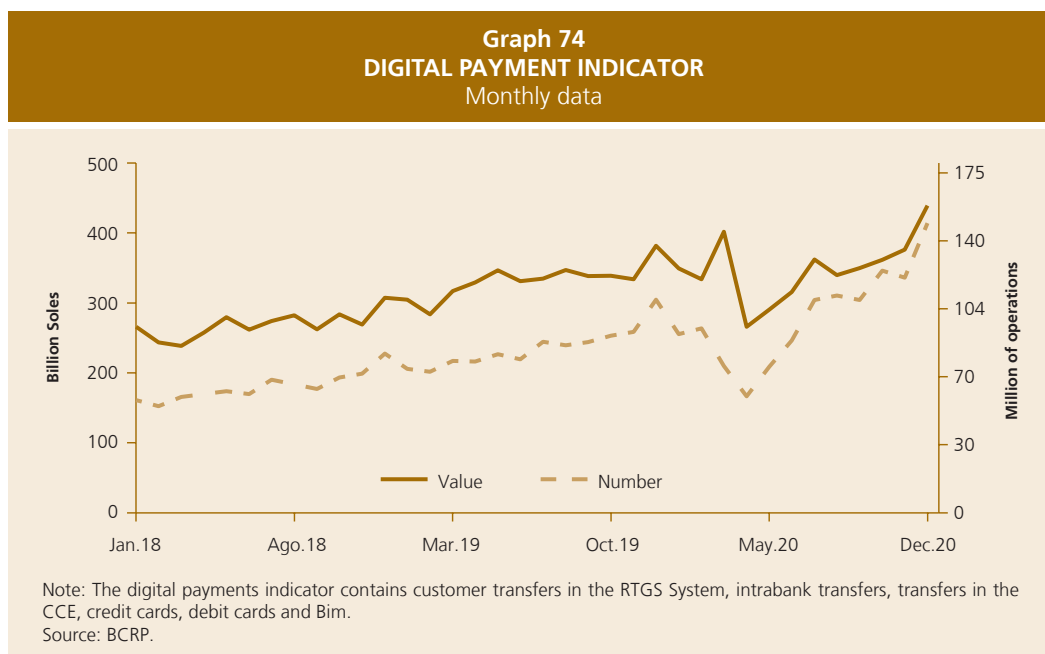
Note: In-person channels are: Window, ATM and Point of Sale (POS).  
\* Value in million soles, and number of operations in thousands.  
Source: BCRP.

In the case of Bim, although its number of operations increased, its levels are still relatively low. Measures were adopted during the year to facilitate the process of protecting resources and extending the VAT exemption period.

Moreover, after recording a fall due to the pandemic, the number of transactions using payment cards showed a recovery, especially in debit card payments, whose value exceeded the level recorded in 2019. On the other hand, the recovery of credit cards was slower since their use had fallen significantly both in terms of value and number compared to the previous year. In the context of a study carried out by Indecopi, structural changes were made by market agents so the following measures were taken:

- a. Replace the linkage of an acquirer to a single card brand by multi-brand acquiring. The latter has allowed for greater competition at the acquirer level since the same card network (VISA and/ or MasterCard) is now offered to merchants, so competition is focused on important variables for the merchant such as commissions, security, efficiency, speed in the availability of funds, etc.
- b. Change the methodology for determining interchange fees. The rule of 80 percent of the discount rate (commission paid by the merchant to the acquirer on each card transaction) was changed so that it would be determined by the card brands, as is the case in other countries.

A drastic drop was observed in economic activity and in digital payments as a result of the pandemic in March and April 2020, as reflected in the Digital Payments Indicator (DPI) that measures digital payments (e.g. client transfers through the RTGS, intrabank transfers, ECC transfers, payment cards, automatic debits, and Bim). A progressive recovery in value and a rapid increase in the number of transactions was observed thereafter.



## Innovations

On February 2, 2020, the Central Bank issued Circular No. 003-2020-BCRP, approving the Regulation of Payment Services with Quick Response (QR) codes. The purpose of this regulation is to establish the standard applicable for QR codes to make payments in the country, as well as the regulatory requirements applicable to the agents participating in this service. One of such requirements is that QR Code Providers, Wallet Providers and Payment Networks must comply with the requirements established by BCRP to register in the registry created by this entity and send statistical information on their operations. This regulatory framework promotes interoperability, as well as security and efficiency in the payments or fund transfers carried out using such code. This also encourages access to digital payments for smaller merchants, for whom the cost of POS can be onerous.

In December 2020, the ECC implemented Immediate Transfers under a 24-hour service scheme every day of the week (24/7) with a significant number of its participants. Like the previous one, this service is based on prefunded accounts that ensure the settlement of funds, allowing for the transfer of resources to the beneficiary's account to be carried out in almost real time.

This innovation provides flexibility to users to adapt their payment needs to a continuous schedule of service, reducing the concentration of payments thanks to an extended schedule that reduce, in turn, operational risks in the systems that support these transactions. This new service promotes people's access to digital payments not only because a payment is made in almost real time, but also because it can be made from the homes of ESF customers.

The Central Bank accompanied this innovation by making the corresponding modifications to its RTGS system, and published Circular No. 030-2020-BCRP approving the Regulation of the Immediate Transfers Clearing Service under the 24/7 scheme on November 20, 2020.

**Box 4**  
**RECLASSIFICATION OF CORPORATE LOANS<sup>9</sup>**

Statistics associated with corporate loans in Peru are based on the classification of the Superintendency of Banks, Insurance Companies, and Pension Fund Administrators (SBS), where corporate loans are classified by credit segment according to criteria based on annual sales, debt issuances and total indebtedness.

**SBS BUSINESS SEGMENTATION CRITERIA**

Segment	Annual Sales	Total Indebtedness
Corporate	Higher than S/ 200 million	--
Large companies 1/	Between S/ 20 and S/ 200 million	--
Medium-sized enterprises	Lower than S/ 20 million	Higher than S/ 300 thousand
Small businesses	--	Between S/ 20 and S/ 300 thousand
Microbusinesses	--	Lower than S/ 20 thousand

1/In addition to the sales and indebtedness criteria, this segment also considers companies that maintain issues in the capital market in the last year.

However, given that few companies report their sales, especially in the smaller segments, this classification is usually based on each company's total credit balance in the financial system. Consequently, if the company increases its level of indebtedness, the classification of its loans could eventually exceed one of these limits and move to a higher category or segment. Of course, this effect can also occur in the opposite direction.

Therefore, the indicator of credit balance growth rates by company size not only takes into account the effect of higher (lower) lending activity linked to higher (lower) productive activity in each of the categories, but also reflects the effect of changes in the base associated with eventual reclassifications.

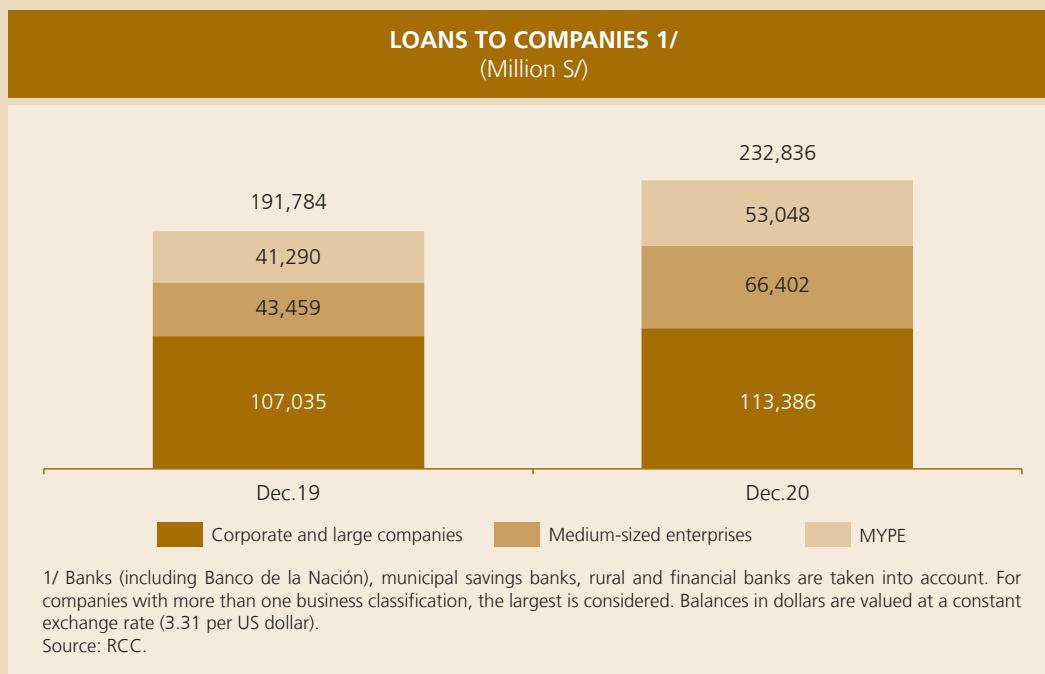
The Reactiva Peru Program, implemented in 2020, was a massive lending scheme to support business and oriented mostly to MSEs<sup>10</sup>. As a result of the greater flow of loans, an acceleration of credit has been observed in all segments together with a reclassification effect. On the other hand, however, confinement measures, which greatly affected companies' sales, have contributed to the reclassification effect as well.

There are several reasons why a company can move from one segment to another. For example, a company can move to a higher (lower) segment due to an increase (drop) in its level of indebtedness or level of sales. If it moved to a higher segment, this would force the financial system entities to request more information from the companies, especially information about their level of sales. If it moved to a lower segment, this would be due to a reduction in sales. The effect of this reclassification on the composition of credit, using data from the Consolidated Credit Report (CCR) for December 2019 and 2020, is estimated in this box.

9 A company is considered to be reclassified if its classification in December 2020 is different from the one it had in December 2019. Moreover, the amount reclassified is that observed in December 2020.

10 Based on information on the guarantee certificates issued by COFIDE as of January 5, 2021, and according to the SBS classification, 93.5 percent of the beneficiary companies were MSEs, 5.9 percent were medium-sized companies, and 0.6 percent were large companies and corporations.

During 2020, the balance of total loans increased in all of the segments. The increase in loans to medium, small and micro-enterprises stands out, reflecting the effect of the Reactiva Peru Program.



However, when we take as reference the debtors and the classification of their loans as of December 2019, we find that the balance of loans that maintained their classification in December 2020 amounted to S/ 198,078 million, while the balance of loans that changed their classification was S/ 15,338 million. In addition, there was a group of loans to new debtors<sup>11</sup> totaling S/ 19,420 million.

The effect of the reclassification was not equal among segments. The leading segment was the segment of micro and small enterprises, with a total debt balance of S/ 9,761 million. Of this amount, S/ 9,430 million became part of the balance of medium-sized companies, while S/ 331 million changed to be considered part of the debt balance of large companies. It is worth pointing out that the 94 companies that qualified to be in the segment of large enterprises included companies developing real estate projects, and companies managing engineering, education, construction and manufacturing projects. As of December 2019, these companies had a debt balance of less than S/ 300 thousand; however, as of December 2020 they increased their level of indebtedness by an average of S/ 3.2 million, which would have led them to provide more information on their sales to the financial system, and to be reclassified within the segment of corporations and large companies. It should also be pointed out that this group of companies belong to the sectors that showed the highest growth rates during 2020.

On the other hand, the medium-sized companies that were reclassified registered loans amounting to S/ 4,570 million. The loans of medium-sized companies that were reclassified as MSEs amounted to S/ 812 million, while loans for a total of S/ 3,758 million were reclassified as loans of corporations and large companies. Finally, the segment affected the least by the reclassification was the segment of corporations and large enterprises, which reduced its debt balance by S/ 1,007 million (S/ 1,006 million were classified as loans to medium-sized companies).

<sup>11</sup> New debtors are defined as those not included in the December 2019 RCC that were then included as debtors in the December 2020 RCC.



**BALANCE OF LOANS TO COMPANIES 1/**  
 (Million S/)

	Balance		Share
	Dec.19	Dec.20	Dec.20
<b>Corporate and large companies</b>	<b>107,035</b>	<b>113,386</b>	<b>100.0</b>
Former debtors	107,035	106,681	94.1
New debtors	--	2,615	2.3
Reclassified debtors	--	4,089	3.6
Medium-sized enterprises (Dec-19)	--	3,758	3.3
MYPE (Dec-19)	--	331	0.3
<b>Medium-sized enterprises</b>	<b>43,459</b>	<b>66,402</b>	<b>100.0</b>
Former debtors	43,459	48,272	72.7
New debtors	--	7,695	11.6
Reclassified debtors	--	10,435	15.7
Corporate and large companies (Dec-19)	--	1,006	1.5
MYPE (Dec-19)	--	9,430	14.2
<b>Small businesses and microbusinesses</b>	<b>41,290</b>	<b>53,048</b>	<b>100.0</b>
Former debtors	41,290	43,125	81.3
New debtors	--	9,110	17.2
Reclassified debtors	--	813	1.5
Corporate and large companies (Dec-19)	--	1	0.0
Medium-sized enterprises (Dec-19)	--	812	1.5
<b>TOTAL</b>	<b>191,784</b>	<b>232,836</b>	<b>100.0</b>
Memo:			
<b>Net Reclassification Effect 2/</b>	<b>--</b>	<b>0</b>	<b>--</b>
Corporate and large companies	--	-3,082	--
Medium-sized enterprises	--	-5,866	--
Mype	--	8,948	--

1/ Banks (including Banco de la Nación), municipal savings banks, rural and financial banks are taken into account. For companies with more than one business classification, the largest is considered. Balances in dollars are valued at a constant exchange rate (3.31 per US dollar).

2/ Result of maintaining the classification as of December 2019.

Source: RCC.

As stated above, reclassification affected the composition of credit and therefore the year-on-year growth rates for each of the segments. If this reclassification effect is not taken into account, the annual growth for the segment of corporations and large companies in December 2020 would have been 5.4 percent (versus 8.3 percent with the reclassification effect), 38.0 percent in the segment of medium-sized companies (versus 51.0 percent with the reclassification effect), and 43.5 percent in the segment of micro and small companies (versus 24.4 percent with the reclassification effect).

The conclusion arising from this analysis is that credit to MSEs was the segment most affected by the reclassification, due to the fact that a large number of companies increased their total debt in the financial system as a result of the measures taken to mitigate the effect of the COVID-19 pandemic.

**TOTAL CREDIT TO THE PRIVATE SECTOR, BY TYPE OF PLACEMENT 1/ 2/**

	Dec.19	Million S/				Growth rates (%)					
		Dec.20		Dec.20		Dec.19/Dec.20					
		With reclassification effect		Without reclassification effect		With reclassification effect			Without reclassification effect		
		With Reactiva	Without Reactiva	With Reactiva	Without Reactiva	With FAE and Reactiva	Without Reactiva	Without FAE and Reactiva	With FAE and Reactiva	Without Reactiva	Without FAE and Reactiva
<b>Credit to companies</b>	<b>199,404</b>	<b>242,721</b>	<b>186,668</b>	<b>242,721</b>	<b>186,668</b>	<b>21.7</b>	<b>-6.4</b>	<b>-7.0</b>	<b>21.7</b>	<b>-6.4</b>	<b>-7.0</b>
Corporate and large companies	107,411	116,310	99,239	113,228	97,738	8.3	-7.6	-7.6	5.4	-9.0	-9.0
Medium-sized enterprises	45,112	68,103	42,492	62,237	40,266	51.0	-5.8	-5.8	38.0	-10.7	-10.7
Small businesses and microbusinesses	46,881	58,307	44,937	67,255	48,663	24.4	-4.1	-6.8	43.5	3.8	1.1

1/ Includes loans and investments. Banks (including Banco de la Nación), municipal savings banks, rural savings banks, cooperatives and finance companies are taken into account. Balances in dollars are valued at a constant exchange rate (3.31).

2/ Includes FAE Mype y Turismo.

Source: RCC, Financial Statement and Guarantee Certificates issued by COFIDE as of January 5, 2021.

### Box 5 THE REACTIVA PERU PROGRAM

The effects of the COVID-19 pandemic on supply and demand generated a significant drop in household income and in corporate cash flows, which constrained the ability of families and businesses to meet obligations already contracted. To address this constraint, the government established the Reactiva Perú program, a mechanism aimed to provide liquidity, support credit, and prevent the disruption of the flow of payments in the economy, mitigating in this way the negative effects of the crisis, which could have led to an economic depression –a prolonged and deep recession– and undermined the stability of the financial system.

Reactiva Peru is a S/ 60 billion government guarantee scheme –initially formulated as a S/ 30 billion program– to support businesses through financing and where the value of the loans required by companies to continue with their activities is related to their working capital needs. The latter was first determined according to the firms' contributions to EsSalud (3 months) or to the sales declared to SUNAT (1 month) in 2019. Subsequently, with the extension of the quarantine, in a second stage of the program, the cap was extended to 3 months of declared sales or, in the case of micro-enterprises, to 2 times the average debt balance of 2019. In both cases, the maximum credit amount was set at S/ 10 million, so larger companies have relatively lower access. Therefore, the changes made in the loan amount favored mainly smaller companies, which were able to have access to larger loan amounts, depending on their credit history.

In addition, the Government guarantee is granted according to a percentage (between 80 and 98 percent) that varies in a decreasing manner according to the amount of money loaned. Thus, the guarantee percentage is higher for smaller loans, which are also associated with smaller companies. In these exceptional conditions of economic recession and high uncertainty, this guarantee acts as a risk absorption mechanism. When the funds allocated to the program's guarantees were extended on June 1, the guarantee coverage was extended as well.

Guarantee percentage	Credits by company (in soles)	
	Reactiva 1 1/	Reactiva 2 2/
98%	Up to 30,000	Up to 90,000
95%	From 30,001 to 300,000	From 90,001 to 750,000
90%	From 300,001 to 5.000,000	From 750,001 to 7.500,000
80%	From 5.000,001 to 10.000,000	From 7.500,001 to 10.000,000

1/ Guaranteed credits before June 1, 2020.  
2/ Guaranteed credits after June 1, 2020.

The program is aimed at companies that showed sound financial conditions before the COVID-19 crisis, including records as good taxpayers and debtors. Other verifiable requirements also included for firms to be eligible were, for example, not being linked to the financial institution granting the credit, not carrying out any of the activities listed in an Exclusion List, and not being included in corruption cases under the scope of Law 30737, nor being subject to proceedings for corruption and related crimes.

On the other hand, BCRP carries out 3-year repos at a rate of 0.50 percent per annum with the portfolio guaranteed by the program, using an auction mechanism through which these repos are awarded to the financial institutions that offer loans to their corporate clients at the lowest interest rates.

#### Program Results

After having awarded a total of S/ 55.3 billion in fifty sessions at an average interest rate of 1.40 percent since April 23, the auctions of the Reactiva Perú program ended on October 20, 2020.



**OPERATIONS AUCTION OF PORTFOLIO REPO WITH NATIONAL GOVERNMENT GUARANTEE\***

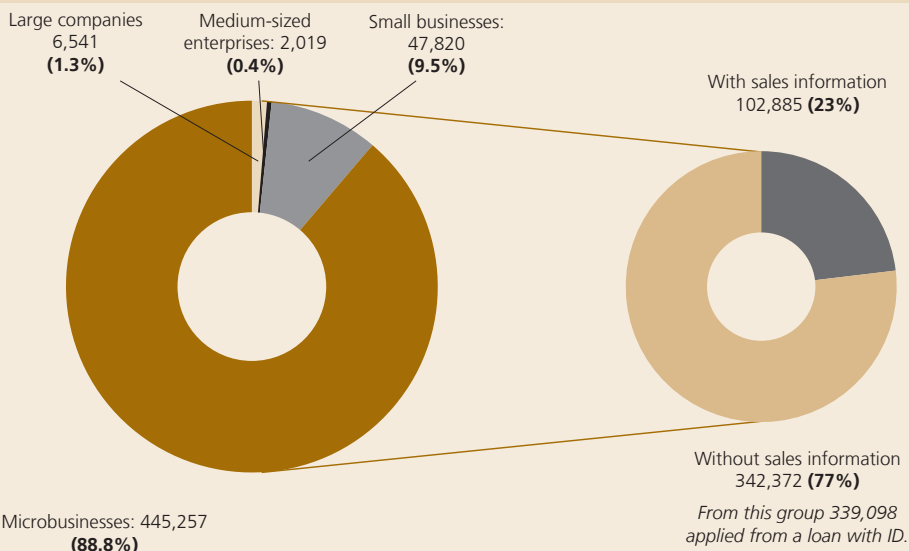
Guarantee percentage	Settled (Million S/)	Placed amounts* (Million S/)	Placement interest rate (%)			Placed amounts* (%)
			Minimum	Maximum	Average	
80	14,400	9,597	0.79	2.15	1.16	17.4
90	37,050	24,275.1	0.90	2.50	1.21	43.9
95	34,800	14,302.1	0.54	3.25	1.30	25.9
98	39,078.8	7,107.5	0.50	5.25	2.59	12.9
<b>Total</b>	<b>125,328.8</b>	<b>55,282.1</b>	<b>0.50</b>	<b>5.25</b>	<b>1.40</b>	<b>100</b>

\* As of October 20.

With these operations, resources were allocated to 28 financial institutions (9 banks, 7 finance companies, 10 Municipal Savings Banks, and 2 Rural Savings and Credit Banks), which represent 98 percent of the credit granted by the financial system to businesses.

According to COFIDE information, total guaranteed loans, which amount to S/ 58,010 million, have benefited 501,637 companies, 98.3 percent of which are micro and small enterprises (MSEs). Moreover, of the total number of microenterprises (445,257 companies), 23 percent (102,885 businesses) are companies that register sales information (formal sector), while 77 percent (342,372 businesses) do not register sales information. Furthermore, most of the latter (339,098 businesses) requested their loans using their ID number.

**NUMBER OF COMPANIES WITH REACTIVA LOANS 1/**



Memo: The criteria for classifying the loans to companies by credit segment is made according to the information from SUNAT:  
 Microbusinesses: Annual sale between 0 to 150 UIT.  
 Small businesses: Annual sale between 150 to 1,700 UIT.  
 Medium-sized enterprises: Annual sale between 1,700 to 2,300 UIT.  
 Large companies: Annual sale higher to 2,300 UIT.

The participation of companies in total Reactiva Peru loans by company size is proportional to their contribution to total sales. Thus, for example, large companies, which contribute with 64.1 percent of total sales, have

received 48.9 percent of the amount of loans, while SMEs, which have contributed with 32.9 percent of sales, have received 46.2 percent of loans.

REACTIVA LOANS BY COMPANY SIZE 1/				
	Credit Amount		Average Sales 2/	
	(Million S/)	Participation (%)	(Million S/)	Participation (%)
Corporate and large companies	28,348	48.9	28,855	64.1
Medium-sized enterprises	2,839	4.9	1,393	3.1
Small businesses and Microbusinesses	26,822	46.2	14,800	32.9
<b>Total</b>	<b>58,010</b>	<b>100.0</b>	<b>45,048</b>	<b>100.0</b>

1/ With information from the guarantee certificates issued by COFIDE as of January 5, 2021. For the classification of the company size, the amount of annual sales is used according to the information from SUNAT. For companies that do not register a number of sales, it was estimated according to the median of the segment to which it belongs.

2/ Sales amounts are consolidated in the case of companies with more than one Reactiva credit, that is, the sales amounts are considered only once registered to those companies with more than one Reactiva credit.

**Memo:** The criteria for classifying the loans to companies by credit segment is made according to the information from SUNAT:

Microbusinesses: Annual sale between 0 to 150 UIT.

Small businesses: Annual sale between 150 to 1,700 UIT.

Medium-sized enterprises: Annual sale between 1,700 to 2,300 UIT.

Large companies: Annual sale higher to 2,300 UIT.

The program has had a significant impact on direct employment. The group of companies that have accessed the Reactiva Peru program so far has generated 2.8 million jobs, of which 2 million are jobs included in SUNAT's electronic payroll (52.4 percent of formal private employment). In addition, it is estimated that 401 thousand businesses generate 823 thousand jobs not registered in the electronic payroll.

COMPANIES AND EMPLOYMENT IN REACTIVA PERU 1/				
	Companies in Reactiva		Electronic payroll	
	Number	Participation (%)	Number	Participation (%)
<b>Total</b>	<b>501,637</b>	<b>100</b>	<b>2,785</b>	<b>100</b>
With information in payroll	100,794	20.1	1,961	70.4
Without information in payroll 2/	400,843	79.9	823	29.6
With Ruc	57,493	11.5	135	4.9
Without Ruc	343,350	68.4	688	24.7

1/ Elaborated with the information from the Electronic Payroll as of December 2020 and the guarantee issued by COFIDE as of January 5, 2021.

2/ Mainly microbusiness and small companies that do not declare workers in the payroll. For these, the number of jobs has been estimated according to the median of those microbusiness and small companies that do register information on the payroll (2 and 5 positions, respectively).

Source: Sunat, SBS and MEF.

It is estimated that companies with up to 10 workers have been the ones that participated the most in the Reactiva Peru program (96.2 percent of the total number of companies and 40.9 percent of the total amount of loans) and that they have generated 1 million jobs (39.1 percent of the total). On the other hand, companies with more than 500 workers, which have generated 837 thousand jobs, register the lowest participation in the Reactiva Peru program (0.1 percent of the total number of companies and 6.8 percent of the total amount of loans).

**REACTIVA CREDITS BY COMPANY SIZE 1/**

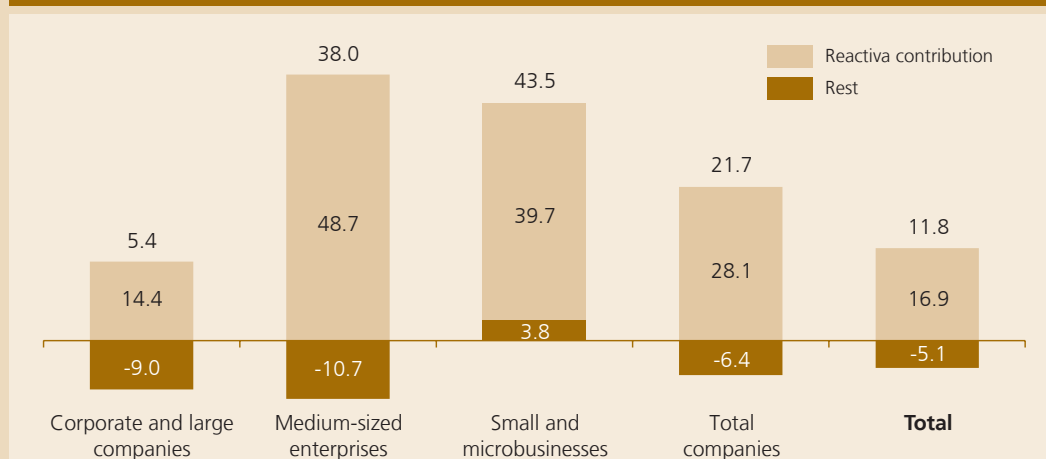
	Amount of loans		Number of companies		Jobs	
	Million de S/	Participation (%)	Units	Participation (%)	Thousand	Participation (%)
<b>Total</b>	<b>58,010</b>	<b>100.0</b>	<b>501,637</b>	<b>100.0</b>	<b>2,785</b>	<b>100.0</b>
Up to 10 workers	23,705	40.9	482,372	96.2	1,088	39.1
Between 11 and 50 workers	14,860	25.6	14,567	2.9	294	10.6
Between 51 and 100 workers	5,591	9.6	2,121	0.4	150	5.4
Between 101 and 500 workers	9,916	17.1	2,087	0.4	414	14.9
More than 500 workers	3,937	6.8	490	0.1	837	30.1

1/ Elaborated with information from the guarantee issued by COFIDE as of January 5, 2021. Information from the Electronic Payroll corresponding to December 2020 is used for the number of workers. Includes 401 thousand companies without information in the Electronic Payroll. For these companies, 823 thousand workers have been estimated based on the median employment according to company size.

Source: Sunat, SBS and MEF.

**Impact on the cost of credit and credit amount**

The Reactiva Perú program has allowed for a greater expansion of credit in all business segments. However, as described in Box 4, the reclassification of the business segments registered during the year has to be taken into account. Therefore, without the reclassification effect, loans to the segment of SMEs would have grown 43.5 percent (versus 3.8 percent without the Reactiva program), while loans to medium-sized enterprises would have grown 38.0 percent (-10.7 percent if the effect of Reactiva Peru is excluded), and loans to large enterprises and corporations would have grown 5.4 percent (-9.0 percent if the effect of Reactiva Peru is excluded).

**CREDIT GROWTH IN DECEMBER 2020 1/**  
 (Annual % change)


1/ It shows the growth rates as a result of maintaining the classification of the companies as of December 2019.

**Note:** It also takes into account the reclassification within Reactiva Peru credits. Therefore, the criteria for classifying business loans by credit segment is carried out according to the SBS:

**Corporate:** Annual sales over S/ 200 million.

**Large companies:** Annual sales between S/ 20 million and S/ 200 million; or maintain issues in the capital market for the last year.

**Medium-sized companies:** Total debt higher than S/ 300 thousand or annual sales not higher than S/ 20 million.

**Small business:** Total debt between S/ 20 thousand and S/ 300 thousand.

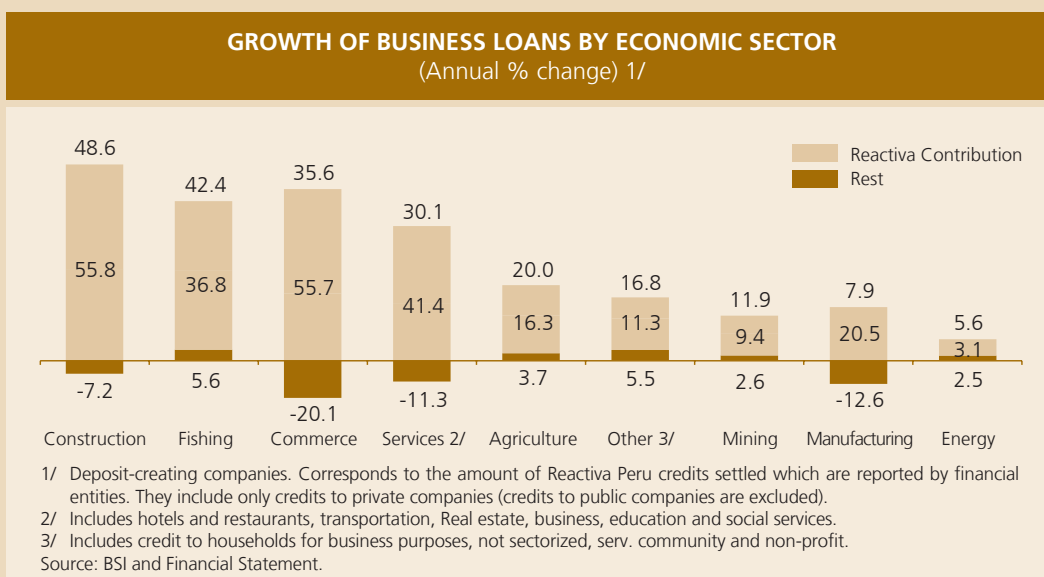
**Microenterprises:** Total debt not higher than S/ 20 thousand.

Source: RCC and Financial Statement.

It should be pointed out that the evolution of loans by company size takes into account statistical effects of such reclassification. Without this reclassification effect, the growth of credit to microenterprises (group of companies that moved to the medium-sized category) would be 43.5 percent instead of 24.4 percent. In

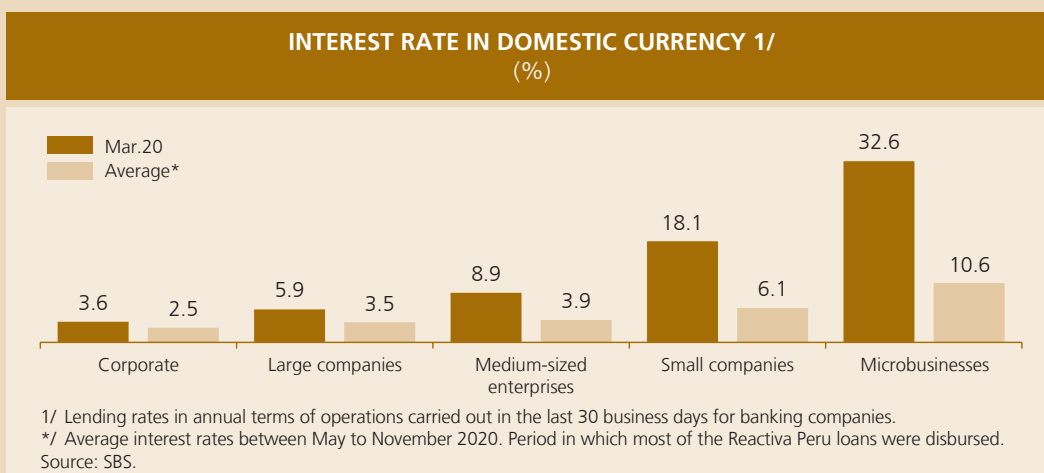
other words, the effect of Reactiva Perú and, to a lesser extent, of other programs such as FAE-MYPE would have been greater. Making a similar calculation for the other categories, the expansion of their loans would have been somewhat lower: 38 percent in the case of medium-sized companies, instead of 51 percent, and 5.4 percent in the category of corporations and large companies, instead of 8.3 percent.

At December 2020, among the sectors that show the highest rates of credit expansion are the ones that were most affected by the social confinement measures due to COVID-19. Thus, the highest year-on-year credit growth is observed in the sectors of construction (48.6 percent), fishing (42.4 percent), trade (35.6 percent), and services (30.1 percent). Had these loans not been granted under the Reactiva Peru program, these sectors would have registered significantly lower growth rates.



### Growth in business loans, by economic sector

The auction mechanism has helped accelerate the pass-through of the reduction in the benchmark rate (currently at its historic low of 0.25 percent) to the rest of interest rates in the Peruvian economy. This is reflected in the average interest rates, which between May and November 2020 –the period in which most of the Reactiva Peru loans were disbursed– show lower levels in all types of corporate loans compared to previous months. Moreover, interest rates for loans to the smaller companies showed the largest reductions, recording rates well below their historical averages.



**Box 6**  
**THE GROWTH OF CASH DURING THE PANDEMIC**

The growth of cash in Peru in 2020 –one of the highest observed internationally– contributed to increase its ratio as a percentage of GDP from 6.8 percent in 2019 to 10.0 percent in 2020, its highest historic level. This behavior of currency in circulation in 2020 is also observed in most countries in the region as well as in industrialized nations. Ashworth and Goodhart (2020)<sup>12</sup>, for example, document that the increase in the use of cash has been a cross-cutting phenomenon across economies during the COVID-19 pandemic. This phenomenon might be counterintuitive when we consider the context characterized by global quarantines, restrictions on people’s access and participation in economic activities, and increased promotion of the use of digital payments. However, the authors point out that the pandemic has boosted the demand for banknotes for precautionary reasons, outweighing the effect of the decline in the traditional use of cash as a means of payment<sup>13</sup>. They note that the increase in the use of cash has been particularly high in economies such as the United States, Canada, Italy, Spain, Germany, France, Australia, Russia, and Brazil, among other countries.



In the specific case of Peru, some determinants of the unprecedented demand for banknotes and coins would be associated with the laws that authorized workers to have extraordinary access during the pandemic to their Compensation for Time of Service (CTS) accounts, the Individual Capitalization Accounts (ICA) of the Private Pension System, as well as with the cash subsidies provided by the government (“universal bonus”). Another factor that contributed to amplify this higher demand demand for currency, especially for high denomination banknotes, was the fact of having a high level of informality in our economy, which adds to the low degree of banking penetration observed in the country.

On the other hand, a survey carried out by the Reserve Bank of Australia (*RBA Online Banknotes Survey of October 2020*) reflected that there was a strong increase in the demand for high denomination banknotes in some developed economies, in line with the precautionary motives hypothesis. In addition, the results of the *July 2020 Consumer Pulse Survey*, conducted by the Bank of Canada, showed that most Canadians

<sup>12</sup> Ashworth, Jonathan and Charles Goodhart (2020). Coronavirus panic fuels a surge in cash demand. Discussion paper DP 14910. Centre for Economic Policy Research.

<sup>13</sup> For example, Peru’s indicator of digital payments, while falling in March and April 2020 due to confinement, recovered progressively both in terms of value and number of transactions by December 2020.

had increased their holdings of banknotes and coins considerably during March and April, as a temporary response to the pandemic.

In conclusion, the unprecedented increase in demand for banknotes and coins is another of the phenomena associated with the COVID-19 pandemic, in addition to the expansion of other monetary aggregates, such as credit and deposits, as a result of the stimulus programs and more flexible monetary policies implemented globally. Although the use of digital payments has been on the rise in recent years, along with the growth of digital wallets and even cryptocurrencies, plus the advances observed in the introduction of digital currencies in central banking, the preference for circulating money is still a highly relevant factor in the implementation of monetary policy. In fact, estimating the demand for banknotes and coins of different denominations, and their subsequent distribution at the national level, continues to be part of the challenges that central banks have to address. Because of the reasons explained above, this contributes significantly to boosting monetary transmission and ensuring that liquidity reaches end users.









# INSTITUTIONAL ACTIVITY

Man sitting under a roof, ceramics, Vicús Culture.  
*James McDonald Checa (MBE) Collection.*

# INSTITUTIONAL ACTIVITY

## 1. Board of Directors

On December 31, 2020, the Board of Directors of BCRP was integrated by Julio Velarde Flores (Governor), Miguel Palomino Bonilla (Deputy Governor), José Chlimper Ackerman, Elmer Cuba Bustinza, Javier Escobal D'Angelo, Rafael Rey Rey, and Gustavo Yamada Fukusaki.

During 2020 the Board held 60 meetings.

## 2. Transparency and Social Responsibility

Efficiency and transparency characterize the actions of the Central Reserve Bank of Peru (BCRP). Monetary policy decisions are taken in accordance with the BCRP independence and informed to the public through various communication channels.

### 2.1 Transparency

The Board of BCRP informs the public about monetary policy decisions through the **Monetary Policy Statements**, which are published each month on the BCRP website and its social media sites, disseminated through press releases, and e-mailed to subscribers. Teleconferences are also held with the media to inform the public about these decisions. In addition to the regular meetings, the Board held an extraordinary meeting in March 2020 and the April meeting was brought forward due to the onset of the COVID-19 pandemic.

In 2020, the *Inflation Report* was published in the months of June, September, and December due to the circumstances generated by the COVID-19 pandemic. This report contains the BCRP analysis of economic developments, explains monetary policy actions, provides information on the evolution of prices, and discusses inflation forecasts and the main macroeconomic variables. The Inflation Report is published on the BCRP website and analyzed in presentations to representatives of the financial system, economic analysts, the media, authorities, and business and academia representatives, both in Lima and in several cities of the country.

During the year, Governor Julio Velarde spoke before Members of the **Congress of the Republic** on several occasions, making virtual presentations before the Economic Committee on May 6 and October

12, delivering a presentation before the Special Multiparty Committee for the Reform of the Pension System of the Legislative Power on July 3, and explaining the macroeconomic assumptions of the 2021 budget before the Budget Committee on September 28. In addition, Adrián Armas, the Central Manager of Economic Studies/Chief Economist of BCRP, made a virtual presentation on the pension issue before the Consumer Defense Committee on August 31.

On the other hand, in compliance with the Law of Transparency and Access to Public Information, in 2020 BCRP staff answered 70 queries submitted by different citizens. The Transparency section of the BCRP website publishes information on administrative and budgetary management indicators, as well as the Financial Statements of BCRP, audited by internationally renowned auditing firms.

## 2.2 Economic Information

BCRP provided the public with information on the country's national finances through statistical data and the macroeconomic analysis contained in the *Inflation Report*, the *Weekly Report*, its *Annual Report*, the *Financial Stability Report*, the journals *Estudios Económicos* and *Moneda*, the *Weekly Economic Report*, *Notas de Estudios*, *Documentos de Trabajo*, and the *Síntesis de Actividad Económica* of the Bank's branches, among other publications. In addition, Informative Notes on the decisions of the BCRP Board of Directors about the benchmark interest rate, the main institutional events, and the evolution of the main economic variables were also published on the media and social media.

The Bank also organized institutional and academic events in Lima and in different regions of the country, where different topics of economic interest were analyzed. It also held on-site and virtual presentations to inform the public about the Bank's mission and functions, as well as about the security features of banknotes and coins.

In 2020, BCRP intensified the use of digital media to disseminate its economic and institutional information and to provide information on the security features of banknotes and coins, actively publishing information in social networks such as Facebook, Twitter, LinkedIn, YouTube, and Instagram. As a result, BCRP has become one of the most popular public institutions present in these social media.

## 2.3 Social Responsibility

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.

### Courses

- Extensión Course on Advanced Economics**

Thirty-five students from public and private universities from different regions of the country participated in the LXVII Advanced Economics Extension Course. The students with the highest grades were invited to join the Bank.
- Extension Course on Advanced Finances**

The Bank selected 28 students from different universities in the country to be trained in financial topics in the XIII Advanced Finance Extension Course offered by BCRP. The students with the best grades were invited to join the Bank's staff.



## Contests

- **Annual Short Novel Contest “Julio Ramón Ribeyro”**

The winner of this contest in 2020 was Gonzalo Portals Zubiato, author of the novel *El predominio de la fe*. Integrated by writers Mirko Lauer, Alonso Cueto, Francesca Denegri, Marcel Velásquez, and Karina Pacheco, the panel of judges selected this novel for “its solvent handling of historical fiction, which approaches time from a circular structure and explores the obsessions of the protagonist”.

## Book Publications

In 2020, BCRP co-published with Instituto de Estudios Peruanos (IEP) and the Ministry of Culture the book *Trabajo y migración indígenas en los Andes coloniales* by historian Nicolás Sánchez Albornoz, in both print and digital editions. The book was presented in a videoconference panel with the participation of the author, moderator Carlos Contreras, and commentators Ana María Presta, Luis Miguel Glave, and Teresa Vergara.

The Fondo Editorial del BCRP also published the novel *El predominio de la fe*, authored by Gonzalo Portals. Furthermore, in order to provide greater access to the research conducted by the Bank, 10 books of the Economic History of Peru Series were digitized and published on the institution’s website in E-pub and PDF format for free download. It is worth mentioning that, as of November 2020, there have been 27,565 consultations of these publications, which include the following titles:

- *Borbones y aguardiente. La reforma imperial en el sur peruano: Arequipa en vísperas de la independencia* (2008).
- *La firma inglesa Gibbs y el monopolio del guano en el Perú* (2009).
- *Empresas británicas, economía y política en el Perú 1850-1934* (2011).
- *Crisis y decadencia: el virreinato del Perú en el siglo XVII* (2011).
- *La formación de la economía peruana. Distribución y crecimiento en la historia del Perú y de América Latina* (2011).
- *La gobernabilidad y el leviatán guanero. Desarrollo, crisis y guerra con Chile* (2011).
- *La economía pública en el Perú. Crisis fiscal, recursos naturales y élites económicas durante su primer siglo independiente* (2012).
- *Historia de la moneda en el Perú* (2016).
- *Deuda y compromisos creíbles en América Latina. El endeudamiento externo peruano entre la independencia y la posguerra con Chile* (2017).
- *La economía peruana vista desde las páginas de El Comercio, siglo XIX* (2018).

## Museo Central - MUCEN

### Digitization Strategy of the Central Museum

With the aim of strengthening the Museum’s link with the public across the country and continue carrying out its pedagogical activities online due to the pandemic, MUCEN developed several types of educational resources in digital format throughout 2020, including the following:

- The 360° virtual tour of the MUCEN’s Painting Showroom.
- 27 podcast episodes on stories of the museum’s pieces, organized into four series: “Literary MUCEN”, with a selection of artworks of the collection related to the literary world; “Women in Museums”, with an emphasis on the participation of women in Peruvian art; “Stories of the Amazon”, which highlights stories about the beliefs and practices of Amazonian communities, and “Personal Stories”, in which contemporary Peruvian artists share some of their memories and details of their creative process. It should be pointed out that five of these podcasts were broadcast on national television through the Ministry of Education’s Educational Program “Aprendo en Casa” (Learning at Home).

In addition, in order to reinforce the link between the MUCEN and the educational community and learn about which were the digital educational programs that the Museum could develop to best contribute to education and best serve teachers at the national level, the Museum staff carried out a survey from

April 23 to May 3, 2020 (“Survey for teachers: Educational resources of the Central Museum”). The results are contained in a digital report that can be freely downloaded from the BCRP website.

Based on this study, the museum developed two educational programs called “Nuestra Vestimenta” (*Our Clothing*) and “Cosmovisiones”, for school children and teachers of primary and secondary education, respectively. Each of these programs has four interactive videos about selected pieces and artworks of the museum, a guide for teachers, methodological booklets, and worksheets for students of the different educational levels. In addition, MUCEN also held several theoretical and practical workshops for teachers on pedagogical methodologies that enhance learning through the exploration of objects.

As a result, the audiovisual content produced by the BCRP Museum (videos of educational programs and series of podcasts) reached 138,799 views on Facebook and 42,820 views on the museum’s YouTube channel. Moreover, the podcasts and educational programs produced during 2020 included the translation of a sign language interpreter to strengthen the MUCEN’s commitment to inclusion with the deaf community in the country.



Furthermore, in order to encourage the creation of content related to the museum’s collections, the BCRP Museum designed and launched the contest entitled **MUCEN as an educational resource**, inviting teachers nationwide and in all subjects to develop interdisciplinary learning projects using Peruvian works of art. The winning proposals will be published and promoted as part of the Bicentennial commemorative activities.

On the other hand, a section of museum publications was added to MUCEN’s web page, which includes articles published in the BCRP journal *Moneda* that are related to the work of the museum and its collections. In addition, MUCEN published the catalog of the temporary exhibition *Diálogos desde lo Contemporáneo. 10 años del Concurso Nacional de Pintura del BCRP*, edited by Gabriela Germaná, which consists of articles authored by specialists in the artistic and cultural fields, and the catalog *Pinacoteca del Banco Central de Reserva del Perú* (1997), in its digitalized version.

During 2020, the MUCEN website received 116 thousand visits made by 40 thousand users, of which 81 percent are people who visited the page for the first time. Moreover, in the social networks, MUCEN’s followers on Facebook totaled 62 thousand people in 2020, which represents an increase of 7 percent compared to 2019, while followers on Instagram grew 45 percent compared to the previous year.

### Temporary Exhibition

In December, in the context of the reopening of the museum to the public, the Museum hosted the exhibition “Mantos y otros fantasmas” of artist Alice Wagner Suito, winner of the X National Painting Contest. Curated by Gustavo Buntinx, the exhibition consists of a series of large-format ceramic sculptures whose designs were inspired by the iconography of various popular blankets. Other ceramic “ghosts”, accompanied by a mural installation of blankets of different colors and formats that served the artist as a source of inspiration and research, are also part of the exhibition.





### **Collections management**

In the field of collections management, it is worth highlighting the loan of 393 archaeological items of the McDonald collection entrusted to MUCEN. This collection, made up mostly of ceramics from the Vicus culture, enrich the collections held by the Museum. In addition, the museum loaned three quipus to Museo de Arte de Lima to be part of the “Khipus” exhibition until May 2021, and also approved the extension of the loan of 20 archaeological objects to be exhibited at the Capital Museum in Beijing, from May 22 to August 22, 2021.

Progress was also made in the digital registration of goods in the MUCEN's Digital Catalog of Collections, which resulted in 355 new records of cultural objects. Thanks to this platform, a total of 31 researchers had access to information they had requested or received authorization to use images from MUCEN's collections.

### **BCRP Library**

The BCRP Library managed 1,224 reading requests in its reading room and registered 47,531 requests of specialized books and periodical publications, of which 97 percent were in digital format (38,713 requests were managed by e-mail and 7,263 via online readings).

In addition, the Library acquired 937 books and journals related to monetary and economic policies, international finance, trade and the external sector, public finance and economic theory, among other subjects, through purchases, exchanges and donations.

## **3. Main Meetings and Events**

In 2020, the BCRP authorities and officials participated in various international and national meetings, including the following:

### **3.1 International Meetings**

- Bimonthly Meeting of BIS Governors, organized by the Bank for International Settlements (BIS) and held in Basel, Switzerland, January 13 to 14.
- Sixth Latin American Local Markets Conference, organized by BBVA Bank, held in London, England, on January 20.
- BIS Emerging Markets Meeting, held in Basel, Switzerland, February 13-14.
- Virtual meeting of Bolivian Economists, held on August 13.
- Virtual Conference “Respuestas de política monetaria en América Latina ante el COVID-19. Visión de los técnicos de los Bancos Centrales”, organized by FLAR and CAF, held on August 24.
- 2020 Virtual Annual Meetings of the International Monetary Fund (IMF) and the World Bank (WB), held from October 12 to 23.
- XXXVIII Meeting of Governors of Central Banks of South America, held virtually on November 20.

### **3.2 National Meetings**

- Lecture “El Mercado de Bienes Raíces en el Perú”, by Eric Rey de Castro, Country Manager, José Enrique de la Borda, General Manager, and Alfredo Parodi, Commercial Manager of Colliers International, held on January 27.
- Lecture on “Competencia en Mercados de Asignación. Teoría y experimentos”, by César Martinelli, Ph. D. in Economics, University of California, held on February 7.
- Lecture “Public Development Banks and Credit Market Imperfections”, by Xavier Freixas, Barcelona Graduate School of Economics, held on February 21.
- “Relevance of Central Bank Independence: Challenges and Outlook”, lecture by Lawrence Christiano, Ph. D. in Economics, Columbia University, on March 6.

- Virtual Seminar “COVID-19 and The New Era of Policy Making in Emerging Economies”, organized by the Reinventing Bretton Woods Committee and Banco Central de Reserva del Perú, held on July 24.
- Virtual participation in the Economic Forum “Monetary Policy Actions and Peru’s Financial Situation”, organized by the American Chamber of Commerce of Peru (AmCham), held on September 23.
- Virtual presentation at the Forum “Gobierno y Empresariado poniendo en marcha al Perú”, organized by the Canada-Peru Chamber of Commerce and the Swiss Chamber of Commerce in Peru, held on October 6.
- Virtual presentation at the 1st Congreso de Competitividad y Sostenibilidad Social sobre la economía nacional y sus perspectivas, organized by Instituto de Ingenieros de Minas del Perú, held on October 12.
- Virtual presentation at the Conferencia Corporativa Anual on “Perspectivas Económicas 2021”, organized by DIVISO Grupo Financiero, October 20.
- Virtual presentation at the Conference “Impacto Económico, Perspectivas año 2021”, organized by the Congreso Anual sobre la Región Arequipa (CARA), held on November 26.
- Virtual presentation at the IX Curso de Sistema de Pagos “Innovaciones en Pagos Digitales Post COVID-19”, held on December 15.
- Virtual presentation at the Exposición del 25° Estudio de Mercado de Edificaciones Urbanas en Lima Metropolitana 2020, organized by Cámara Peruana de la Construcción, held on December 15.
- XXXVIII Encuentro de Economistas del Banco Central de Reserva del Perú 2020, held virtually on December 21 and 22.

#### 4. Branch Offices

Banco Central de Reserva del Peru has branches in seven cities of the country: Arequipa, Cusco, Huancayo, Iquitos, Piura, Puno, and Trujillo. These Branches have jurisdiction in 23 departments of the country, except in Lima. The first decentralized offices of BCRP in the country were the Branches of Piura and Arequipa, which started operations in 1970 and 1971, respectively. Each of the BCRP Branches has a Department of Economic Studies and an Operations Department. The Branch Offices of Arequipa, Trujillo, and Piura also have art museums and numismatic collections that are open to the general public.

The main role of the branches is to represent the Bank within their jurisdiction, prepare reports and studies on the development of regional economic activity, ensure an adequate supply of banknotes and coins in the required quantity and quality in each region, and oversee custody operations as well as compliance with the regulations regarding the circulation of our currency.

The document *Síntesis de la Actividad Económica Regional* is published each month on the BCRP’s website. This publication contains an analysis of the economic and financial performance of each region, supported by monthly statistics on sectorial production, prices, employment, bank credits and deposits, foreign trade operations, and the execution of the public budget in the region. This report also includes information on the “Economic Highlights” and the “Main Tourist Attractions” of each region.

In 2020, despite the national health emergency caused by the COVID-19 pandemic, BCRP branches prepared and provided agents with regional economic information. The presentations were delivered by BCRP staff in person during the first months of the year and, from the third quarter of 2020, virtually. Presentations of the *Inflation Report: Current Trends and Macroeconomic Forecasts 2020-2021* and the document *Síntesis de la Actividad Económica Regional* were carried out each quarter in universities and business associations in the cities of Arequipa, Moquegua, Ilo, Tacna, Cusco, Huancayo, Huánuco, Tingo María, Ayacucho, Cerro de Pasco, Iquitos, Pucallpa, Moyobamba, Tarapoto, Piura, Chiclayo, Lambayeque, Puno, Juliaca, Trujillo, and Cajamarca.

In addition, the staff of the Branch Offices continued informing high school students and students of public and private universities and higher education institutes about the role and functions of BCRP. Moreover, together with staff of the Department of Economic Studies, they promoted the participation of university students in the 2020 virtual edition of the extension courses in Advanced Economics and Finance offered by BCRP.



The main lectures and seminars organized by the branches included the following: “Determinación de las tasas de interés” in Arequipa; “La política monetaria en tiempos de crisis” in Cusco; “Significación económica de la región central del Perú” and “Base estadística de la Actividad Económica de Junín” in Huancayo; “Reactivación económica de Loreto” in Iquitos; “Situación actual y perspectivas económicas de Piura” and “Situación actual de la agroexportación de Piura” in Piura; “Orientación económica para una buena inserción laboral, próximos al bicentenario” in Puno; and “Desarrollo reciente de la actividad económica y potencialidades de la provincia de Santiago de Chuco, La Libertad”, “Actividad económica y social de la provincia de Virú”, and “Indicadores económicos y sociales de Cajamarca” in Trujillo.

In the context of the COVID-19 health emergency, the branch officials continued to actively participate in periodic virtual interviews with the representatives of companies from the different economic sectors within their jurisdiction to assess the conditions required or the problems that had to be solved for the resumption of economic activities after the economic lockdown. They also gathered information about the support provided by programs such as the Government Guaranteed Lending Program, the Business Support Fund (Fondo de Apoyo Empresarial - FAE-MYPE), ARRANCA PERU, and about issues such as the challenges and prospects of the entities of the regional financial system, situation and prospects of agro-exporters, as well as conditions and prospects for textile, alpaca, mining, commercial, fishing, timber and tourism companies, among other enterprises.

During the health emergency, the branches continued to serve the public at the teller exchange service, contributing to the smooth flow of commercial transactions. Furthermore, each branch continued to provide face-to-face and virtual training to financial system personnel and to the general public on the characteristics and security features of banknotes and coins. It is worth mentioning that 6,114 people attended the 222 talks given during 2020, most of which were virtual talks.

The museums of the BCRP Brances of Trujillo, Arequipa and Piura received 8,524 visitors until they were closed in March, after the Government declared the national health emergency.

## 5. Currency Management

In the framework of the commemoration of the Bicentennial of the Independence of Peru, BCRP launched the coin series called “Constructores de la República Bicentenario 1821-2021” (Builders of the Republic Bicentennial 1821-2021), which consists of 9 alpaca coins intended to promote, through a means of payment of massive use, the image and history of characters that had relevant participation in the Peruvian process of emancipation. The first coin, allusive to Juan Pablo Viscardo y Guzmán, was issued in October.

Likewise, in December 2020, BCRP launched a numismatic series of three alpaca coins called “Women in the Peruvian Independence Process” with the aim of paying tribute to and disseminating the image and history of patriotic women who fought and even gave their lives for the Independence of Peru. The coins are allusive to Heroínas Toledo, Brígida Silva de Ochoa, and María Parado de Bellido.



Juan Pablo Viscardo y Guzmán



Heroínas Toledo



Brígida Silva de Ochoa



María Parado de Bellido

A commemorative silver legal tender coin of the XII Ibero-American Coin Series called “Historic Railways” was also issued in 2020. The countries participating in this coin series are Ecuador, Spain, Guatemala, Nicaragua, Paraguay, Peru, and Portugal.

All of these coins will promote numismatic culture in our country.



Because of the COVID-19 health emergency, in 2020 BCRP staff was only able to carry out a special face-to-face regional dissemination campaign about the characteristics and security features of our numismatic coins in the city of Puno through interviews on television, radio and newspapers. On the other hand, however, BCRP intensified the dissemination of the security features through social networks such as Twitter and Facebook.

In this context, the talks offered to the public and to representatives of the financial system were temporarily suspended from the second half of March, but they were resumed in June through various virtual platforms. Thus, talks were given to participants from different cities in the country, with a total attendance of 14 thousand people, a lower figure than in 2019 (33 thousand people).

### 5.1 Banknotes and Coins in Circulation

The Government declared the state of emergency due to the COVID-19 pandemic from March 16, 2020, and established a series of measures that affected economic activity. Two of these measures were the granting of cash subsidies to low-income people to cover their basic needs and the release of partial amounts from the AFP and CTS. The quarantine and the restrictions decreed by the Government led a significant segment of the population to withdraw and keep cash as a precaution, which together with the temporary closure or restricted service of many bank agencies, caused distortions in the normal cash cycle.

In this context, banknotes in circulation grew both in volume (32.2 percent) and in value (34.6 percent). These growth rates are the highest observed in more than 20 years, which can be explained by the increase in precautionary demand for cash generated by the health crisis and the liquidity injection measures established by the Government.

BANKNOTES IN CIRCULATION (Millions of units)							
Period	10	20	50	100	200	Total	Value (Million S/)
Jan.20	121,3	151,4	150,3	410,0	23,8	857,0	57 529,4
Feb.20	120,4	150,8	148,9	411,0	24,0	855,1	57 565,9
Mar.20	123,7	157,1	155,3	423,0	24,2	883,3	59 279,2
Apr.20	129,5	170,7	177,4	463,3	24,6	965,4	64 821,7
May.20	130,6	173,7	186,2	484,5	24,7	999,7	67 480,6
Jun.20	135,5	181,8	201,4	506,2	26,2	1 051,1	70 925,7
Jul.20	135,1	184,4	214,0	522,6	28,4	1 084,6	73 688,5
Aug.20	135,4	181,7	216,4	526,0	29,5	1 089,1	74 317,9
Sep.20	133,6	174,9	211,2	520,5	29,8	1 070,0	73 402,1
Oct.20	136,0	178,1	215,4	525,7	30,7	1 085,9	74 408,0
Nov.20	139,6	178,7	215,6	527,0	31,8	1 092,8	74 816,7
Dec.20	149,0	192,8	239,0	553,7	35,5	1 170,0	79 766,9

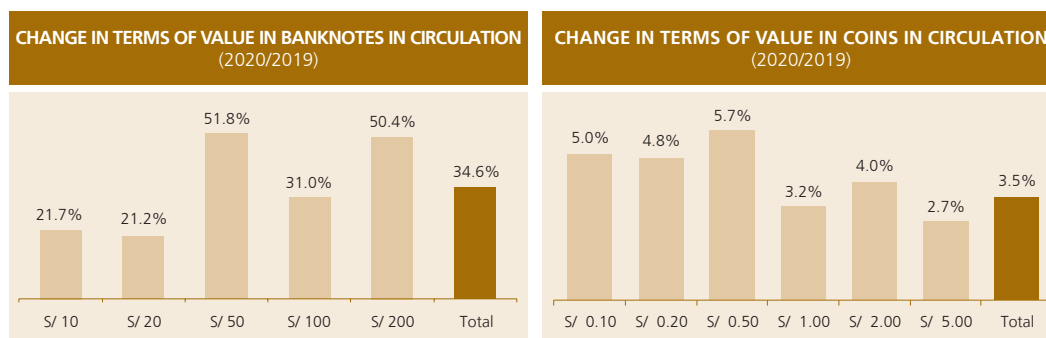
Source: BCRP.

Coins in circulation, which showed an annual growth rate of 4.5 percent in terms of volume and an annual growth rate of 3.5 percent in terms of value, registered lower rates than in previous years due to the lower economic activity derived from the health emergency.

COINS IN CIRCULATION (Millions of units)								
Period	0,10	0,20	0,50	1,00	2,00	5,00	Total	Value (Million S/)
Jan.20	1 687,5	482,7	518,3	999,6	200,8	173,8	4 062,7	2 794,4
Feb.20	1 694,7	484,6	520,5	1 004,7	202,4	174,9	4 081,7	2 810,4
Mar.20	1 702,9	487,5	523,9	1 009,8	204,3	175,7	4 104,1	2 826,6
Apr.20	1 707,0	488,0	525,7	1 012,4	204,9	176,0	4 114,1	2 833,4
May.20	1 709,2	488,4	526,0	1 000,0	203,4	173,3	4 100,3	2 804,8
Jun.20	1 711,7	489,0	527,1	1 000,8	203,9	173,7	4 106,2	2 809,4
Jul.20	1 719,7	491,4	531,5	1 008,4	205,9	174,7	4 131,6	2 829,8
Aug.20	1 727,9	492,7	534,1	1 012,4	203,6	175,2	4 145,8	2 833,7
Sep.20	1 739,0	496,6	538,0	1 009,2	204,4	175,8	4 163,0	2 839,4
Oct.20	1 747,0	498,3	538,9	1 016,7	205,9	177,1	4 183,9	2 857,9
Nov.20	1 753,4	501,0	543,3	1 025,5	207,2	178,3	4 208,8	2 878,9
Dec.20	1 764,0	504,9	547,7	1 030,4	208,7	178,5	4 234,1	2 891,5

Source: BCRP.

Moreover, considering the evolution of the circulation of banknotes and coins by denomination in 2020, banknotes in the denomination of 50 soles (S/ 50) recorded a greater increase with respect to 2019 (51.8 percent), while the increase in the circulation of the 50 cents (S/ 0.50) and 10 cents (S/ 0.10) coins stood out in the case of coins (5.7 percent and 5.0 percent, respectively).



STRUCTURE OF CURRENT IN CIRCULATION EMITTED BY DENOMINATION: DECEMBER 2020				
Banknotes	Unit (Million)	Unit (% allocation)	Value (Million S/)	Value (% allocation)
10	149	12.7%	1,490	1.9%
20	193	16.5%	3,856	4.8%
50	239	20.4%	11,952	15.0%
100	554	47.3%	55,367	69.4%
200	36	3.0%	7,102	8.9%
<b>Total</b>	<b>1 170</b>	<b>100.0%</b>	<b>79,767</b>	<b>100.0%</b>
Coins 1/	Unit (Million)	Unit (% allocation)	Value (Million S/)	Value (% allocation)
0.10	1,764	41.7%	176	6.1%
0.20	505	11.9%	101	3.5%
0.50	548	12.9%	274	9.5%
1.00	1,030	24.3%	1,030	35.6%
2.00	209	4.9%	417	14.4%
5.00	179	4.2%	893	30.9%
<b>Total</b>	<b>4,234</b>	<b>100.0%</b>	<b>2,892</b>	<b>100.0%</b>

1/ As of January 2019, the S / 0.05 coin was withdrawn from circulation.  
Source: BCRP.

By denomination, the banknotes that showed a higher increase, both in terms of value and units, were the 100 soles banknotes since this denomination was the most demanded banknote during the health emergency period, mainly to supply the banks' ATMs.

In the case of coins, in terms of value, the denominations of 1 Sol (S/ 1) and 5 Soles (S/ 5) coins had a greater share in circulation, while in terms of units, the denomination with the highest share was the 10 cents coin (S/ 0.10), used mainly for low value transactions.

## 5.2 Coin Minting

In 2020, Peru's National Mint produced 179 million coins, 40 percent less than in 2019, due to the lockdown of economic activity during the quarantine period. The largest volumes of coins produced were coins in the denomination of 10 cents and 1 Sol, which together accounted for 66 percent of the total minted in the year.

PRODUCTION OF COINS - 2020			
Denomination	Alloy	Quantity (Million units)	Monetary value (Million soles)
S/ 0.10	Brass	70.0	7.0
S/ 0.20	Brass	22.0	4.4
S/ 0.50	Nickel-silver	21.0	10.5
S/ 1.00	Nickel-silver	49.0	49.0
S/ 2.00	Bi-metal	12.0	24.0
S/ 5.00	Bi-metal	5.0	25.0
<b>Total</b>		<b>179.0</b>	<b>119.9</b>

Source: BCRP.

## 5.3 Destruction of Banknotes and Coins

In 2020, a total of 136 million banknotes worth S/ 4,194 million were withdrawn from circulation and destroyed. It is worth mentioning that banknotes in the denominations of 10 soles and 20 soles accounted for 77 percent of the volume of banknotes destroyed.

DESTRUCTION OF BANKNOTES - 2020		
Denomination	Quantity (Million units)	Monetary value (Million soles)
S/ 10	50,6	506,3
S/ 20	54,2	1 084,5
S/ 50	13,9	693,3
S/ 100	15,7	1 566,6
S/ 200	1,7	343,7
<b>Total</b>	<b>136,1</b>	<b>4 194,4</b>

Source: BCRP.

In 2020 there was no melting of disused coins.

## 6. Circulars

In 2020, the BCRP issued 37 circulars: 4 on reserve requirements, 10 on monetary instruments, 1 on interest rates, 3 on banknotes and coins, 3 on the payment and securities settlement system, 1 on the information required from the financial system during the state of national emergency, 3 that established the list of first category banks, and 12 that established the daily adjustment index.



- **Reserve Requirements**
  - In Domestic Currency**
    - Circular 0008-2020-BCRP (14/03/2020)
    - Circular 0010-2020-BCRP (31/03/2020)
  - In Foreign Currency**
    - Circular 0011-2020-BCRP (31/03/2020)
    - Circular 0034-2020-BCRP (19/12/2020)
  
- **Monetary Instruments**
  - Circular 0002-2020-BCRP (21/01/2020)
  - Circular 0007-2020-BCRP (14/03/2020)
  - Circular 0014-2020-BCRP (03/04/2020)
  - Circular 0015-2020-BCRP (03/04/2020)
  - Circular 0016-2020-BCRP (13/04/2020)
  - Circular 0017-2020-BCRP (14/04/2020)
  - Circular 0021-2020-BCRP (07/06/2020)
  - Circular 0033-2020-BCRP (19/12/2020)
  - Circular 0035-2020-BCRP (19/12/2020)
  - Circular 0036-2020-BCRP (21/12/2020)
  
- **Interest Rates**
  - Circular 0018-2020-BCRP (27/04/2020)
  
- **Banknotes and Coins**
  - Circular 0027-2020-BCRP (08/10/2020)
  - Circular 0031-2020-BCRP (25/11/2020)
  - Circular 0037-2020-BCRP (29/12/2020)
  
- **Payments and Securities Settlement System**
  - Circular 0003-2020-BCRP (02/02/2020)
  - Circular 0005-2020-BCRP (27/02/2020)
  - Circular 0030-2020-BCRP (20/11/2020)
  
- **Information Required from the Financial System Entities During the State of National Emergency**
  - Circular 009-2020-BCRP (23/03/2020)
  
- **First-Class Banks**
  - Circular 0013-2020-BCRP (01/04/2020)
  - Circular 0023-2020-BCRP (12/07/2020)
  - Circular 0028-2020-BCRP (08/10/2020)
  
- **Daily Adjustment Index**
  - Circular 0001-2020-BCRP (02/01/2020): January
  - Circular 0004-2020-BCRP (03/02/2020): February
  - Circular 0006-2020-BCRP (02/03/2020): March
  - Circular 0012-2020-BCRP (01/04/2020): April
  - Circular 0019-2020-BCRP (04/05/2020): May
  - Circular 0020-2020-BCRP (02/06/2020): June

Circular 0022-2020-BCRP (01/07/2020): July  
Circular 0024-2020-BCRP (03/08/2020): August  
Circular 0025-2020-BCRP (06/09/2020): September  
Circular 0026-2020-BCRP (01/10/2020): October  
Circular 0029-2020-BCRP (02/11/2020): November  
Circular 0032-2020-BCRP (02/12/2020): December







# FINANCIAL STATEMENTS

Two-headed snake, gold piece, Frias Culture.  
*Hugo Cohen Collection.*





**KPMG en Perú**  
Torre KPMG. Av. Javier Prado Este 444, Piso 27  
San Isidro. Lima 27, Perú

Teléfono 51 (1) 611 3000  
Fax 51 (1) 421 6943  
Internet [www.kpmg.com/pe](http://www.kpmg.com/pe)

*(TRANSLATION OF A REPORT ORIGINALLY ISSUED IN SPANISH)*

## 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 comprise the statement of financial position as of December 31, 2020 and 2019, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the years then ended, and explanatory notes, comprising 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 the accounting policies described in note 2 to the financial statements, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing approved for its application in Peru by the Dean's Council of the Peruvian Professional Associations of Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Central Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Central Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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 opinion.



## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Banco Central de Reserva del Perú as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended, in accordance with the accounting policies described in note 2 to the financial statements.

Lima, Peru,

February 26, 2020

Countersigned by:

*Caipo y Asociados*

A handwritten signature in black ink, appearing to read 'Eduardo Alejos P.', written over a horizontal line.

Eduardo Alejos P. (Partner)  
Peruvian CPA Registration 29180

## STATEMENT OF FINANCIAL POSITION

As of December 31, 2020 and 2019

	<u>Note</u>	<u>2020</u> (S/ 000)	<u>2019</u> (S/ 000)
<b>Assets</b>			
<b>Gross international reserves</b>			
Cash in foreign currency		181,280	165,913
Deposits at foreign banks	3	66,774,135	62,320,212
Deposits at foreign organizations	4	2,699,723	2,468,937
Securities from international institutions	5	189,558,933	152,435,590
Gold	6	7,645,245	5,607,843
Contributions to international organizations	7	4,071,456	3,210,933
Other available assets		88,753	163,162
		<u>271,019,525</u>	<u>226,372,590</u>
<b>Other foreign assets</b>			
Contributions in domestic currency to the IMF	7	5,171,941	4,926,721
Other external assets	11(b)	72,360	66,220
		<u>5,244,301</u>	<u>4,992,941</u>
<b>Domestic credit</b>			
	8		
To banks		58,686,202	17,077,791
To public sector		4,316,297	2,659,746
To financial enterprises		228,841	42,042
To other entities and funds		4,019,802	130,465
		<u>67,251,142</u>	<u>19,910,044</u>
Property, plant and equipment, Net	9	157,883	164,804
Other assets	10	264,364	273,356
<b>Total assets</b>		<u><u>343,937,215</u></u>	<u><u>251,713,735</u></u>
<b>Off balance sheet accounts</b>	20	<u>183,649,314</u>	<u>118,579,709</u>

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

	<u>Note</u>	<u>2020</u> (S/ 000)	<u>2019</u> (S/ 000)
<b>Liabilities</b>			
Reserves Liabilities		729,920	178,663
<b>Other foreign liabilities</b>			
Equivalent of the contribution in domestic currency to the IMF	7(b)	5,171,941	4,926,721
Other foreign liabilities	11	3,254,533	2,863,205
		<u>8,426,474</u>	<u>7,789,926</u>
<b>Sterilized stock</b>			
Issued securities in circulation	12	47,381,052	27,984,849
Deposits in domestic currency	13	105,262,769	47,810,167
		<u>152,643,821</u>	<u>75,795,016</u>
<b>Monetary base</b>			
	14		
Currency in circulation		82,688,894	62,099,221
Deposits in domestic currency		3,297,749	2,465,469
		<u>85,986,643</u>	<u>64,564,690</u>
Deposits in foreign currency	15	55,025,972	76,000,499
Other liabilities	16	7,142,275	11,585,648
<b>TOTAL LIABILITIES</b>		<u>309,955,105</u>	<u>235,914,442</u>
<b>Net Equity</b>			
	17		
Capital		1,182,750	1,182,750
Legal reserve		1,182,750	1,182,750
Special statutory reserve		1,832,701	440,470
Fair value reserve		1,834,165	808,304
Profit or loss for the period		1,733,255	1,856,308
<b>Capital, reserves and results</b>		<u>7,765,621</u>	<u>5,470,582</u>
Adjustment for valuation – Article 89 of Organic Act	17.E	26,216,489	10,328,711
<b>Total equity</b>		<u>33,982,110</u>	<u>15,799,293</u>
<b>TOTAL LIABILITIES AND NET EQUITY</b>		<u>343,937,215</u>	<u>251,713,735</u>
<b>Off balance sheet accounts</b>	20	<u>183,649,314</u>	<u>118,579,709</u>

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the years ended December 31, 2020 and 2019

	<u>Note</u>	<u>2020</u> (S/ 000)	<u>2019</u> (S/ 000)
<b>Financial revenues</b>			
Interest on deposits at foreign banks	3(b)	476,007	1,283,334
Net return on securities	5	2,202,492	2,732,147
Return on operations with derivative instruments	20(b)	320,777	772,107
Interest on international agreements and deposits at the IMF		16,615	33,113
Profits and dividends from international institutions		66,024	54,426
<b>Return on gross international reserves</b>		<b>3,081,915</b>	<b>4,875,127</b>
Interest and fees on domestic credit operations	8(c)	539,140	424,823
Other financial income	20(e)	38,684	19,633
<b>Total financial income</b>		<b>3,659,739</b>	<b>5,319,583</b>
Non-financial income		9,042	12,147
<b>Total income</b>		<b>3,668,781</b>	<b>5,331,730</b>
<b>Financial expenses</b>			
Interest on other abroad liabilities	11(c)	(5,833)	(27,969)
Interest on securities in circulation	12	(515,167)	(736,767)
Interest on domestic currency deposits	13	(656,080)	(921,595)
Interest on foreign currency deposits	15	(276,715)	(1,395,887)
Other financial expenses	20(e)	(123,863)	(15,288)
<b>Total financial expenses</b>		<b>(1,577,658)</b>	<b>(3,097,506)</b>
Operational expenses	21	(266,289)	(276,631)
Issuance expenses and costs	22	(91,579)	(101,285)
<b>Total expenses</b>		<b>(1,935,526)</b>	<b>(3,475,422)</b>
<b>Net profit (loss)</b>		<b>1,733,255</b>	<b>1,856,308</b>
Other comprehensive income	5 and 8(b)	1,025,861	1,335,175
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>2,759,116</b>	<b>3,191,483</b>

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

**STATEMENT OF CHANGES IN EQUITY**

For the years ended December 31, 2020 and 2019

	Note	Capital stock	Legal reserve	Special statutory reserve	Fair value reserve	Accumulated results	Total capital, reserves and results	Adjustment for valuation – Article 89 of Organic Act	Total equity
		(\$/000)	(\$/000)	(\$/000)	(\$/000)	(\$/000)	(\$/000)	(\$/000)	(\$/000)
<b>Balance as of January 1, 2019</b>		<b>1,182,750</b>	<b>804,934</b>	-	<b>(526,871)</b>	<b>1,091,049</b>	<b>2,551,862</b>	<b>11,558,501</b>	<b>14,110,363</b>
Net profits		-	-	-	-	1,856,308	1,856,308	-	1,856,308
Other comprehensive income	17.C	-	-	-	1,335,175	-	1,335,175	-	1,335,175
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>1,335,175</b>	<b>1,856,308</b>	<b>3,191,483</b>	<b>-</b>	<b>3,191,483</b>
Transfer to legal reserve	17.B	-	377,816	-	-	(377,816)	-	-	-
Transfer to special statutory reserve	17.B	-	-	440,470	-	(440,470)	-	-	-
Transfer of profits to Public Treasury	17.D	-	-	-	-	(272,763)	(272,763)	-	(272,763)
Adjustment for valuation – Article 89 of Organic Act	17.E	-	-	-	-	-	-	(1,229,790)	(1,229,790)
<b>Balance as of December 31, 2019</b>		<b>1,182,750</b>	<b>1,182,750</b>	<b>440,470</b>	<b>808,304</b>	<b>1,856,308</b>	<b>5,470,582</b>	<b>10,328,711</b>	<b>15,799,293</b>
<b>Balance as of January 1, 2020</b>		<b>1,182,750</b>	<b>1,182,750</b>	<b>440,470</b>	<b>808,304</b>	<b>1,856,308</b>	<b>5,470,582</b>	<b>10,328,711</b>	<b>15,799,293</b>
Net profits		-	-	-	-	1,733,255	1,733,255	-	1,733,255
Other comprehensive income	17.C	-	-	-	1,025,861	-	1,025,861	-	1,025,861
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>1,025,861</b>	<b>1,733,255</b>	<b>2,759,116</b>	<b>-</b>	<b>2,759,116</b>
Transfer to legal reserve	17.B	-	-	-	-	-	-	-	-
Transfer to special statutory reserve	17.B	-	-	1,392,231	-	(1,392,231)	-	-	-
Transfer of profits to Public Treasury	17.D	-	-	-	-	(464,077)	(464,077)	-	(464,077)
Adjustment for valuation – Article 89 of Organic Act	17.E	-	-	-	-	-	-	15,887,778	15,887,778
<b>Balance as of December 31, 2020</b>		<b>1,182,750</b>	<b>1,182,750</b>	<b>1,832,701</b>	<b>1,834,165</b>	<b>1,733,255</b>	<b>7,765,621</b>	<b>26,216,489</b>	<b>33,982,110</b>

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

**STATEMENT OF CASH FLOWS**

For the years ended December 31, 2020 and 2019

	<u>Note</u>	<u>2020</u> (S/ 000)	<u>2019</u> (S/ 000)
<b>Cash flows from operating activities</b>			
Net profits		1,733,255	1,856,308
<b>Adjustments to reconcile the profits to the cash and cash equivalents from operating activities</b>			
Depreciation of property, furniture and equipment	9	13,009	12,031
Amortization of intangible assets		1,555	1,849
Fixed assets writte-off		393	891
<b>Net changes in assets, liabilities and equity</b>			
Domestic credit		(47,341,098)	(4,102,472)
Other foreign assets		(251,360)	523,755
Other assets		7,437	13,309
Reserves liabilities		551,257	(382,326)
Other foreign liabilities		636,548	(581,893)
Securities in circulation		19,396,203	1,207,020
Deposits in domestic currency		57,452,602	5,996,711
Deposits of banks, financial enterprises and others (monetary base)		832,280	342,430
Deposits in foreign currency		(20,974,527)	12,542,126
Other liabilities		(4,443,373)	3,158,093
Fair value reserve		1,025,861	1,335,175
Adjustment for valuation – Article 89 of Organic Act		15,887,778	(1,229,790)
Transfer of profits to Public Treasury	17.D	(464,077)	(272,763)
<b>Cash and cash equivalents from operating activities</b>		<b><u>24,063,743</u></b>	<b><u>20,420,454</u></b>
<b>Cash flows from investing activities</b>			
Additions to property, furniture and equipment	9	(6,481)	(12,600)
<b>Cash and cash equivalents used in investing activities</b>		<b><u>(6,481)</u></b>	<b><u>(12,600)</u></b>
Net increase (decrease) in cash and cash equivalents		24,057,262	20,407,854
Cash and cash equivalents at the beginning of the year		164,273,369	143,865,515
<b>Cash and cash equivalents at the end of the year</b>	2.B(o)	<b><u>188,330,631</u></b>	<b><u>164,273,369</u></b>

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

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2020 and 2019

**1. OPERATIONS**

Banco Central de Reserva del Perú (hereinafter the Central Bank) is an autonomous legal institution of public law incorporated on March 9, 1922, intended to preserve monetary stability in Peru. Its activities are currently governed by Article 84 of the Political Constitution of Peru, dated December 29, 1993, and by the Organic Act approved by Decree-Law 26123, dated December 24, 1992 (hereinafter the Organic Act). According to the Organic Act, the Central Bank's functions are to regulate the money supply, manage international reserves, issue currency, and report on domestic finance.

The Central Bank's legal address and main office are located at Jr. Santa Rosa No. 441-445 (former Antonio Miró Quesada), Lima. It also has branches in 7 cities of Peru. As of December 31, 2020 and 2019, the Central Bank has 978 and 974 employees, respectively. They include bank workers, temporary workers, and workers with unpaid leave or unpaid temporary assignments.

The Central Bank represents Peru for the purposes specified in the articles of the agreements of the International Monetary Fund (IMF) and the Latin American Reserve Fund (FLAR, for its Spanish acronym) and is responsible for all operations and formal relationships with these organizations. The Central Bank may also act as a Peruvian Government agent in its relationships with multilateral credit organizations and financial agencies of foreign governments. The Central Bank has subscribed shares of the Bank for International Settlements (BIS), which is an organization responsible for promoting international financial and economic cooperation and serves as a bank for central banks.

According to the Organic Act, the Bank is not permitted to:

- Grant funds to the Public Treasury, except for acquisitions of securities issued by the Public Treasury in the secondary market in which case the annual increase in such security holding may not exceed at any moment, measured at acquisition cost, 5% of the monetary base at the end of the prior year.
- Grant credits or any other form of financing to financial institutions that have outstanding and past due obligations, as well as grant loans or advanced payments to its directors.
- Provide guarantees, letters of guarantee or any other guarantee, use any form of indirect financing, or grant any type of insurance, except for operations entered into by the Central Bank in implementing reciprocal payment and credit agreements.
- Provide resources to create special funds aimed at granting credits or making investments to promote non-financial economic activities.
- Issue securities, bonds or contribution certificates of mandatory acquisition.
- Set sector or regional percentages in the composition of the loan portfolio of financial institutions.
- Establish multiple exchange rates regimes.



- Purchase shares, except for those issued by international financial organizations or those needed to be acquired to strengthen banks or financial institutions; hold, directly or indirectly, shares in the capital of commercial, industrial or any other enterprises.
- Own properties additional to those needed for its activities and those transferred in payment of debts (sold within a term of less than 1 year after their acquisition).

The financial statements as of and for the year ended December 31, 2020, prepared in accordance with the accounting policies described in note 2, have been issued with management approval on January 15, 2021, and will be submitted for corresponding approval of the Board of Directors Meeting that will be held within the terms established by the Organic Act. In management's opinion, the accompanying financial statements will be approved without amendments. The Board of Directors Meeting, held March 5, 2020, approved the Company's financial statements as of and for the year ended December 31, 2019.

In 2020, the Peruvian government declared a national state of emergency due to the serious circumstances affecting people's life as a result of the COVID-19 outbreak, which was declared by the World Health Organization (WHO) as a global pandemic due to the rapid increase in the number of cases in more than 100 countries. Considering that, the Central Bank has implemented several monetary and financial measures in order to ensure the proper functioning of markets. Such measures included decreasing the reference interest rate to its historical minimum of 0,25%, as well as flexibility on reserve requirements, provision of liquidity to the financial system, including new liquidity facilities—e.g., repos of government-backed credit portfolio, which are included in the Reactiva Peru program. Other measures to reduce volatility of long-term interest rates and exchange rates are also included—e.g., Central Bank intervention through foreign exchange swaps.

### **Equity**

According to Article 93 of the Organic Act, if the Central Bank incurs losses, they shall be hedged by the reserve from prior year profits. If the legal reserve is not enough, the Public Treasury, within thirty days of the approval of the financial statement, issues and grants to the Central Bank interest bearing negotiable debt securities for the non-covered amount.

In order to cover the 2014 losses, on August 7, 2015, the Central Bank received from the Ministry of Economy and Finance (MEF) sovereign bonds and a promissory note for S/ 716 million, which mature in 20 years at an annual rate of 2.20%, and are payable at maturity or when the call option is exercised. The call option and amortization of interest, fees and other expenses incurred are charged to the Central Bank's profits corresponding to the Public Treasury, according to Article 92 of the Organic Act.

On August 14, 2020, 25% of the 2019 net profits was used to pay off the principal and accrued interest of these bonds for S/ 394 million and S/ 43 million, respectively. Also, S/ 27 million were transferred to a MEF's account in domestic currency (note 17.D).

Profits as of December 31, 2020 (S/ 1,733 million) are associated with revenues from investment in gross international reserves, which reflect higher accumulation in the year (US\$ 6,392 million). Such increase was partially offset by the lower average return recorded due to the lower international interest rates, as a consequence of USA Federal Reserve monetary stimulus. Likewise, a lower cost of sterilization was recorded, which was associated with the decrease in the BCRP reference interest rate, consistent with a policy of monetary stimulus on the context of COVID-19 outbreak, with a negative product gap, and inflation expectations near the midpoint of the inflation target range.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### A. Central Bank criteria

According to Article 88 of the Organic Act and the criteria approved by the Board of Directors, the accounting policies used by the Central Bank are:

- (a) The criteria approved by the Board of Directors based on its faculties (Article 88 of the Organic Act); and,
- (b) Peruvian Generally Accepted Accounting Principles (Peruvian GAAP) comprising the International Financial Reporting Standards (IFRS) issued and adopted by the International Accounting Standards Board (IASB), made official through resolutions issued by the Peruvian Accounting Board (CNC, for its Spanish acronym), effective December 31, 2020 and 2019, as applicable for the Central Bank, and the standards established by the Superintendency of Banking, Insurance and Pension Fund Administrator (Superintendencia de Banca, Seguros y Administradoras Privadas de Fondos de Pensiones – SBS). On July 17, 2020, the CNC made official the application of the 2020 edition of the Conceptual Framework in IFRS Standards, IFRSs from 1 to 17, IASs from 1 to 41, SICs from 7 to 32 and IFRICs from 1 to 23, Amendments to IAS 1 *Definition of Material*, and Amendments to IFRS 16 *COVID-19-Related Rent Concessions*. Also, on September 10, 2020, the CNC made official amendments to IASs 16, 37 and 41, and IFRSs 1, 3, 4 and 9.

The accounting policies established by the Board of Directors that differ from the Peruvian GAAP are mainly:

#### i. Recognition of changes in exchange rates

The Central Bank records adjustments for price valuation and exchange rates of assets and liabilities in gold, silver, currencies, Special Drawing Right (SDR) or other monetary units of international use in 'Adjustment for valuation – Article 89 of Organic Act' in the statement of changes in equity. According to the Peruvian GAAP, the results of the aforementioned valuations shall be included in profit or loss of the year in which they were generated. As of December 31, 2020 and 2019, this adjustment amounted to a decrease of S/ 15,888 million and an increase for S/ 1,230 million, respectively (notes 2.B(e) and 17.E).

BCRP indexed certificates of deposit (CDR BCRP, for its Spanish acronym) are recorded at face value, and the Central Bank recognizes the changes due to fluctuations in exchange rates in 'Adjustment for valuation – Article 89 of Organic Act' in the statement of changes in equity (paragraph (v) below).

#### ii. Recording of embedded derivatives

According to the Peruvian GAAP, an embedded derivative of a main (or host) agreement must be treated like separated derivative instruments and recorded at their fair value when the economic risks and characteristics of the embedded derivative are not closely related to those of the host contract.

#### iii. Statement of cash flows

The preparation of the statement of cash flows is carry out by the Central Bank considering as cash and cash equivalents the items indicated in paragraph (2.B(o)) below. Consequently, the format and content of the statement of cash flows adjust to said definition. This accounting practice differs from provisions of the Peruvian GAAP.

#### **iv. Disclosure of financial instruments**

As of December 31, 2020 and 2019, the Central Bank has not fully applied the requirements of IFRS 7 *Financial Instruments: Disclosures* and IFRS 9 *Financial Instruments*. IFRS 7 requires entities to provide disclosures in their financial statements that enable users to evaluate the significance of financial instruments for the entity's financial position and performance, and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

#### **v. Measurement of foreign exchange instruments**

The Central Bank has foreign exchange instruments such as: operations with held-for-trading instruments (note 2.B(e.i)), operations with CDR BCRP (note 2.B(k)) and operations with foreign exchange swaps (note 2.B(s)).

Gains and losses from changes in fair value and from exchange rates are recorded in Adjustment for valuation'– Article 89 of Organic Act' in equity, and it does not affect the profit or loss for the period in any case.

According to Peruvian GAAP, the aforementioned valuations shall be recorded as a gain or loss in the statement of profit or loss and other comprehensive income.

#### **vi. Securities issued by the MEF**

- The Central Bank receives bonds from the MEF to hedge any loss in compliance with Article 93 of the Organic Act (notes 1 and 17.D). Such bonds are recorded as financial assets at face value in 'Domestic credit' in the statement of financial position.

According to Peruvian GAAP, such bonds do not qualify as financial assets since their collection is through dividends paid by the entity to the Peruvian government (note 1).

- The Central Bank classifies the financial instruments in foreign currency issued by the MEF as investments measured at fair value through other comprehensive income (FVOCI). They are recorded in 'Domestic credit' in the statement of financial position. The fair value of these financial instruments is calculated based on market prices.

Changes in the fair value of these financial instruments acquired before December 31, 2015 are determined by comparing the carrying amount (acquisition cost) with the fair value, excluding the amortized cost. They are recorded in equity until the financial instrument is sold or realized. Premiums or discounts arising on the acquisition of the instrument are recorded as revenues or expense when such instrument is settled.

Changes in the fair value of these financial instruments acquired from January 1, 2016 are determined by comparing the fair value with the amortized cost, which is calculated using the effective interest method.

#### **vii. Changes in accounting policies**

In preparing the financial statements, the Central Bank used accounting policies that are consistent with those used in previous years, except for new accounting policies approved by the Board of Directors based on its faculties. Such policies are applicable from January 1, 2020.

The new accounting policies adopted by the Central Bank from January 1, 2020 are the following:

**Revenue recognition**

- a. The Central Bank's revenues are classified as financial and non-financial. Such revenues are recorded on an accrual basis, according to the terms laid down in the settled agreements, or the policies used for each activity. This implies the recording of income with counterpart to receivable accounts.
- b. Financial revenues, which represent the vast majority, comprise interest and fees on different transactions with financial instruments. Such revenues are recorded on an accrual basis, regardless of their collection.
- c. Non-financial revenues are recognized as such when the expected cash flows increase the assets of the Central Bank as a result of trading of goods or rendering of services, where one or more performance obligations have arisen from the Central Bank.
- d. Non-financial revenues from contracts with customers are recognized as individual contracts or contract portfolio, considering the following steps:
  - i. Contracts with customers are recognized when they are entered into verbally, in writing, or any other common practice. The counterparties' rights over goods and services, payment conditions, future cash flows that will vary in the Central Bank, and the probability of return on payment as a result of trading of goods or rendering of services.
  - ii. The individual performance obligations of the contract are identified, those performance obligations relating to the transfer of goods or rendering of services committed from the start—i.e., goods and services, and their transfer agreement can be identified separately.
  - iii. The transaction price is determined as a fixed or variable estimated amount. Therefore, the Central Bank expects to have the collection right and not to depend on other factors that are not under its control.
  - iv. The transaction price, is allocated among the individual performance obligations considered in the contract, according to the proportion of the selling price of each good or service considered separately.
  - v. Revenues are recognized when or as the Central Bank satisfies the performance obligations through the transfer of control (physical possession, compliance, risks and benefits inherent to legal ownership) of the goods and services underlying to the counterparty's obligation, and when the Central Bank is entitled to demand payment.

**Effects of changes in accounting policies**

The Central Bank modified its accounting policy applicable to revenue recognition in order to incorporate the criteria defined in IFRS 15 *Revenue from Contracts with Customers* – Central Bank's non-financial revenue – approved at the Board of Directors Meeting, held February 11, 2021. It is effective from January 1, 2020.



Modification on the aforementioned accounting policy did not have an effect on the records of carrying amounts of non-financial revenues, since not even one contract with more than a performance obligation requiring modification of the recognition method has been identified in any case. Accordingly, such modification did not have an effect on profit or loss, since revenue recognition did not change after the incorporation of the new accounting policy.

## **B. Accounting principles**

The main accounting principles and policies used in preparing these financial statements are the following:

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

The financial statements have been prepared in soles from the accounting records held by the Central Bank, in accordance with the accounting policies approved by the Central Bank's Board of Directors.

The preparation of the accompanying financial statements requires management to formulate estimates that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of significant events in notes to the financial statements. Actual results may differ from these estimates. Estimates are reviewed on an ongoing basis and are based on historical experience and other factors. The most significant estimates related to the financial statements correspond to the valuation of securities from international institutions, which include investments at fair value through other comprehensive income - FVOCI, actuarial reserves for supplementing retirement, widow, health care and burial benefits, whose accounting principles are described in the notes to the financial statements.

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

According to the Central Bank's policies, securities issued by the MEF are considered as financial assets and they are recognized and measured as indicated in notes 2.A(vi) and 2.B(r).

A financial instrument is classified as asset, liability, or equity according to the contract that gives rise to the financial instrument. Interest, dividends, gains and losses generated by a financial instrument classified as an asset or a liability are recorded as revenues or expenses. Financial instruments are offset when the Central Bank has a legally enforceable right to set them off, and management intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets recognized in the statement of financial position correspond to gross international reserves, other external assets, domestic credit, assets recorded in 'other assets,' except for those classified as non-financial assets (note 10). Financial liabilities correspond to all liabilities, except for those classified as non-financial liabilities in 'other liabilities' (note 16). Recognition and measurement of these items are disclosed in the accounting policies described in this note.

#### **i. Initial recognition and measurement**

At initial recognition, financial instruments are measured at fair value, at the date of acquisition, plus transaction costs that are directly attributable to the acquisition of these instruments.

## ii. **Classification**

Securities from international entities are classified as investments at amortized cost and investments at FVOCI. The Central Bank does not use the category of financial assets at FVTPL.

### **Financial assets measured at amortized cost**

A financial asset is measured at amortized cost if both of the following conditions are met:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal amount.

### **Financial assets measured at FVOCI**

A financial asset is measured at fair value through other comprehensive income if the following conditions are met:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal amount.

## iii. **Subsequent measurement**

### **Financial instruments measured at amortized cost**

A financial instrument is measured at amortized cost in order to amortize the premiums or discounts on such instrument from its acquisition date to its date of maturity using the effective interest rate. Amortization is recorded by increasing or decreasing the carrying amount of the instrument with counterpart on profit or loss for the period. Instruments acquired at face value are not amortized.

### **Financial instruments measured at FVOCI**

For securities from international institutions and securities issued by the Public Treasury:

- First, the instrument is measured at amortized cost in order to amortize the premiums or discounts on such instrument from its acquisition date to its date of maturity using the effective interest rate. Amortization is recorded by increasing or decreasing the carrying amount of the instrument with counterpart on profit or loss for the period. Financial instruments acquired at face value are not amortized.
- In addition, an instrument classified as measured at FVOCI is also measured on a daily basis at market prices, comparing them with the instrument's last amortized cost or acquisition cost (if it has been recently acquired). Adjustments to market prices are recorded by increasing or decreasing the carrying amount of the instrument with counterparty to 'fair value reserve' in equity.



Fair value is the market price provided on a daily basis by Bloomberg. In management's opinion, such information reflects reasonably the fair value of investments in international securities, considering the market data and accounting policies established by the Board of Directors.

When the investment is sold or realized, gains or losses previously recognized in equity are reclassified to profit or loss, excluding effects of exchange differences that are recorded as indicated in paragraph (d) below. If the decrease in the market price of investments is permanent or due to an impairment, the Central Bank recognizes a provision that affects profit or loss.

If the decrease in the market price of investments is permanent or due to an impairment, the Central Bank recognizes a provision that affects profit or loss.

Interest earned is calculated and recorded using the nominal interest rate (coupon rate) on the face value of the investment. It is recorded in 'net yield on securities' in the statement of profit or loss and other comprehensive income.

**(c) *Cost and expense recognition***

Interest revenues and expense are calculated using the effective interest method (amortized cost) and are recognized in profit or loss of the period on an accrual basis, depending on the term of the generating operations and the agreed interest rates, except for interest related to investments that are recognized as indicated in paragraph (b) above. Interest revenues include the yields on investments in securities from international institutions.

Gains and losses generated by embedded derivatives not related to the exchange rate of investments are recognized in profit or loss for the period on the date of maturity.

Other revenues and expenses are recognized as earned or incurred in the period in which they are accrued.

When there are reasonable uncertainties regarding the collectability of the principal of a financial instrument, interest is recognized as revenues if there is reasonable certainty of collection.

**(d) *Foreign exchange transactions***

The Central Bank prepares and presents its financial statements in soles, which is its functional and presentation currency.

Assets and liabilities in foreign currency are recorded at the exchange rate of the date in which transactions are settled and are stated in soles using the buying rate established by the SBS for operations in U.S. dollars. Balances in other currencies are expressed according to the exchange rates provided by Bloomberg (note 24.B(iii)).

For paying the liabilities in foreign currency to the Central Bank's suppliers and recording the tax withholding, as applicable, the Central Bank uses the average of the U.S. dollar selling rate related to sol published by the SBS.

The Central Bank records the exchange rate adjustment in 'Adjustment for Valuation – Article 89 of Organic Act' in equity.

**(e) Derivative instruments**

The Central Bank holds held-for-trading instruments and embedded derivatives.

**i. Held-for-trading instruments**

The reference value (committed face value) of forward and future operations is recorded in 'off-balance sheet accounts' (notes 20(b) and 20(d)), which are subsequently measured at fair value. Fair value is calculated based on exchange rates, interest rates and market prices.

Interest on investment of the underlying asset plus the higher amount received in the currency used for foreign exchange swaps (using the spot exchange rate and the forward exchange rate), which corresponds to the increase in currency from basis points, are recorded in the statement of profit or loss and other comprehensive income. Thus, the effects recorded in 'Adjustment for Valuation – Article 89 of Organic Act' in equity correspond to the measurement of the underlying asset during the term of the foreign exchange swap plus (less) the exchange rate effects from changes in the foreign currency with respect to the domestic currency.

Gains and losses from changes in the fair value of future and forward operations are recorded in 'Yield from transactions with derivative instruments' in the statement of profit or loss and other comprehensive income and in 'Adjustment for Valuation – Article 89 of Organic Act' from net equity, respectively. Assets and liabilities are recognized in the statement of financial position, as applicable.

**ii. Embedded derivatives**

The Central Bank recognizes the measurement of instruments containing embedded derivatives at the reporting date, affecting the 'fair value reserve' from net equity. The measurement of instruments, without separating the embedded derivative from its host contract, is obtained from Bloomberg. The effects of the measurement of instruments are recorded on the date of maturity in 'net yield on securities' in the statement of profit or loss and other comprehensive income. As of December 31, 2020 and 2019, the Central Bank does not have instruments containing embedded derivatives.

**(g) Gold**

Gold holdings are measured using the quoted prices in the New York marketplace provided by Bloomberg. The results of such measurement are recorded in 'Adjustment for Valuation – Article 89 of Organic Act' in equity.

**(h) Contributions to international organizations**

This caption corresponds to contributions made by the Central Bank to the IMF, FLAR and BIS recorded at face value, which represents their acquisition cost, since it is the amount that the Central Bank would be entitled to receive if it ceases to be a member of any of such organizations. These contributions cannot be negotiated with third parties.

Returns on such contributions are recognized when accrued, and dividends when declared.



**(j) Collections**

Collections mainly correspond to artworks (archeological objects, paintings, sculptures, among others) and collectible coins acquired or received as donation. They are measured at their acquisition cost or face value. Due to their nature, these assets are considered to have an indefinite useful life. Therefore, they are not depreciated and are recorded in 'other assets' in the statement of financial position (note 10 (b)). The acquisition cost of donated assets is recorded in 'other income' in the statement of profit or loss and other comprehensive income and is determined based on the fair value measured by specialists when they are received.

**(i) Property, furniture and equipment**

**Recognition and measurement**

An item of property, furniture and equipment is recorded at its acquisition cost less accumulated depreciation and any accumulated impairment losses. Repair and maintenance costs are charged to profit or loss, and significant renewals and improvements are capitalized when: i) it is probable that future economic benefits associated with the asset will flow to the Central Bank; and ii) the cost can be measured reliably. Cost and accumulated depreciation of disposed of or sold assets are removed from their accounts, and any resulting gain or loss is recorded in profit or loss for the period.

Work-in-progress and in transit are measured at acquisition cost and are not depreciated until they are in working condition.

**Depreciation**

Land is not depreciated. Depreciation of assets is calculated on a straight-line basis using the following estimated useful lives:

	<u>Years</u>
Buildings and other constructions	100
Machinery and equipment	10
Vehicles	5
IT equipment	3

**(j) Impairment of long-lived assets**

Whenever events or changes in the economic environment indicate that the carrying amount of a long-lived tangible asset may not be recovered, the Central Bank reviews the carrying amount of its assets in order to verify if there is no permanent impairment in their values.

When the carrying amount of a tangible asset exceeds its recoverable amount, an impairment loss is recognized in the statement of profit or loss and other comprehensive income. The recoverable amount is the higher of net selling price and value in use. Net selling price is the amount that would be received from selling a tangible asset in a free market. Value in use is the present value of the estimated future cash flows expected to be provided by the continuous use of an asset and its subsequent disposal at the end of its useful life. Recoverable amounts are estimated for each asset or, if not possible, for each cash-generating unit.

Management annually assesses whether the carrying amount exceeds the recoverable amount of long-lived tangible assets based on available market data.

**(k) Sterilized stock**

This caption corresponds to liabilities in domestic currency. It comprises securities in circulation and deposits in domestic currency from the public sector and financial institutions, which are not included in reserve requirements. The sterilized stock is the result from the Central Banks' monetary operations to withdraw liquidity from the financial system and deposits of financial institutions which, in case of reversal, would imply an increase in the monetary base.

Issued securities in circulation are measured at face value, and accrued interest is recognized in profit or loss for the year. Discounts granted at placement are deferred and amortized during the term of the instrument using the effective interest rate method.

The CDR BCRP's carrying amount is adjusted for changes in the exchange rate of the U.S. dollar with respect to the sol. Those changes are recognized in 'Adjustment in Valuation – Article 89 of Organic Act' from net equity.

**(l) Currency in circulation**

This caption includes banknotes and coins in legal tender issued by the Central Bank, which are held by the public and are recorded as liabilities at face value in 'monetary base' in the statement of financial position.

Currency not in circulation and kept in the Central Bank's vaults are recorded at face value in off-balance sheet accounts.

**(m) Employee benefits**

According to Article 58 of the Bylaws, the Central Bank annually transfers resources to the Fund for Diseases, Insurance and Pensions of the Central Bank's Employees (hereinafter the Fund) to meet the payment of obligations to its employees. The amount of transfers from the Central Bank to the Fund is approved on an annual basis by the Board of Directors.

The Central Bank has the following defined benefit plans:

- Supplementing retirement, widow, and burial benefits; and
- Other supplementing retirement benefits, related to health care benefits granted by the Central Bank.

The cost to the Central Bank of granting the benefits included in defined benefit plans is estimated separately for each plan using the projected unit credit method. Actuarial gains and losses of the defined benefits plans are fully recognized in profit or loss of the period in which they occur.

Assets or liabilities for defined benefits include the present value of the defined benefit obligation, which is determined using mortality tables and a discount rate based on high-quality corporate bonds (note 16), less the past service cost and the fair value of the plan assets required to settle said obligations. Plan assets comprise assets held by a long-term employee benefit fund. Plan assets are not available to the Central Bank's creditors and cannot be directly paid to the Central Bank. The fair value of these assets is measured based on market data.

The Fund's net assets, which are considered by the Central Bank to reduce the liabilities of the actuarial reserve, comprise the value of deposits and loans, net of obligations.

Supplementing retirement, widow, health care and burial benefits and other benefits less present value of the Fund's net assets, are recorded in 'other liabilities' in the statement of financial position (note 16).

**(n) Operational expenses and issuance costs of currency**

Operational expenses and costs of transporting currency are recognized in profit or loss of the period in which they are incurred.

Cost of minting coins and coin blanks includes the cost of raw materials, labor costs and production overheads.

At initial recognition, printing costs of banknotes and cost of minting coins are recognized in 'other assets' in the statement of financial position (note 10(a) and (c)), and are subsequently recognized in profit or loss of the period in which currency is available for circulation for the first time.

**(o) Cash and cash equivalents**

Cash and cash equivalents comprises gross international reserves, net of currency in circulation recorded in 'monetary base' in the statement of financial position. As of December 31, this caption comprises the following:

	<b>2020</b> (S/ 000)	<b>2019</b> (S/ 000)
Gross international reserves	271,019,524	226,372,590
<b>Less:</b>		
Currency in circulation	<u>(82,688,894)</u>	<u>(62,099,221)</u>
<b>Cash and cash equivalents</b>	<b><u>188,330,630</u></b>	<b><u>164,273,369</u></b>

The difference between total gross international reserves and liabilities reserves (consisting of obligations with international institutions) represents net international reserves. Such gross international reserves reflect the international liquidity of the country and its financial capacity in relation to other countries. They correspond to the Central Bank's available resources to meet its obligations in foreign currency.

**(p) Provisions**

A provision is only recognized when the Central Bank has a present (legal or implicit) obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the best estimates as of the date of the statement of financial position. Where the effect of the time value of money is material, the amount of a provision shall be the present value of future payments expected to be required to settle the obligation.

Expenses related to a provision are shown in the statement of profit or loss and other comprehensive income, net of any related refunds.

**(q) Contingencies**

Contingent liabilities are not recognized in the financial statements. They are disclosed in notes to the financial statements, unless the possibility of an outflow

of resources embodying economic benefits to cover a contingent liability is remote.

Contingent assets are not recognized in the financial statements. They are only disclosed in notes to the financial statements when an inflow of resources embodying economic benefits is probable.

**(r) Domestic credit**

Domestic credit comprises the following:

- Repos of government-backed credit portfolio represented in securities, in which the participant entity sell government-backed credit portfolio represented in securities to the Central Bank. Such entities receive in return domestic currency and agree to repurchase those securities at a later date against a payment in domestic currency. These agreements are part of the Reactiva Peru program. Such program was elaborated in order to promote financing the replenishment of working capital funds to entities facing short-term payments and obligations with their employees and goods and services providers, to ensure that the economy's chain of payments is not interrupted. Repurchase agreements of securities are recognized as assets in the statement of financial position with balancing entry in 'deposits of financial enterprises'. The amounts placed in these agreements correspond to the guaranteed amounts of the credits subject to such agreements.
- Repos of credit portfolio represented in securities, in which the participant entities sell credit portfolio represented in securities to the Central Bank. Such entities receive in return domestic currency (selling amount) and agree to repurchase those securities at a later date against a payment in domestic currency. Repurchase agreements of securities are recognized as assets with balancing entry in 'deposits of financial enterprises' in the statement of financial position.
- Investments in securities issued by the MEF, which are recognized and classified as investments at FVOCI. They are initially recognized and subsequently measured in accordance with the criteria included in note 2.A(vi).
- Securities received from the MEF to hedge losses according to Article 93 of the Organic Act (note 1), which are recorded at their face value and accrue interest at agreed-upon interest rates (coupon rate).
- Security repurchase agreements (Repo transactions) used to inject liquidity in domestic currency into financial institutions. This operation involves the purchase of securities at the commencement date of the operation, when financial institutions transfer the ownership of securities to the Central Bank, and at the maturity date of the operation financial institutions repurchase the same securities, and the Central Bank transfers back the ownership of such securities. Repurchase agreements of securities are recognized as assets in the statement of financial position, with balancing entry in 'deposits of financial enterprises'.
- Currency repurchase agreements involve operations in which a market participant sells a domestic or foreign currency to the Central Bank in exchange for a foreign or domestic currency, and agrees to repurchase the sold currency at a later date at current market exchange rates. Currency repurchase agreements are recognized as assets in the statement of financial position with balancing entry in 'deposits of financial enterprises' in the currency lend.

**(s) Foreign exchange swaps**

Foreign exchange swaps, whose notional value is recorded in off-balance sheet accounts (note 20(e)), involves operations in which one counterparty pays a variable interest rate over a domestic currency notional amount, and the other counterparty pays a fixed interest rate, over an equivalent notional amount in U.S. dollars, and also pays the exchange difference on the notional value in U.S. dollars.

The Central Bank calculates outstanding interest and interest payable, which are recognized in 'other financial income' and 'other financial expenses' in the statement of profit and loss and other comprehensive income in the period in which they are accrued, and are credited to 'other assets' and 'other liabilities' in the statement of financial position, respectively. Similarly, the exchange difference on the face value in U.S. dollars is recognized in 'Adjustment for valuation – Article 89 of Organic Act' in equity, and is credited to 'assets' and 'liabilities,' as appropriate.

Upon maturity date, the Central Banks settles the operation in soles using prevailing market exchange rates.

**(t) Subsequent events**

Events after the end of the reporting period that provide additional information about the financial situation of the Central Bank at the date of the statement of financial position (adjusting events) are included in the financial statements. Significant subsequent events after the reporting period that are non-adjusting events are disclosed in notes to the financial statements.

**C. New accounting pronouncements**

A number of new amendments have been issued by the IASB and are effective for annual periods beginning on or after January 1, 2021.

Amendments	Effective date
<i>Onerous Contracts – Cost of Fulfilling a Contract</i> (Amendments to IAS 37)	Annual periods beginning on or after January 1, 2022 to existing contracts on the adoption date. Early adoption is permitted.
<i>Annual Improvements to IFRS Standards 2018-2020</i>	Annual periods beginning on or after January 1, 2022. Early adoption is permitted.
<i>Property, Plant and Equipment – Proceeds before Intended Use</i> (Amendments to IAS 16)	Annual periods beginning on or after January 1, 2022. Early adoption is permitted.
<i>Classification of Liabilities as Current or Non-current</i> (Amendments to IAS 1)	Annual periods beginning on or after January 1, 2023. Early adoption is permitted.
<i>Reference to the Conceptual Framework</i> (Amendments to IFRS 3)	Annual periods beginning on or after January 1, 2022. Early adoption is permitted.
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	Annual periods beginning on or after January 1, 2021. Early adoption is permitted.

Since the aforementioned standards are solely adopted in addition to those established by the Organic Act and those issued by the Central Bank's Board of Directors, such standards will not have a significant effect on the preparation of the financial statements. The Central Bank has not measured the effects of adopting such standards in the preparation of the financial statements, if adopted.

### 3. DEPOSITS AT FOREIGN BANKS

As of December 31, this caption comprises the following:

	Note	2020 (S/ 000)	2019 (S/ 000)
Term deposits (a)		66,653,412	62,237,563
Outstanding interest on term deposits (b)		17,555	79,544
		<b>66,670,967</b>	<b>62,317,107</b>
Demand deposits		6,063	3,028
Outstanding interest on gold deposits	6(b)	23	77
Portfolio in external administration deposits at foreign entities (c)		88,290	-
Investment in external administration guarantee at foreign entities (d)		8,792	-
		<b>66,774,135</b>	<b>62,320,212</b>

- (a) As of December 31, 2020 and 2019, term deposits are held at tier 1 foreign banks, accrue interest at international market rates and are mainly stated in U.S. dollars for US\$ 18,423 million and US\$ 16,082 million, respectively.

In 2020, deposits with foreign banks accrued interest at an annual interest rate of 0.36% (2019: 1.66%).

- (b) In 2020 and 2019, the Central Bank recognized interest revenues on deposits at foreign banks for S/ 476 million and S/ 1,283 million, respectively. They are recorded in 'financial revenues' in the statement of profit or loss and other comprehensive income.
- (c) As of December, 2020, it corresponds to call accounts for US\$ 20 million and guarantee deposits for derivative instruments for US\$ 4 million.
- (d) As of December 31, 2020, it corresponds to guarantees for foreign exchange swap operations for US\$ 2,4 million.

### 4. DEPOSITS AT FOREIGN ORGANIZATIONS

As of December 31, 2020 and 2019, this caption corresponds to deposits at the IMF stated in SDR, which accrue interest at annual interest rates of 0.08% and 0.74%, respectively. They do not have free withdrawal option, except when there are actual or potential cash-flow problems or balance of payments problems that require financial assistance from the IMF, or when there is a request of withdrawal from the membership of this international organization.

## 5. SECURITIES FROM INTERNATIONAL INSTITUTIONS

As of December 31, this caption comprises the following:

	2020			2020				
	Cost (i) (\$'000)	Unrealized gains and losses Increase (\$'000)	Decrease (ii) (\$'000)	Carrying amount (iii) (\$'000)	Cost (i) (\$'000)	Unrealized gains and losses Increase (\$'000)	Decrease (ii) (\$'000)	Carrying amount (iii) (\$'000)
<b>Financial assets measured at FVOCI</b>								
<b>At local entities</b>								
Short-term foreign currency certificates of deposit (vi)	635,175	-	-	635,175	19,106,376	-	-	19,106,376
Short-term sovereign securities (iv)	71,443,556	378,206	(520)	71,821,242	50,007,545	22,428	(7,198)	50,022,775
Short-term supranational securities (v)	5,333,178	6,149	-	5,339,327	4,296,772	8,157	(649)	4,304,280
Long-term sovereign securities (iv)	93,939,841	1,032,733	(3,080)	94,969,494	73,512,645	625,472	(44,531)	74,093,586
Long-term supranational securities (v)	10,121,249	265,301	(654)	10,385,896	4,171,954	169,221	(114)	4,341,061
	<b>181,472,999</b>	<b>1,682,389</b>	<b>(4,254)</b>	<b>183,151,134</b>	<b>151,095,292</b>	<b>825,278</b>	<b>(52,492)</b>	<b>151,868,078</b>
Accrued interest	-	-	-	491,168	-	-	-	567,512
				<b>183,642,302</b>				<b>152,435,590</b>
<b>At foreign entities</b>								
Short term securities – PIMCO	963,943	342	(11)	964,274	-	-	-	-
Fixed income securities – PIMCO	1,866,310	3,658	(276)	1,869,692	-	-	-	-
Fixed income securities – Amundi	1,283,596	7,721	(1,491)	1,289,826	-	-	-	-
Fixed income securities – BNP Paribas	1,779,423	1,923	(1,162)	1,780,184	-	-	-	-
	<b>5,893,272</b>	<b>13,644</b>	<b>(2,940)</b>	<b>5,903,976</b>	-	-	-	-
Accrued interest	-	-	-	12,655	-	-	-	-
				<b>5,916,631</b>				<b>189,558,933</b>

- (i) It corresponds to the amortized cost.
- (ii) It corresponds to the temporary decrease in the market price of investments.
- (iii) It corresponds to the estimated market price for financial assets measured at FVOCI.
- (iv) As of December 31, 2020 and 2019, it corresponds to securities issued by central governments. The Central Bank's portfolio is mainly invested in sovereign bonds issued by the U.S. Government.
- (v) As of December 31, 2020 and 2019, it corresponds to securities issued by supranational entities, such as the Bank for International Settlements (BIS), for its Spanish acronym), European Investment Bank (EIB), International Bank for Reconstruction and Development (IBRD), BIS, Asian Development Bank, among others.
- (vi) As of December 2020 and 2019, it mainly includes bankers' acceptance.

During 2020, the delegation scheme of a part of the investment portfolio of international reserves held at tier 1 foreign financial institutions was maintained. Such institutions manage the portfolios under the guidelines established by the Central Bank. Accordingly, the following firms render services to the Central Bank from July 2020: BNP Paribas Asset Management USA, Inc., Pacific Investment Management Company LLC. and Amundi Asset Management, which are located in the USA.

As of December 31, 2020 and 2019, maturities and nominal interest rates of investments are as follows:

	Maturity		Nominal interest rate (i)						
	2020		2019		2020		2019		
	2020	2019	US\$	Other currencies	US\$	Other currencies	Min. %	Max. %	
<b>Financial assets measured at FVOCI</b>									
<b>At local entities</b>									
Short-term foreign currency certificates of deposit	Jan. 2021/Jan. 2021	Jan. 2020/Feb. 2020	0.30	0.23	0.24	2.08	2.30	(0.45)	1.96
Short-term sovereign securities	Jan. 2021/Dec. 2021	Jan. 2020/Dec. 2020	0.22	(0.29)	6.50	1.25	2.75	(0.49)	4.75
Short-term supranational securities	Jan. 2021/Dec. 2021	Jan. 2020/Nov. 2020	0.19	2.25	6.00	1.63	3.00	0.63	5.75
Long-term sovereign securities	Jan. 2022/Sept. 2025	Jan. 2021/May 2023	0.13	0.13	6.00	1.13	3.13	0.50	6.50
Long-term supranational securities	Jan. 2022/Oct. 2025	Jan. 2021/Sept. 2022	0.13	0.30	6.00	1.63	3.00	1.70	6.00
<b>At foreign entities</b>									
Short term securities – PIMCO	Jan. 2021/June 2021	-	0.00	-	-	-	-	-	-
Fixed income securities – PIMCO	Dec. 2021/Dec. 2050	-	0.13	0.25	2.50	-	-	-	-
Fixed income securities – Amundi	Mar. 2021/June 2050	-	0.13	0.00	4.75	-	-	-	-
Fixed income securities – BNP Paribas	June 2021/Feb. 2050	-	0.00	-	-	-	-	-	-

(i) It corresponds to the coupon rate for investments in bonds, and the discount rate for certificates of deposit, bankers' acceptance, commercial papers, and other fixed income securities, excluding premiums or discounts obtained on the acquisition date of the instruments at coupon rate.

As of December 31, 2020 and 2019, securities from international entities are tier 1 and low-risk financial instruments. Securities from international entities or foreign public enterprises have risk ratings of at least A+, according to the credit rating agencies: Moody's and Standard & Poor's. Certificates of deposit and bankers' acceptance have a risk rating of at least A, according to the credit rating agencies: Fitch Group, Standard & Poor's and Moody's. These securities accrue interest at international market rates and are held at tier 1 foreign banks.



The following table shows the maturities of financial assets measured at FVOCI, excluding interest:

	<b>2020</b> (S/ 000)	<b>2019</b> (S/ 000)
Less than 3 months	46,985,311	56,744,358
3–12 months	31,727,670	16,689,073
1–3 years	102,381,942	75,586,328
3–5 years	4,790,649	1,047,665
More than 5 years	<u>3,169,538</u>	<u>1,800,654</u>
<b>Total</b>	<b><u>189,055,110</u></b>	<b><u>151,868,078</u></b>

In 2020 and 2019, the Central Bank recognized revenues from net return on securities for S/2,202 million and S/2,732 million, respectively. They are recorded in 'financial income' in the statement of profit or loss and other comprehensive income. Likewise, in 2020 and 2019, it recognized an increase of S/ 1,026 million and S/ 1,135 million, respectively, in 'fair value reserve' in equity (note 17.C).

## 6. GOLD

As of December 31, this caption comprises the following:

	<b>2020</b> (S/ 000)	<b>2019</b> (S/ 000)
<b>In Peru</b>		
Gold coins (a)	3,787,680	2,778,514
Provision for costs of converting gold into high purity or good delivery gold bars	<u>(2,470)</u>	<u>(2,261)</u>
	<b><u>3,785,210</u></b>	<b><u>2,776,253</u></b>
<b>Abroad</b>		
Gold bars (b)	<u>3,860,035</u>	<u>2,831,590</u>
<b>Total</b>	<b><u>7,645,245</u></b>	<b><u>5,607,843</u></b>

(a) As of December 31, 2020 and 2019, it corresponds to 552,101 gold troy ounces in commemorative coins deposited in the vaults of the Central Bank, which are valued at quotation value per troy ounce.

(b) As of December 31, 2020 and 2019, it corresponds to 562,647 gold troy ounces in high purity or good delivery gold bars deposited in tier 1 foreign banks under term deposits.

As of December 31, 2020, such term deposits accrue interest at an annual interest rate between 0.020% and 0.035%, and have a term between 20 and 21 days from the date of their constitution (2019: accrued interest at an annual interest rate between 0.01% and 0.03%, and had term between 88 and 153 days from the date of their constitution).

The accrued interest in 2020 and 2019, was recorded in 'deposits at foreign banks' in the statement of financial position (note 3).

## 7. CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

As of December 31, this caption comprises the following:

	<b>2020</b> (S/ 000)	<b>2019</b> (S/ 000)
Contributions to the FLAR (a)	1,949,906	1,722,275
Contributions to the IMF (b)	1,779,132	1,187,792
Contributions to the BIS (c)	342,418	300,866
	<b><u>4,071,456</u></b>	<b><u>3,210,933</u></b>

- (a) This contribution grants Peru access to financing facilities from the FLAR. As of December 31, 2020, contributions paid to the FLAR amount to US\$ 539 million, equivalent to S/ 1,950 million (2019: US\$ 520 million equivalent to S/ 1,722 million). As of December 31, 2020 and 2019, Peru's participation in the FLAR is 17% of the subscribed capital. Likewise, as of December 31, 2020, the Central Bank holds contributions pending capitalization for US\$ 125 million, equivalent to S/ 451 million (2019: US\$ 143 million equivalent to S/ 475 million), which were recorded as outstanding accounts and accounts payable, and are recorded, net, in the statement of financial position (note 2.B(g)).
- (b) Contribution to IMF grants Peru access to IMF's financing facilities. The IMF determines Peru's contribution as a participating country, which, as of December 31, 2020 and 2019, amounts to SDR 1,335 million; made up by contributions in SDR and soles. As of December 31, 2020 and 2019, Peru's participation in the total quota subscriptions of the IMF's member countries is 0.28% and comprises the following:

	<b>2020</b> (S/ 000)	<b>2019</b> (S/ 000)
<b>Contribution in SDR</b>		
Contribution to the IMF in SDR (i)	1,779,132	1,187,792
<b>Domestic currency contributions</b>		
Contribution to the IMF, equivalent in domestic currency (ii)	5,132,010	4,945,577
Revaluations to be settled – contribution to the IMF in domestic currency (iii)	39,931	(18,856)
	<b><u>5,171,941</u></b>	<b><u>4,926,721</u></b>
<b>Total contribution to the IMF</b>	<b><u>6,951,073</u></b>	<b><u>6,114,513</u></b>

- (i) As of December 31, 2020 and 2019, it corresponds to contributions granted by Peru to the IMF for SDR 341 million and SDR 259 million, respectively.
- (ii) For contributions in soles, the Central Bank did not disburse any funds but issued promissory notes in favor of the IMF, through which said institution can arrange the cashing of the aforementioned contributions at any moment. Therefore, the counter account is recorded as a liability with the IMF in 'other foreign liabilities' in the statement of financial position. This obligation does not accrue interest and can be requested at any moment.
- (iii) It corresponds to the exchange rate difference generated by the remeasurements of the contribution in domestic currency between April 30 and December 31 of every year. These revaluations are settled at the closing of IMF's financial year, which takes place every year on April 30.

Through Law 29823, published December 29, 2011, the Congress of the Republic of Peru approved the increase of Peru's quota in the IMF from SDR 638 million to SDR 1,335 million.

- (c) The Central Bank is member of that international institution since 2011. The BIS determines the percentage of participation of member countries. Peru's participation corresponds to

3,000 shares. As of December 31, 2020 and 2019, 25% of the market value of such shares has been paid, corresponding to SDR 66 million, equivalent to S/ 342 million as of December 31, 2020 (2019: S/ 301 million).

The 75% of the market value of said shares, corresponding to SDR 197 million, equivalent to S/ 1,027 million as of December 31, 2020 (2019: S/ 903 million), was recorded as outstanding accounts and accounts payable, which are recorded, net, in the statement of financial position (note 2.B(g)).

## 8. DOMESTIC CREDIT

As of December 31, this caption comprises the following:

	<u>2020</u> (S/ 000)	<u>2019</u> (S/ 000)
<b>To banks (a)</b>		
Repurchase agreements of currencies	5,190,000	10,687,500
Repurchase agreements of securities	5,011,275	6,284,135
Repurchase agreements of portfolio	463,568	-
Repos of government-backed credit portfolio	47,795,675	-
Outstanding fees from repurchase agreements of currencies	107,607	106,156
Outstanding interest from repurchase agreements of portfolio	248	-
Outstanding interest from repos of government-backed credit portfolio	117,829	-
	<u><b>58,686,202</b></u>	<u><b>17,077,791</b></u>
<b>To the public sector (b)</b>		
Bonds issued by the MEF in foreign currency	3,557,500	2,004,696
Securities issued by the MEF in domestic currency	-	393,740
Repurchase agreements of currencies	720,000	191,900
Outstanding interest from securities issued in Peru	33,825	67,713
Outstanding fees from repurchase agreements of currencies	4,972	1,697
	<u><b>4,316,297</b></u>	<u><b>2,659,746</b></u>
<b>To other entities and funds</b>		
Repurchase agreements of currencies	60,000	129,000
Repurchase agreements of securities	1,249,133	-
Repos of government-backed credit portfolio	2,705,411	-
Outstanding interest from repos of government-backed credit portfolio	4,137	-
Outstanding fees from repurchase agreements of currencies	1,121	1,465
	<u><b>4,019,802</b></u>	<u><b>130,465</b></u>
<b>To financial enterprises</b>		
Repurchase agreements of currencies	-	41,700
Repos of government-backed credit portfolio	228,377	-
Outstanding interest from repos of government-backed credit portfolio	464	-
Comisiones por cobrar sobre operaciones de reporte de monedas	-	342
	<u><b>228,841</b></u>	<u><b>42,042</b></u>
<b>Total</b>	<u><b>67,251,142</b></u>	<u><b>19,910,044</b></u>

- (a) As of December 31, 2020 and 2019, the Central Bank carried out repurchase agreements of currencies with banks, whereby such banks sold foreign or domestic currency to the Central Bank in exchange for domestic or foreign currency, and simultaneously agreed to repurchase the sold currency at a later date at the exchange rate current at the repurchase date. The Central Bank charges a fee equivalent to the interest rate offered by each financial enterprise in auctions, less a discount established in the corresponding announcement. As

of December 31, 2020, these operations had interest rates ranging from 0,29% to 3,51%, with settlement dates between February 2021 and September 2024 (2019: interest rates from 1,03% to 3,46%, with settlement dates between January 2020 and October 2020).

Also, as of December 31, 2020, the Central Bank has current repurchase agreements of certificates of deposit and treasury bonds with banks at an average annual interest rate of 1,08%, with settlement dates between March 2021 and July 2024 (2019: average annual interest rate of 3,78%, with settlement dates between January 2020 and November 2020).

As of December 31, 2020, the Central Bank has current repos of credit portfolio represented in securities with banks at an average annual interest rate of 0,50%, with maturity date between January 2021 and October 2024.

As of December 31, 2020, the Central Bank has current repos of government-backed credit portfolio represented in securities in the Reactiva Peru program. Such program was elaborated in order to ensure that the chain of payments is not interrupted regarding the impact the COVID-19 outbreak has had on different entities. This program allows the Central Bank to provide liquidity to financial institutions participating in it, receiving as collateral the government-backed loans in exchange. As of December 31, 2020, balances of these operations had an average annual interest rate of 0,50%, with maturity date between May 2023 and December 2023. It is also worth mentioning, that such operations have a grace period of less than 12 months.

- (b) As of December 31, 2020 and 2019, the Central Bank holds MEF's bonds issued in U.S. dollars acquired in the secondary market, which mature between July 2025 and November 2033, and accrue interest at rates ranging from 7.35% to 8.75%, respectively. Such instruments are classified and valued as financial assets measured at FVOCI. As of December 31, 2020 and 2019, it recognized an increase of fair value for S/ 110 million and S/ 201 million, respectively, which was recorded in 'fair value reserve' in the statement of financial position (note 17.C).

As of December 2019, the Central Bank held securities issued by the MEF that were received in August 2015 (after amortizations made in 2019, 2017 and 2016). Such securities were intended to hedge 2014 losses. These securities were issued with a 20-year term at an annual interest rate of 2.20%, and shall be settled at maturity or when the call option is exercised. On August 14, 2020, 25% of the 2019 net profits was used to cancel the principal and accrued interest of these bonds for S/ 394 million and S/ 43 million, respectively. Also, S/ 27 million were transferred to a MEF's account in domestic currency (note 17.D).

Likewise, as of December 31, 2020 and 2019, the Central Bank carried out repurchase agreements of currencies with public sector enterprises, whereby such enterprises sold foreign or domestic currency to the Central Bank in exchange for domestic or foreign currency, and simultaneously, agreed to repurchase the sold currency at a later date at the exchange rate current at the repurchase date. The Central Bank charges a fee equivalent to the interest rate offered by each sector public enterprise in auctions, less a discount established in the corresponding announcement. As of December 31, 2020, these operations had interest rates ranging from 0.29% to 3.51%, with settlement dates in September 2024 (2019: interest rates from 1.69% to 1.24%, with settlement dates in July 2020).

In 2020 and 2019, the Central Bank recognized interest income and fees from domestic credit operations for S/ 539 million and S/ 425 million, respectively. Such revenues are recorded in 'financial income' in the statement of profit or loss and other comprehensive income.

**9. PROPERTY, FURNITURE AND EQUIPMENT, NET**

The movement of property, furniture and equipment for the years 2020 and 2019, and the accumulated depreciation are as follows:

Description	Land (S/000)	Building and other constructions (S/000)	Furniture and office equipment (S/000)	Vehicles (S/000)	Various equipment (S/000)	Goods in transit (S/000)	Total (S/000)
<b>Cost</b>							
<b>Balance as of January 1, 2019</b>	28,419	172,368	7,102	3,758	106,426	152	318,225
Additions	-	1,751	180	222	9,926	521	12,600
Transfers	-	-	-	-	152	(152)	-
Disposals and others	-	(1,868)	-	-	-	-	(1,868)
<b>Balance as of December 31, 2019</b>	28,419	172,251	7,282	3,980	116,504	521	328,957
Additions	-	1,117	117	-	3,710	1,537	6,481
Transfers	-	442	3	-	76	(521)	-
Disposals and others	-	(663)	(274)	-	(7,898)	(12)	(8,847)
<b>Balance as of December 31, 2020</b>	<b>28,419</b>	<b>173,147</b>	<b>7,128</b>	<b>3,980</b>	<b>112,392</b>	<b>1,525</b>	<b>326,591</b>
<b>Accumulated depreciation</b>							
<b>Balance as of January 1, 2019</b>	-	72,761	4,576	3,344	72,418	-	153,099
Annual depreciation (d)	-	3,688	374	183	7,786	-	12,031
Disposals and others	-	(977)	0	-	0	-	(977)
<b>Balance as of December 31, 2019</b>	-	75,472	4,950	3,527	80,204	-	164,153
Annual depreciation (d)	-	3,739	376	161	8,733	-	13,009
Disposals and others	-	(313)	(272)	-	(7,869)	-	(8,454)
<b>Balance as of December 31, 2020</b>	-	<b>78,898</b>	<b>5,054</b>	<b>3,688</b>	<b>81,068</b>	-	<b>168,708</b>
<b>Carrying amount</b>							
<b>As of January 1, 2019</b>	28,419	99,607	2,526	414	34,008	152	165,126
<b>Balance as of December 31, 2019</b>	<b>28,419</b>	<b>96,779</b>	<b>2,332</b>	<b>453</b>	<b>36,300</b>	<b>521</b>	<b>164,804</b>
<b>Balance as of December 31, 2020</b>	<b>28,419</b>	<b>94,249</b>	<b>2,074</b>	<b>292</b>	<b>31,324</b>	<b>1,525</b>	<b>157,883</b>

As of December 31, 2020 and 2019, the Central Bank has fully depreciated items of property, furniture and equipment. Such items are still in use for S/ 60 million and S/ 61 million, respectively.

The Central Bank has insured its main assets, according to policies established by management and the Board of Directors.

In 2020 and 2019, depreciation of items of property, furniture and equipment amounted to S/ 13 million and S/ 12 million, respectively, and is included in 'operational expenses' and 'issuance expenses and costs' for S/ 10 million and S/ 3 million, and S/ 9 million and S/ 3 million, respectively (notes 21 and 22).

Management annually performs an assessment to determine whether the carrying amount exceeds the recoverable value of its long-lived assets based on available market data. In management's opinion, there is no evidence of impairment of the long-lived items of property, furniture and equipment held by the Central Bank as of December 31, 2020 and 2019.

As of December 31, 2020 and 2019, the Central Bank did not grant any asset as guarantee.

## 10. OTHER ASSETS

As of December 31, this caption comprises the following:

	<u>2020</u> (S/ 000)	<u>2019</u> (S/ 000)
<b>Financial instruments</b>		
Outstanding interest	13,783	20,677
Outstanding accounts from personnel	<u>2,876</u>	<u>2,989</u>
	<b>16,659</b>	<b>23,666</b>
<b>Non-financial instruments</b>		
Raw material, semi-finished and finished goods (a)	112,497	92,897
Collections (b)	79,454	79,543
Deferred charges (c)	34,828	46,611
Advance payments to suppliers	3,356	14,236
Intangible assets	9,097	9,157
Outstanding accounts (d)	5,148	4,573
Silver	1,731	1,076
Others	<u>1,594</u>	<u>1,597</u>
	<u>247,705</u>	<u>249,690</u>
<b>Total</b>	<b><u>264,364</u></b>	<b><u>273,356</u></b>

- (a) Raw material comprises supplies acquired by the Central Bank for coin minting. It is valued at average cost. The value of semi-finished and finished goods comprises cost of raw material, direct labor and manufacturing overhead.
- (b) Collections comprise paintings, archaeological pieces, sculptures, collections of coins and banknotes, medals and other objects acquired by or donated to the Central Bank and maintained for display.
- (c) Deferred charges mainly comprise cost of printing banknotes. Such cost is charged to expenses when banknotes are available for circulation for the first time.
- (d) It mainly corresponds to the mortgage guarantee in favor of the Central Bank arising from lawsuits with third parties.

## 11. OTHER FOREIGN LIABILITIES

As of December 31, this caption comprises the following:

	<u>2020</u> (S/ 000)	<u>2019</u> (S/ 000)
SDR allocations and revaluations to be settled (a)	3,176,330	2,794,944
Allocation in Andean pesos (b)	72,360	66,220
Others	<u>5,843</u>	<u>2,041</u>
<b>Total</b>	<b><u>3,254,533</u></b>	<b><u>2,863,205</u></b>

- (a) As of December 31, 2020 and 2019, the account's balance is equivalent to SDR 610 million and corresponds to the distribution that the IMF made to Peru in proportion to its quota, according to the provisions of the IMF's Articles of Agreement. The balance at the aforementioned dates comprises exchange difference generated by revaluation of SDR allocation received from the IMF from the date of the account's last movement (December 16 and June 26, for years 2020 and 2019, respectively). As of December 31, 2020, it amounts to S/ 25 million (2019: S/ 11 million) (negative revaluation).

SDR allocations accrue interest according to the conditions of the Articles of Agreement. As of December 31, 2020 and 2019, the annual interest rate was 0,08% and 0,74%, respectively.

- (b) As of December 31, 2020 and 2019, the allocation in Andean pesos corresponds to those delivered by the FLAR for 20 million Andean pesos, equivalent to S/ 72 million and S/ 66 million, respectively. Such allocation neither accrues interest nor has a defined maturity for its cancellation. The counterpart account is an outstanding account recorded in 'other foreign assets' in the statement of financial position.

In 2020 and 2019, the Central Bank recognized interest expense for approximately S/ 6 million and S/ 28 million, respectively. Such expense correspond to its foreign liabilities, mainly for the obligations for SDR allocations, which are recorded in 'financial expenses' in the statement of profit or loss and other comprehensive income.

## 12. SECURITIES IN CIRCULATION

As of December 31, this caption comprises the following:

	<u>2020</u> (S/ 000)	<u>2019</u> (S/ 000)
BCRP certificates of deposit (CD BCRP)	41,067,000	28,364,500
BCRP indexed certificates of deposit (CDR BCRP)	6,406,958	-
Sale discounts on CD BCRP and CDR BCRP	<u>(92,906)</u>	<u>(379,651)</u>
	<b><u>47,381,052</u></b>	<b><u>27,984,849</u></b>

As of December 31, 2020 and 2019, securities in circulation comprise certificates of deposit and indexed certificates of deposit, which are placed by the auction mechanism or by direct placement to withdraw liquidity surpluses from the financial system.

As of December 31, 2020, certificates of deposit for S/ 894 million guarantee repurchase agreements of securities (2019: S/ 4,147 million).

In 2020 and 2019, the Central Bank recognized interest expense for securities in circulation for S/ 515 million and S/ 737 million, respectively. Such expense is recorded in 'financial expenses' in the statement of profit or loss and other comprehensive income.

As of December 31, certificates of deposit issued by the Central Bank were acquired by:

	<u>2020</u> (S/ 000)	<u>2019</u> (S/ 000)
Banks	39,279,708	21,066,304
Insurance Deposit Fund	1,220,000	3,216,300
Banco de la Nación	3,000,000	2,750,000
Mutual funds and funds of administrators of pension funds	52,400	47,700
Financial institutions	740,400	524,196
Other institutions	3,181,450	760,000
	<u>47,473,958</u>	<u>28,364,500</u>
Sale discounts on CD BCRP and CDR BCRP	(92,906)	(379,651)
<b>Total</b>	<u><b>47,381,052</b></u>	<u><b>27,984,849</b></u>

As of December 31, 2020, certificates of deposit issued by the Central Bank mature between January 2021 and March 2023. and accrue interest at discount rates between -0.05% and 2.69% (2019: maturity between January 2020 and August 2021, and accrued interest between 2.02% and 3.12%).

### 13. DEPOSITS IN DOMESTIC CURRENCY

As of December 31, this caption comprises the following:

	<u>2020</u> (S/ 000)	<u>2019</u> (S/ 000)
Public sector	38,217,654	34,624,447
Banco de la Nación	20,259,903	11,038,351
Banks	40,609,828	1,130,000
Municipal Savings and Credit institutions	1,963,292	603,600
Financial enterprises	1,342,282	334,300
Insurance Deposit Fund	2,620,700	24,997
Rural Savings and Credit institutions	243,900	47,500
Other institutions and funds	5,210	6,972
	<u>105,262,769</u>	<u>47,810,167</u>

As of December 31, deposits in domestic currency, per type of transaction, are classified as follows:

Type	Interest rate %	Maturity	<u>2020</u> (S/ 000)	<u>2019</u> (S/ 000)
Checking accounts	0 to 0.15	No maturity	4,203,847	5,056,415
Term deposits	0.20 to 2.10	Jan.21 to Mar.22	84,793,700	35,600,000
Special deposits (overnight)	0.15	4 days	16,265,222	7,153,752
			<u>105,262,769</u>	<u>47,810,167</u>

In 2020 and 2019, the Central Bank recognized interest on deposits in domestic currency for S/ 656 million and S/ 922 million, respectively. Such interest is recorded in 'financial expenses' in the statement of profit or loss and other comprehensive income.



#### 14. MONETARY BASE

As of December 31, this caption comprises the following:

	<u>2020</u> (S/ 000)	<u>2019</u> (S/ 000)
<b>Currency in circulation (a)</b>	<b>82,688,894</b>	<b>62,099,221</b>
<b>Deposits in domestic currency (b)</b>		
Banks	2,250,353	1,331,858
Municipal Savings and Credit Institutions	474,412	465,257
Financial enterprises	150,444	289,715
Banco de la Nación	280,000	280,000
Rural Savings and Credit Institutions	142,540	98,636
Others	-	3
	<u><b>3,297,749</b></u>	<u><b>2,465,469</b></u>
	<u><b>85,986,643</b></u>	<u><b>64,564,690</b></u>

(a) Denomination of currency in circulation is as follows:

	<u>2020</u>		<u>2019</u>	
	Units	(S/ 000)	Units	(S/ 000)
<b>Banknotes</b>				
Denomination S/ 10	149,039,583	1,490,396	122,434,297	1,224,343
Denomination S/ 20	192,783,682	3,855,674	159,078,805	3,181,576
Denomination S/ 50	239,034,100	11,951,705	157,463,575	7,873,179
Denomination S/ 100	553,667,383	55,366,738	422,741,940	42,274,194
Denomination S/ 200	35,512,161	7,102,432	23,613,450	4,722,690
		<u><b>79,766,945</b></u>		<u><b>59,275,982</b></u>
<b>Coins</b>				
Denomination S/ 0.01	347,760,038	3,478	347,783,003	3,478
Denomination S/ 0.05	503,735,095	25,187	503,823,268	25,191
Denomination S/ 0.10	1,764,033,822	176,403	1,680,412,491	168,041
Denomination S/ 0.20	504,875,224	100,975	481,713,078	96,343
Denomination S/ 0.50	547,684,968	273,843	518,062,042	259,031
Denomination S/ 1.00	1,030,356,377	1,030,356	998,615,722	998,616
Denomination S/ 2.00	208,681,166	417,362	200,744,382	401,489
Denomination S/ 5.00	178,513,816	892,569	173,855,691	869,278
		<u><b>2,920,173</b></u>		<u><b>2,821,467</b></u>
Commemorative coins		1,776		1,772
		<u><b>82,688,894</b></u>		<u><b>62,099,221</b></u>

(b) As of December 31, 2020 and 2019, it corresponds to deposits in domestic currency of financial institutions subject to reserve requirements in the domestic financial system. Such funds are intended to hedge the amount of legal reserve required by the Central Bank for obligations subject to reserve requirements in domestic currency and do not have maturity. Additionally, the legal reserve requirements may be hedged with cash in domestic currency from institutions subject to reserve requirements.

Legal reserve requirements include minimum legal reserve and additional reserve requirements. Additional reserve requirements are defined as the part of the legal reserve requirements that exceeds the minimum legal reserves. As of December 31, 2020, the minimum legal reserves had a rate of 4.0% for obligations subject to reserve requirements

in domestic currency (2019: 5.0%). Also, the obligations subject to reserve requirements are classified into 2 regimes: general and special.

As of December 31, 2020 and 2019, only additional reserve requirements in domestic currency are required for institutions exceeding the limits of foreign currency sale operations through forward contracts and swaps, as well as those entities that have obligations subject to the special regime. As of December 31, 2020, reserve requirement funds corresponding to the additional reserve requirements of the general and special regime in soles, which are deposited with the Central Bank, did not accrue interest, since the remuneration rate of deposits in domestic currency was 0.00%. Also, such rate equals the highest rate divided by 0% and interest rate of overnight deposits in domestic currency with the Central Bank (2020: 0.15%) less 195 bps. As of December 31, 2019, the remuneration rate of deposits in domestic currency was also 0.00%.

On March 31, 2020, the Central Bank issued Circular 0010-2020-BCRP, referred to the provisions of reserve requirements in domestic currency. Such Circular reduced the minimum legal reserves rate and the reserve requirements rate for obligations subject to general regime from 5.0% to 4.0%. It also reduced the minimum amount of deposits in current accounts that financial institutions subject to reserve requirements shall have with the Central Bank as reserve requirement funds, from 1.0% to 0.75% of the total obligations subject to reserve requirements.

On December 26, 2019, the Central Bank issued Circular 0030-2019-BCRP, referred to the provisions of reserve requirements in domestic currency. Such Circular expanded the limits for the weekly and monthly agreed transactions for selling foreign currency in exchange for domestic currency through forward contracts and swaps.

## 15. DEPOSITS IN FOREIGN CURRENCY

As of December 31, this caption comprises the following:

	<u>2020</u> (S/ 000)	<u>2019</u> (S/ 000)
Banks (a)	40,524,448	44,432,869
Public sector (b)	11,052,797	28,561,028
Other financial Institutions (a)	758,820	788,018
Banco de la Nación (a)	2,501,344	1,861,377
Financial institutions (a)	188,563	357,204
Other institutions and funds	-	3
	<u><u>55,025,972</u></u>	<u><u>76,000,499</u></u>

- (a) As of December 31, 2020 and 2019, it corresponds to deposits in foreign currency of financial institutions subject to reserve requirements in the domestic financial system. Such funds are intended to hedge the amount of legal reserve required by the Central Bank for obligations subject to reserve requirements in foreign currency and mature January 2021.

Legal reserve requirements include minimum legal reserves and additional reserve requirements. As of December 31, 2020 and 2019, minimum legal reserves had a rate of 9% for obligations subject to reserve requirements in foreign currency. Additional reserve requirements are defined as the part of the legal reserve requirements that exceeds the minimum legal reserves. As of December 31, 2020, the rate of the additional reserve requirements in foreign currency for banks was 25.4% on average (2019: 26.5%).

As of December 31, 2020, the reserve requirements funds corresponding to the additional reserve requirements of the general and special regime, which are deposited with the

Central Bank, accrued interest at an annual interest rate of 0.0060%. It is equivalent to the higher rate divided by zero, and 25% of one-month LIBOR less 0.125% (2019: 1.2534%).

On December 19, 2020, the Central Bank issued Circular 0034-2020-BCRP, referred to the provisions of reserve requirements in foreign currency, which extended the temporary suspension of additional reserve requirements according to the evolution of credit in foreign currency until April 2021.

On March 31, 2020, the Central Bank issued Circular 0011-2020-BCRP, referred to the provisions of reserve requirements in foreign currency, which reduced the reserve requirements rate for obligations with average terms less than 2 years with foreign financial institutions, subject to special regime from 50% to 9%. It also suspended additional reserve requirements for 2020 according to the evolution of credit in foreign currency.

On December 26, 2019, the Central Bank issued Circular 0031-2019-BCRP, referred to the provisions of reserve requirements in foreign currency, which amended one of the limits to determine the additional reserve requirements according to the evolution of credit in foreign currency.

- (b) As of December 31, 2020 and 2019, deposits in foreign currency of public institutions are stated in U.S. dollars and mainly comprise agreements entered into with the General Directorate of Public Treasury of the MEF. Such agreements establish the conditions for receiving deposits from such institution. As of December 31, 2020, such deposits correspond to demand and term deposits, which accrued interest at an effective annual rate between 0% and 0.22% (2019: between 0.30% and 2.02%). As of December 31, 2020, term deposits have maturity in January 2021 (2019: maturity in January and March 2020).

In 2020 and 2019, the Central Bank recognized interest on deposits in foreign currency for S/ 277 million and S/ 1,396 million, respectively. Such interest is recorded in 'financial expenses' in the statement of profit or loss and other comprehensive income.

## 16. OTHER LIABILITIES

As of December 31, this caption comprises the following:

	<u>Note</u>	<u>2020</u> (S/ 000)	<u>2019</u> (S/ 000)
<b>Financial liabilities</b>			
Reverse repurchase agreements of foreign currencies	8(a)/(b)	6,304,903	11,026,680
Interest and fees payable		165,854	355,224
Deposit Insurance Fund		461,943	12,621
Accounts payable		10,865	8,028
Fund for diseases, insurance and pensions of Central Bank's employees		13,464	1,798
		<u>6,957,029</u>	<u>11,404,351</u>
<b>Non-financial liabilities</b>			
Actuarial liabilities		143,446	140,784
Other provisions		37,622	35,450
Others		4,178	5,063
		<u>185,246</u>	<u>181,297</u>
		<u>7,142,275</u>	<u>11,585,648</u>

As of December 31, 2020 and 2019, actuarial liabilities comprise the provision corresponding to an allowance for supplementing retirement, widow and burial benefits, and a reserve of current risks of health care services calculated by an actuary, less the value of the Fund's net assets (note 2.B(m)).

The Fund is a private institution incorporated by Decree-Law 7137, which is intended to provide assistance to the Central Bank's active and retired employees, as well as their spouses, children and parents, in accordance with its regulations. This assistance is additional to social security benefits and other social benefits granted by Law (EsSalud, National Pension System - Decree-Law 19990, and Private Pension System). According to IAS 19 *Employee Benefits*, the aforementioned assistance corresponds to a defined benefits plan.

As of December 31, 2020 and 2019, 54.63% and 12.70% of the Fund's assets respectively, are deposited with the Central Bank. Such assets mainly comprise deposits in domestic currency which accrue interest at an effective annual rate between 2.48% and 4.02%, respectively, and loans to employees of the Central Bank, which are directly discounted on the payroll.

Provision recovery and/or net expense recognized in the statement of profit or loss and other comprehensive income for employee benefits (note 21) comprises the following:

	<b>2020</b> (S/ 000)	<b>2019</b> (S/ 000)
Changes in net assets of the Employees' Fund	14,704	8,216
Changes in reserves calculated by the actuary	<u>(2,211)</u>	<u>521</u>
	<b><u>12,493</u></b>	<b><u>8,737</u></b>

As of December 31, 2020 and 2019, the movement in the obligation for employee benefits and the fair value of the benefits' assets are the following:

	<b>Note</b>	<b>2020</b> (S/ 000)	<b>2019</b> (S/ 000)
Opening balance		140,784	142,631
Transfers to the Fund during the year		(9,831)	(10,584)
Provision (recovery) for employee benefits	21	<u>12,493</u>	<u>8,737</u>
		<b><u>143,446</u></b>	<b><u>140,784</u></b>

In January 2020 and 2019, the Central Bank's Board of Directors authorized the transfer to the Fund for Diseases, Insurance and Pensions of Central Bank's Employees for S/ 52.5 million and S/49 million, respectively. In 2020, from the aforementioned amount, S/9.8 million were used to pay pensions of retired personnel, which decreased the actuarial liability by the same amount (2019: S/ 10.6 million); S/ 40.3 million were transferred to the Fund for health expenses of active personnel, which increased the balance of 'operational expenses' (2019: S/ 35.9 million) (note 21); and approximately S/ 2.4 million were transferred to health expenses of National Mint (CNM) personnel, which were recognized in cost of issued coins (2019: S/ 2.5 million).

The main categories of the Fund's assets as a percentage of the fair value of total liquid assets are the following:

	2020		2019	
	S/ (000)	%	S/ (000)	%
Deposits with the Central Bank	13,464	55.0	1,802	13.0
Outstanding accounts from personnel	11,178	45.0	12,064	87.0
<b>Total</b>	<b>24,642</b>	<b>100.0</b>	<b>13,866</b>	<b>100.0</b>

The main hypotheses used when determining the actuarial liability for employee benefits are the following:

	2020	2019
Discount rate (%)	5.5	6.0
Increase (decrease) in pensions (%)	0.1	(4.6)
Average period for amortization of pensions	9.68	9.40
<b>Active and retired personnel as of the date of the statement of financial position</b>		
Males	1,043	1,018
Females	617	598
<b>Mortality tables</b>		
Males	SP-2005-H	SP-2005-H
Females	SP-2005-M	SP-2005-M

The sensitivity of the actuarial assumptions in the Central Bank's profit or loss is as follows:

Año	Increase/decrease in discount rate	Effects on reserve for the year
		S/ 000
2020	50pbs	(6,761)
	(50pbs)	7,377
2019	50pbs	(6,295)
	(50pbs)	6,835

Año	Increase/decrease in life expectancy	Effects on reserve for the year
	Years	S/ 000
2020	1	3,372
	(1)	3,595
2019	1	1,900
	(1)	2,712

## 17. EQUITY

### A. Capital

As of December 31, 2020 and 2019, the authorized, subscribed and paid-in capital by the Peruvian Government in accordance with regulations amounts to S/ 1,183 million.

The capital is not represented by shares and its value is only disclosed in 'capital' in the statement of financial position. Likewise, through a Supreme Decree countersigned by the MEF, the Central Bank's authorized capital may be adjusted.

**B. Reserves*****Legal reserve***

According to Article 92 of its Organic Act, the Central Bank shall distribute its net profits annually as follows: (i) 25% for the Public Treasury and (ii) 75% for the constitution and increase up to 100% of its capital for a reserve which, preferably, shall be used for capitalization.

On March 14, 2019, after the approval of the 2018 financial statements, the constitution of the legal reserve was agreed for 75% of the profit or loss for the year 2018, applying S/ 378 million. Thus, the legal reserve was equivalent to the capital.

***Special statutory reserve***

According to Article 63 of the Central Bank's Bylaws, the surplus generated by the application of Article 92 of the Organic Act shall be used for the constitution of a special reserve.

On March 5, 2020, after the approval of the 2019 financial statements, the constitution of a special reserve was agreed for S/ 1,392 million, for the surplus of 75% of the profits corresponding to the Central Bank, since the legal reserve was equivalent to 100% of the capital.

On March 14, 2019, after the approval of the 2018 financial statements, the constitution of a special reserve was agreed for S/ 440 million, for the surplus of 75% of the profits corresponding to the Central Bank, since the legal reserve was equivalent to 100% of the capital.

**C. Fair value reserve**

The movement of this caption for the years 2020 and 2019 is as follows:

	<u>Note</u>	<b>Securities from international entities</b> (S/ 000)	<b>Bonds issued by the MEF</b> (S/ 000)	<b>Total</b> (S/ 000)
<b>Balance as of January 1, 2019</b>		<b>(361,794)</b>	<b>(165,077)</b>	<b>(526,871)</b>
Gains from fluctuations	5 and 8 (b)	1,139,968	200,595	1,340,563
Loss from fluctuations	5 and 8 (b)	(5,388)	-	(5,388)
<b>Balance as of December 31, 2019</b>		<b>772,786</b>	<b>35,518</b>	<b>808,304</b>
Gains from fluctuations	5 and 8 (b)	916,309	124,650	1,040,959
Loss from fluctuations	5 and 8 (b)	(256)	(14,842)	(15,098)
<b>Balance as of December 31, 2020</b>		<b>1,688,839</b>	<b>145,326</b>	<b>1,834,165</b>

**D. Accumulated results**

According to Article 93 of the Organic Act, if the Central Bank incurs losses, they shall be hedged by the reserve from prior year profits. If the legal reserve is insufficient, the Public Treasury, within 30 days of the approval of the financial statement, issues and delivers to the Central Bank negotiable debt instruments that accrue interest, for the unhedged amount.

On March 5, 2019, after approval of the 2019 financial statements, it was agreed to distribute 2019 profits, corresponding to Public Treasury S/ 464 million. Such profits will be used for amortization of sovereign bonds transferred by the MEF. On August 14, 2020, 25% of the 2019 net profits was used to cancel the principal and accrued interest of these bonds for S/ 394 million and S/ 43 million, respectively. Also, S/ 27 million were transferred to a MEF's account in domestic currency.

On March 14, 2019, S/ 273 million were transferred to the Public Treasury. Such amount was used for amortizing the bonds received from the Public Treasury and the corresponding interest, as described in note 1.

#### **E. Adjustment for valuation – Article 89 of Organic Act**

In accordance with the accounting policies approved by the Board of Directors based on Article 89 of the Organic Act, the exchange rate differences resulting from the valuation in domestic currency of the Central Bank's assets and liabilities in gold, silver, currencies, SDR or other monetary units of international use, are debited or credited in this account. However, such differences are not considered as gains or losses for the year (note 2.B (d)).

The movement of this caption for the years 2020 and 2019 is as follows:

	<u>2020</u> (S/ 000)	<u>2019</u> (S/ 000)
<b>Opening balance</b>	<b>10,328,711</b>	<b>11,558,501</b>
<b>Plus (less):</b>		
Valuation of derivative instruments operations and others related to exchange rate	(2,542,901)	(539,917)
Valuation of metals (gold)	2,243,205	798,286
Valuation of IMF's contribution and obligations	(381,415)	55,143
Valuation of U.S. dollars	6,861,098	(1,270,716)
Valuation of other currencies	9,834,426	(272,586)
Valuation of indexed certificates of deposit	(126,635)	-
<b>Closing balance</b>	<b><u>26,216,489</u></b>	<b><u>10,328,711</u></b>

## **18. TAX MATTERS**

In accordance with the Income Tax Law, Peruvian public institutions are not subject to income tax. The Central Bank, as a withholding agent, is only subject to self-employment income tax, regular employment income tax, and social contributions.

The Tax Authorities are entitled to review and, if applicable, to correct the tax calculated by the Central Bank within the 4 years following the year of the tax return filing. The Central Bank's income tax returns from 2016 to 2020 are open for review by the Tax Authorities. Due to the possible varied interpretations of the current laws by the Tax Authorities, it is not possible to determine, to date, whether a future tax assessment will result in liabilities for the Central Bank. Therefore, any major tax, moratory interest or penalty that might arise from eventual tax assessments would be applied to profit or loss of the period in which they are determined. In management's opinion, any possible additional settlement of taxes would not be significant for the Central Bank's financial statements as of December 31, 2020 and 2019.

## 19. CONTINGENCIES

Certain civil and labor lawsuits have been filed against the Central Bank, for which the pertinent legal instruments and actions have been submitted and conducted. Therefore, the Central Bank's management and its legal advisors consider that, as of December 31, 2020 and 2019, it is not necessary to record a material provision for possible losses as a result of these legal contingencies.

## 20. OFF-BALANCE SHEET ACCOUNTS

As of December 31, this caption comprises the following:

	<u>Note</u>	<u>2020</u> (\$/ 000)	<u>2019</u> (\$/ 000)
Currency in circulation (a)		15,199,651	30,863,904
Forward operations (b)		89,191,048	80,124,565
Securities held in custody (c)		3,079,442	3,436,741
Future operations (d)		3,119,989	-
Foreign exchange swaps (e)	2.B(s)	16,273,154	1,781,354
Public Treasury securities with repurchase agreement (f)		5,129,761	2,006,622
Government-backed credits (g)		50,730,995	-
Others		925,274	366,523
<b>Total</b>		<b><u>183,649,314</u></b>	<b><u>118,579,709</u></b>

(a) As of December 31, it corresponds to the currency not in circulation that the Central Bank holds in its vaults. It comprises the following:

	<u>2020</u> (\$/ 000)	<u>2019</u> (\$/ 000)
New	8,519,000	26,306,090
Available	3,559,546	3,894,303
To be classified	3,015,381	456,637
To be destroyed	46,204	195,603
In transit	59,520	11,271
<b>Total</b>	<b><u>15,199,651</u></b>	<b><u>30,863,904</u></b>

The movement of 'currency in circulation' in 2020 and 2019, is as follows:

	<u>2020</u> (\$/ 000)	<u>2019</u> (\$/ 000)
<b>Opening balance</b>	<b>30,863,904</b>	<b>51,029,138</b>
Acquisition of currency	9,119,904	832,309
Destruction of currency	(4,194,483)	(18,142,350)
Removal of circulation, net of revenues	(20,589,674)	(2,855,193)
<b>Closing balance</b>	<b><u>15,199,651</u></b>	<b><u>30,863,904</u></b>



- (b) As of December 31, 2020 and 2019, it corresponds to the reference value (committed face value) of the Central Bank's forward operations in foreign currency, classified as held-for-trading instruments. As of December 31, 2020, the Central Bank has 53 forward operations with maturities between January and March 2021 (2019: 85 forward operations with maturities between January and March 2020). Likewise, as of December 31, 2020, the valuation of such instruments generated an asset for S/ 41 million (2019: S/ 32 million), which was recorded in "other available assets", and a liability for S/ 711 million (2019: S/ 172 million), which was recorded in "reserves liabilities". Such valuation was recorded in "Readjustment in valuation Article 89 – Organic Act" in equity (note 17.E). During 2020, the Central Bank recognized revenues for the forward contracts traded for S/ 831 million, which are included in "return on operations with derivative instruments" in the statement of profit or loss and other comprehensive income (2019: S/ 768 million).

As of December 31, 2020 and 2019 the face value of forward operations per type of currency is as follows:

	<b>2020</b> (S/ 000)	<b>2019</b> (S/ 000)
Purchase of U.S. dollar / sell of currencies other than sol	42,695,567	38,951,778
Sell of U.S. dollar / purchase of currencies other than sol	269,641	-
Purchase of British pound sterling / sell of currencies other than sol	346,226	-
Sell of British pound sterling / purchase of currencies other than sol	3,624,578	789,627
Purchase of Japanese yen / sell of currencies other than sol	99,250	-
Sell of Japanese yen / purchase of currencies other than sol	38,206,334	31,968,117
Purchase of euro / sell of currencies other than sol	25,560	-
Sale of euro / purchase of currencies other than sol	2,170,478	6,949,334
Purchase of Swedish krona / sell of currencies other than sol	13,540	-
Sell of Swedish krona / purchase of currencies other than sol	10,416	-
Purchase of Norwegian krone / sell of currencies other than sol	16,669	-
Sell of Norwegian krone / purchase of currencies other than sol	50,256	-
Purchase of Canadian dollar / sell of currencies other than sol	411,663	535,428
Sell of Canadian dollar / purchase of currencies other than sol	297,976	-
Purchase of Chinese renminbi / sell of currencies other than sol	11,101	-
Purchase of Singapore dollar / sell of currencies other than sol	10,947	-
Sell of Singapore dollar / purchase of currencies other than sol	21,949	-
Purchase of Australian dollar / sell of currencies other than sol	620,302	588,226
Sell of Australian dollar / purchase of currencies other than sol	191,514	-
Purchase of New Zealand dollar / sell of currencies other than sol	19,245	-
Sell of New Zealand dollar / purchase of currencies other than sol	27,928	-
Purchase of Swiss francs / sell of currencies other than sol	13,509	-
Sell of Swiss francs / purchase of currencies other than sol	36,399	342,055
<b>Total</b>	<b>89,191,048</b>	<b>80,124,565</b>

- (c) As of December 31, 2020 and 2019, securities held in custody mainly comprise promissory notes in guarantee for operations with the IMF.
- (d) As of December 31, 2020, it corresponds to the reference value (committed face value) of the Central Bank's futures trading portfolio are classified as held-for-trading instruments. Such operations are managed directly by BNP Paribas Asset Management USA, Inc., Pacific Investment Management Company LLC., and Amundi Asset Management, according to guidelines approved by the Central Bank. As of December 31, 2020 the Central Bank had 4,190 future contracts. Such contracts' underlying assets are bonds of the U.S. Treasury issued in U.S. dollars, pound sterling, Canadian dollar, euro and Australian dollar. Likewise, the estimated market value, provided by the 3 aforementioned entities, generated an asset for S/ 2,109 million and a liability for S/ 1,404 million. They were recorded in 'other available assets' and 'reserves liabilities', respectively, in the statement of financial position and 'net return on securities' in the statement of profit or loss and other comprehensive income. As of December 31, 2019, the Central Bank did not have futures operations.
- (e) As of December 31, 2020, the Central Bank has 235 operations with banks, those operations are called foreign exchange swaps, whereby the notional value in soles in favor of the Central Bank is S/ 8,135 million, and the counter account in favor of other banks is US\$ 2,249 million (2019: 13 operations, with a notional value in soles in favor of the Central Bank for S/ 900 million and a counter account in favor of other banks for US\$ 266 million). The maturity of such operations is between January and June 2021 (2019: between January and February 2020). The interest rate for the notional value in soles equals the capitalization of the Cumulative Overnight Interbank Transactions Index calculated and published by the BCRP. As of December 31, 2020, it was 0.25% (2019: 2.25%).

In 2020, the Central Bank recognized interest revenues and expenses paid and received on foreign exchange swaps for S/ 36 million and S/ 6 million. Such revenues and expenses are recorded in 'other financial revenues' and 'other financial expense' in the statement of profit or loss and other comprehensive income, respectively (2019: S/ 17 million and S/ 7 million, respectively). Likewise, during said period, the Central Bank recognized the effect of changes in the exchange rate on the notional value in U.S. dollars as a credit to the account 'adjustment for valuation – Article 89 of Organic Act' in equity for S/ 9 million, corresponding to financial institutions (note 17.E).

- (f) As of December 31, 2020, the Central Bank has effective repurchase agreements of treasury bonds with banks for S/ 5,130 million (2019: S/ 2,007 million).
- (g) As of December 31, 2020, it corresponds to government-backed credits for the financial institutions which granted loans to enterprises that benefited from the Reactiva Peru program. The Central Bank has S/ 50,731 million at face value of repos of government-backed credit portfolio.

## 21. OPERATIONAL EXPENSES

This caption comprises the following:

	<b>Note</b>	<b>2020</b> (S/ 000)	<b>2019</b> (S/ 000)
Personnel expenses and social benefits	23	145,758	155,432
Administrative expenses		51,459	56,530
Health expenses of active personnel	16(a)(i)	40,279	35,915
Expenses for actuarial provision	16(a)	12,493	8,737
Depreciation	9	10,146	8,966
Amortization		1,555	1,849
Others		4,599	9,202
<b>Total</b>		<b>266,289</b>	<b>276,631</b>

In 2020 and 2019, administrative expenses mainly correspond to expenses for surveillance, data supplies, public utilities, training, advisory, insurance, among others.

## 22. ISSUANCE EXPENSES AND COSTS

This caption comprises the following:

	<b>2020</b> (S/ 000)	<b>2019</b> (S/ 000)
Cost of minting issued coins	38,313	57,317
Expenses for printing issued banknotes	49,585	41,524
Expenses for transporting currency	3,681	2,444
	<b>91,579</b>	<b>101,285</b>

## 23. PERSONNEL EXPENSES AND SOCIAL BENEFITS

This caption comprises the following:

	<b>2020</b> (S/ 000)	<b>2019</b> (S/ 000)
Salary	85,926	85,830
Legal bonuses and holidays	25,712	26,682
Bonuses and allocations	11,653	17,731
Retirement compensation arrangement	9,097	9,423
EsSalud	8,579	8,859
Training	2,269	2,942
Others	2,522	3,965
	<b>145,758</b>	<b>155,432</b>

## 24. FINANCIAL INSTRUMENTS

### A. Accounting classification and fair value

The following table shows the carrying amount and fair value of financial assets and financial liabilities held by the Central Bank, including their levels in the fair value hierarchy.

Note	As of December 31, 2020				Fair Value			
	At amortized cost	At FVOCI	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
	(\$' 000)	(\$' 000)	(\$' 000)	(\$' 000)	(\$' 000)	(\$' 000)	(\$' 000)	(\$' 000)
<b>Financial assets</b>								
	181,280	-	-	181,280	-	-	-	-
3	66,774,135	-	-	66,774,135	-	-	-	-
4	2,699,723	-	-	2,699,723	-	-	-	-
5	180,882	189,378,052	-	189,558,934	189,378,051	-	-	189,378,051
7	4,071,456	-	-	4,071,456	-	-	-	-
	250	88,503	-	88,753	-	88,503	-	88,503
	72,360	-	-	72,360	-	-	-	-
8	63,659,817	3,591,325	-	67,251,142	3,591,325	-	-	3,591,325
10	2,876	13,783	-	16,659	-	13,783	-	13,783
	<b>137,642,779</b>	<b>193,071,663</b>	-	<b>330,714,442</b>	<b>192,969,376</b>	<b>102,286</b>	-	<b>193,071,662</b>
<b>Financial liabilities</b>								
	-	721,472	8,447	729,919	-	721,472	-	721,472
7 & 11	-	-	8,426,473	8,426,473	-	-	-	-
12 & 13	-	-	152,643,820	152,643,820	-	-	-	-
14	-	-	85,986,643	85,986,643	-	-	-	-
15	-	-	55,025,972	55,025,972	-	-	-	-
16	-	-	6,957,029	6,957,029	-	-	-	-
	-	<b>721,472</b>	<b>309,048,384</b>	<b>309,769,856</b>	-	<b>721,472</b>	-	<b>721,472</b>



Note	As of December 31, 2019				Fair Value			
	At amortized cost (S/ 000)	At FVOCI (S/ 000)	Financial liabilities at amortized cost (S/ 000)	Total (S/ 000)	Level 1 (S/ 000)	Level 2 (S/ 000)	Level 3 (S/ 000)	Total (S/ 000)
<b>Financial assets</b>								
	165,913	-	-	165,913	-	-	-	-
3	62,320,212	-	-	62,320,212	-	-	-	-
4	2,468,937	-	-	2,468,937	-	-	-	-
5	19,109,291	133,326,299	-	152,435,590	133,326,299	-	-	133,326,299
7	3,210,933	-	-	3,210,933	-	-	-	-
	2,356	160,806	-	163,162	-	160,806	-	160,806
	66,220	-	-	66,220	-	-	-	-
8	17,875,748	2,034,296	-	19,910,044	2,034,296	-	-	2,034,296
10	2,989	20,677	-	23,666	-	20,677	-	20,677
	<b>105,222,599</b>	<b>135,542,078</b>	-	<b>240,764,677</b>	<b>135,360,595</b>	<b>181,483</b>	-	<b>135,542,078</b>
<b>Financial liabilities</b>								
	-	171,833	6,830	178,663	-	171,833	-	171,833
7 & 11	-	-	7,789,926	7,789,926	-	-	-	-
12 & 13	-	-	75,795,016	75,795,016	-	-	-	-
14	-	-	64,564,690	64,564,690	-	-	-	-
15	-	-	76,000,499	76,000,499	-	-	-	-
16	-	-	11,404,351	11,404,351	-	-	-	-
	-	<b>171,833</b>	<b>235,561,312</b>	<b>235,733,145</b>	-	<b>171,833</b>	-	<b>171,833</b>

## B. Financial risk management

The Central Bank is exposed to the following risks related to the use of financial instruments: liquidity risk, credit risk, currency risk, interest rate risk and operational risk. The Central Bank's risk management aims to reduce the potential adverse effects on its financial performance.

The Central Bank's statement of financial position mainly comprises financial instruments, as described in note 2.B(b). Gross international reserves are a relevant component of such instruments (as of December 31, 2020 and 2019, they represent 78.8% and 89.9%, respectively). Reserve management complies with the principles of security, liquidity and profitability indicated in Article 71 of the Organic Act. International reserves contribute to Peru's economic and financial stability, to the extent that they guarantee availability of currency in extraordinary situations—i.e., an eventual significant withdrawal of foreign currency deposits from the domestic financial system or temporary external shocks, which may cause imbalances on the real economy and feedback expectations. Likewise, a suitable availability of currency helps to reduce the Peru's risk and improve its credit ratings, which results in better conditions for private and public Peruvian companies to obtain foreign credits, and contributes to the foreign investment growth in the country.

Financial risk management mainly focuses on the investment portfolio, which includes the assets that are easily tradable in international markets. These assets comprise deposits with foreign institutions and organizations, securities from international institutions, and foreign gold holdings.

Risk management is carried out considering the following criteria:

- The Central Bank's reserve management policy considers as a priority to preserve capital and guarantee the liquidity of reserves. Once these conditions are met, the Central Bank seeks to maximize the return of foreign assets.
- Management of foreign assets is closely related to the origin and characteristics of sources of foreign currency resources—i.e. Central Bank's liabilities—regarding the amount, currency, term, and volatility. Accordingly, the Central Bank seeks to minimize the financial risks that may affect the value and availability of the resources managed by the Central Bank.

Foreign assets managed by the Central Bank are exposed to liquidity, credit, exchange rate and interest rate risks.

The Central Bank management is aware of the current market conditions and, based on its knowledge and experience, it controls the aforementioned risks in accordance with the policies approved by the Board of Directors. Major aspects in risk management are the following:

**i. Liquidity risk**

It arises from the impossibility of trading securities at the appropriate moment. To mitigate this risk, fixed income instruments' liquidity degree is controlled by selecting securities from deep markets, establishing minimum amounts according to the issuance size and a limit for the percentage acquired in each issuance. Liquidity of instruments is reflected in a low bid-ask spread in their market price.

Likewise, the Central Bank also minimizes this risk by dividing the investment portfolio into tranches that reflect the required liquidity to manage withdrawals associated with the different nature of reserve sources. Such portfolio is divided as follows:

- Immediate availability tranche: It includes very short-term investments mainly to face obligations with local banks and unexpected events.
- Intermediation and liquidity tranches: It corresponds to deposits in foreign currency of financial (mainly for reserve requirements) and public institutions with the Central Bank. These resources help to make investments, which mainly comprise bank deposits with staggered maturity and high-liquidity fixed income instruments in international financial markets.
- Investment and diversification tranches: It comprises Central Bank's resources (foreign exchange position) for investments including securities with terms generally longer than one year (mainly bonds), which may generate higher returns and support risk diversification.

As of December 31, the distribution of investments into tranches is reflected in the percentage composition per term at maturity of the investment portfolio as follows:

	<u>2020</u> (%)	<u>2019</u> (%)
<b>Maturity</b>		
0–3 months	46	55
3–12 months	12	8
More than 1 year	<u>42</u>	<u>37</u>
	<u><b>100</b></u>	<u><b>100</b></u>

The table below presents the undiscounted cash flows payable by the Central Bank, according to agreed contractual terms:

## As of December 31, 2020

	Less than 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	No maturity	Total
	(\$/000)	(\$/000)	(\$/000)	(\$/000)	(\$/000)	(\$/000)	(\$/000)
<b>Financial liabilities per type (i)</b>							
Sterilized Stock							
Certificates of deposit	15,225,629	26,912,268	1,448,283	2,219,910	1,574,962	-	47,381,052
Deposits in domestic currency	65,372,049	12,500,000	23,931,700	3,000,000	-	459,019	105,262,768
Monetary base	-	-	-	-	-	85,986,643	85,986,643
Deposits in foreign currency	12,272,150	-	-	-	-	42,753,822	55,025,972
Other financial liabilities	-	30,542	6,950,647	30,368	8,396,104	-	15,407,662
<b>Total non-derivative liabilities</b>	<b>92,869,828</b>	<b>39,442,810</b>	<b>32,330,630</b>	<b>5,250,278</b>	<b>9,971,066</b>	<b>129,199,484</b>	<b>309,064,097</b>
Accounts payable for derivatives (ii)	392,583	306,794	-	-	-	-	699,377
	<b>93,262,411</b>	<b>39,749,604</b>	<b>32,330,630</b>	<b>5,250,278</b>	<b>9,971,066</b>	<b>129,199,484</b>	<b>309,763,474</b>

## As of December 31, 2019

	Less than 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	No maturity	Total
	(\$/000)	(\$/000)	(\$/000)	(\$/000)	(\$/000)	(\$/000)	(\$/000)
<b>Financial liabilities per type (i)</b>							
Sterilized Stock							
Certificates of deposit	1,909,617	4,749,219	16,901,945	4,424,068	-	-	27,984,849
Deposits in domestic currency	13,353,751	10,000,000	19,400,000	-	-	5,056,416	47,810,167
Monetary base	-	-	-	-	-	64,564,690	64,564,690
Deposits in foreign currency	25,959,309	10,280,655	-	-	-	39,760,535	76,000,499
Other financial liabilities	-	6,830	11,404,352	2,041	7,787,884	-	19,201,107
<b>Total non-derivative liabilities</b>	<b>41,222,677</b>	<b>25,036,704</b>	<b>47,706,297</b>	<b>4,426,109</b>	<b>7,787,884</b>	<b>109,381,641</b>	<b>235,561,312</b>
Accounts payable for derivatives (ii)	146,306	25,526	-	-	-	-	171,832
	<b>41,368,983</b>	<b>25,062,230</b>	<b>47,706,297</b>	<b>4,426,109</b>	<b>7,787,884</b>	<b>109,381,641</b>	<b>235,733,144</b>

- (i) As of December 31, 2020 and 2019, financial liabilities do not include non-accrued interest.
- (ii) As of December 31, 2020 and 2019, it corresponds to the valuation of held-for-trading instruments.



## ii. **Credit risk**

Credit risk refers to the possibility that a counterparty may be unable to meet an obligation with the Central Bank on a timely basis. In order to face this risk, investments are diversified as follows:

- Deposits with tier one foreign banks, according to the capital involved and to short-term and long-term risk ratings assigned by the main international credit rating agencies, such as Standard & Poor's, Moody's and Fitch.
- Fixed income securities issued by international organizations or foreign public institutions. As of December 31, 2020 and 2019, these securities shall have a long-term rating assigned in one of the five highest ratings from the more than twenty ratings assigned by credit rating agencies.
- Debt investments of private institutions are not allowed.

The magnitude and concentration of the Central Bank's exposure to credit risk can be observed directly from the statement of financial position, which describes the size and composition of the Central Bank's financial assets.

As of December 31, the risk rating of the investment portfolio is summarized as follows:

	<u>2020</u> (%)	<u>2019</u> (%)
<b>Long-term rating</b>		
AAA	58	42
AA+/AA/AA-	23	25
A+/A/A-	19	33
	<u>100</u>	<u>100</u>

Based on the obtained risk ratings and management's analysis as of December 31, 2020 and 2019, the Central Bank has no exposure in countries or institutions with debt issues that may represent a credit risk for its deposits with foreign banks and investments.

## iii. **Exchange rate risk**

It refers to the risk to which the Central Bank is exposed due to fluctuations in the value of financial assets and financial liabilities arising from changes in exchange rates. The magnitude of the risk depends on:

- The imbalance between the Central Bank's assets and liabilities in foreign currency.
- The exchange rate of foreign currency transactions pending at the end of the period.

The Central Bank's assets are mostly invested in U.S. dollars. They reflect both the denomination of liabilities in foreign currency (mainly bank reserve requirements and special resident deposits) and the currency used by the Central Bank for intervention in the domestic foreign exchange market.

Foreign currency operations are carried out at the free-market exchange rates.

As of December 31, 2020, the free market buy rate, published by the SBS for transactions in U.S. dollars, is S/3.618 (2019: S/3.311). Balances in other currencies were stated in U.S. dollars at the exchange rate daily provided by Bloomberg, as described in paragraph (c) below.

(a) As of December 31, the Central Bank's assets and liabilities in foreign currency are as follows:

	2020			2019		
	U.S. dollar (US\$ 000)	Other currencies (US\$ 000)	Total (US\$ 000)	U.S. dollar (US\$ 000)	Other currencies (US\$ 000)	Total (US\$ 000)
<b>Monetary assets</b>						
Cash in foreign currency	50,105	-	50,105	50,110	-	50,110
Deposits at foreign banks	15,803,503	2,652,587	18,456,090	16,103,241	2,718,931	18,822,172
Deposits at foreign organizations	-	746,192	746,192	-	745,677	745,677
Securities from international entities	39,321,601	13,071,692	52,393,293	33,483,332	12,555,807	46,039,139
Gold	-	2,113,113	2,113,113	-	1,693,701	1,693,701
Contributions to international organizations	538,946	586,387	1,125,333	520,168	449,609	969,777
Other available assets	12,623	11,908	24,531	40,798	8,481	49,279
Other external assets	-	20,000	20,000	-	20,000	20,000
Domestic credit	631,485	-	631,485	614,405	-	614,405
Other assets	2,431	526	2,957	5,869	369	6,238
	<b>56,360,694</b>	<b>19,202,405</b>	<b>75,563,099</b>	<b>50,817,923</b>	<b>18,192,575</b>	<b>69,010,498</b>
<b>Monetary liabilities</b>						
Reserves liabilities	201,011	736	201,747	52,518	1,442	53,960
Other foreign liabilities	-	20,000	20,000	-	20,000	20,000
Deposits in foreign currency	15,208,947	-	15,208,947	22,953,941	-	22,953,941
Other liabilities	1,874,034	-	1,874,034	3,362,926	-	3,362,926
	<b>17,283,992</b>	<b>20,736</b>	<b>17,304,728</b>	<b>26,369,385</b>	<b>21,442</b>	<b>26,390,827</b>
<b>Subtotal</b>	<b>39,076,702</b>	<b>19,181,669</b>	<b>58,258,371</b>	<b>24,448,538</b>	<b>18,171,133</b>	<b>42,619,671</b>
<b>Derivatives</b>						
Net forward contract position	11,726,347	(11,898,789)	(172,441)	11,764,355	(11,756,412)	7,943
<b>Net monetary position</b>	<b>50,803,049</b>	<b>7,282,880</b>	<b>58,085,930</b>	<b>36,212,893</b>	<b>6,414,721</b>	<b>42,627,614</b>

- (b) As of December 31, balances in foreign currency, SDR and precious metals, excluding derivative instruments, stated in their equivalence to thousands of U.S. dollars, are summarized as follows:

	<b>2020</b> (US\$ 000)	<b>2019</b> (US\$ 000)
<b>Assets</b>		
U.S. dollar	56,360,011	50,817,241
Japanese yen (i)	10,550,781	9,656,088
Euro	595,678	2,099,303
Gold	2,113,839	1,694,427
SDR (ii)	1,332,580	1,195,287
Pound sterling	1,412,966	724,283
Other currencies	3,154,778	2,823,869
	<b><u>75,520,633</u></b>	<b><u>69,010,498</u></b>
<b>Liabilities</b>		
U.S. dollar	17,284,160	26,369,385
SDR (ii)	153	1,096
Other currencies	407	20,346
	<u>17,284,720</u>	<u>26,390,827</u>
<b>Net assets</b>	<b><u>58,235,913</u></b>	<b><u>42,619,671</u></b>

- (i) As of December 31, 2020 and 2019, there is no exposure to this currency, since it is fully hedged by forward operations (note 20 (b)).
- (ii) The SDR is a foreign reserve asset created by the IMF and allocated to its member countries in proportion to their quota as a member country. The value of the SDR is calculated daily by adding the U.S. dollar values (noon London quotation) based on a basket of 5 currencies—the U.S. dollar, the euro, the Chinese renminbi, the Japanese yen, and the British pound sterling. The amounts of each currency of the SDR basket are calculated according to agreed percentages.
- (c) As of December 31, the main foreign exchange rates used by the Central Bank in relation to the U.S. dollar are as follows:

	<b>2020</b> (S/ 000)	<b>2019</b> (S/ 000)
Gold troy ounce	1,896.210000	1,519.970000
Pound sterling	1.366600	1.324000
SDR	1.440270	1.382830
Euro	1.221000	1.121700
Japanese yen	0.009682	0.009205

According to Article 89 of the Organic Act, the Central Bank registered a net positive adjustment for valuation of foreign currency for S/ 15,888 million in 2020 (2019: net negative adjustment for S/ 1,230 million) in 'adjustment for valuation Article 89 – Organic Act' in equity (note 17.E.).

The following table shows the sensitivity analysis on changes in the price of the main currencies to which the Central Bank is exposed as of December 31, 2020 and 2019. The analysis determines the devaluation or revaluation effects of a reasonably possible change in the exchange rate of soles against foreign currencies. It also assumes that all other variables remain constant in the statement of profit or loss and other comprehensive income. A negative amount reflects a potential net decrease in equity, while a positive amount reflects a potential net increase. In both cases, these changes do not affect the Central Bank's profits since they are recorded as exchange differences in equity.

<b>Sensitivity analysis</b>	<b>Change in exchange rates</b>	<b>2020</b> (S/ 000)	<b>2019</b> (S/ 000)
<b>Devaluation</b>			
U.S. dollars	5%	10,534,877	7,055,687
U.S. dollars	10%	21,069,753	14,111,373
British pound sterling	5%	255,602	119,905
British pound sterling	10%	511,204	239,810
Japanese yen	5%	1,908,636	1,598,699
Japanese yen	10%	3,817,273	3,197,399
Euro	5%	107,698	66,800
Euro	10%	215,396	133,599
<b>Revaluation</b>			
U.S. dollars	5%	(10,534,877)	(7,055,687)
U.S. dollars	10%	(21,069,753)	(14,111,373)
British pound sterling	5%	(255,602)	(119,905)
British pound sterling	10%	(511,204)	(239,810)
Japanese yen	5%	(1,908,636)	(1,598,699)
Japanese yen	10%	(3,817,273)	(3,197,399)
Euro	5%	(107,698)	(66,800)
Euro	10%	(215,396)	(133,599)

#### iv. **Interest rate risk**

It is associated with unexpected changes in the market return rates of the portfolio's fixed income assets, which may affect the market value of investments before their maturity. The longer the maturity period of investments, the greater the impact of changes in the return on the market value of such investments. The measurement of such impact is reflected in the portfolio's duration. It reflects risk-return preferences of the Board of Directors.

The Central Bank faces this risk by considering the maturity structure of the liabilities for the maturity composition of its assets. This makes the total portfolio duration lower, so the impact of changes in interest rates on the market value of the portfolio is limited. Likewise, maximum investment terms have been established, that are consistent with the market risk profile intended for each portfolio instrument.

As of December 31, 2020 and 2019, the average duration of the investment portfolio (including internally managed foreign assets, mainly deposits with foreign banks, investments in securities and gold holdings) is 0.90 and 0.73 years.

#### vi. **Operational risk**

It refers to the effect of the uncertainty that the Central Bank faces on its ability to meet its strategic objectives and functions, safeguard its equity and protect its reputation, image and credibility, as a result from internal process and control failures, human errors, information systems and supporting technology failures, breach of legal provisions and internal regulations, or external events.

Operational risk management is part of all the processes of the Central Bank, involves all levels within the organization and is based on the application of a structured process under the “Three Lines of Defense” model which guarantees a comprehensive operational risk management by promoting coordinated action among the different roles with a separation and independence level that maximizes efficiency and effectiveness.

Risk Management and the Central Bank’s managements perform operational risk assessments that include the following activities:

- Setting up framework and mapping of processes.
- Identifying risks to which processes are exposed, and controls applied to mitigate them.
- Performing risks analysis and assessment, as well as determining additional controls that need to be implemented when assessment is above the Central Bank’s tolerance level.

Once management has performed the risk assessment and determined the additional controls that shall be implemented, Risk Management submits the assessments to the Risk Committee. This entity is the supervisory body in charge of approving policies and recommending actions regarding risk management and continuity of operations. It also recommends preventive actions and resolution of events that affect the Central Bank, and assesses reports and proposals submitted by Risk Management.

## 25. **INFORMATION ABOUT THE FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value or estimated market value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value, the Company uses the assumptions that market participants would use when pricing the asset or the liability, assuming that market participants act in their economic best interest.

When a financial instrument is traded in an active and liquid market, its fixed price in the market through real transactions offers the best evidence of its fair value. When a quoted market price is not available, or it cannot be an indicative of the fair value of the financial instrument, the fair value may be determined using the market value of another instrument that is substantially the same, the discounted cash flow analysis or other valuation techniques, which are significantly affected by the different assumptions made. Management has used its best judgment in the financial instruments’ fair value measurement. Fair value estimates may not be indicative of the net realizable value or settlement value of such instruments.

Methodologies and assumptions applied to determine estimated market values as of December 31, 2020 and 2019, in the applicable cases according to the policies of the Central Bank, depend on the risk terms and characteristics of the different financial instruments, as shown below:

- Cash in foreign currency and deposits with foreign banks represent cash and term deposits with banks, with terms up to 90 days, respectively. Such cash and deposits do not represent significant credit risks or interest rate risks.
- The carrying amount of securities issued by international institutions classified as financial assets measured at FVOCI corresponds to their estimated market value.
- The carrying amount of gold corresponds to its market value.
- The value of the contributions to and deposits with international organizations corresponds to their fair values, since they represent the amount the Central Bank would receive if it is no longer a member of such organizations. Additionally, contributions to international organizations cannot be traded with third parties. Such contributions accrue interest at interest rates based on their market risk.
- Securities in circulation accrue interest at fixed and variable rates according to the respective issuance.
- Deposits in domestic and foreign currency accrue interest at fixed and variable rates. Such rates are fixed in terms under a year by the Central Bank.
- The carrying amount of currency held by the Central Bank recognized in 'monetary base' corresponds to its market value, since it represents the currency in circulation in the Peruvian economy.

Consequently, as of December 31, 2020 and 2019, management considers that the estimated fair values of the Central Bank's financial instruments holdings do not differ significantly from their corresponding carrying amount.

## 26. SUBSEQUENT EVENTS

Supreme Decree 009-2021-SA, published February 13, 2021 on the official daily newspaper of Peru "El Peruano," extended the national health state of emergency, which was declared through Supreme Decree 008-2020-SA. Such Supreme Decree extended Supreme Decrees 020-2020-SA, 027-2020-SA and 031-2020-SA from March 7, 2021, for 180 days. Likewise, Supreme Decree 008-2021-PCM extended the implemented measures for the national state of emergency to mitigate the impact of the COVID-19's second wave until March 14, 2021. Such measures established mandatory social immobilization—i.e., social immobilization per region, restrictions of some social immobilization-related activities, suspension of interprovincial land travel and curfew by hours).

No material events that may have an impact on the Central Bank's financial statements, have occurred between December 31, 2020 and the date of the independent auditors report.









# APPENDICES

Feline, ceramic work, Vicús Culture.  
*Domingo Seminario Collection.*





### Appendix 1 GROSS DOMESTIC PRODUCT (Million soles at 2007 prices)

Year	Gross Domestic Product 1/ (A)	Population 2/ (Thousand) (B)	GDP Per capita (Soles at 2007 prices) (C)	% change			Inflation 3/	Exports of goods 4/ (Million US\$)	Imports of goods 4/ (Million US\$)	Trade Balance (Million US\$)
				(A)	(B)	(C)				
1922	13,308	4,791	2,778	7.1	1.5	5.5	-4.5	75	32	43
1923	14,084	4,861	2,897	5.8	1.5	4.3	-3.9	105	47	58
1924	15,428	4,934	3,127	9.5	1.5	3.9	-3.9	105	58	47
1925	15,804	5,008	3,155	2.4	1.5	0.9	7.0	94	58	35
1926	17,336	5,085	3,409	9.7	1.5	8.0	0.5	98	58	40
1927	17,727	5,163	3,433	2.3	1.5	0.7	-3.5	108	58	50
1928	18,743	5,244	3,574	5.7	1.6	4.1	-6.7	111	56	55
1929	20,727	5,327	3,891	10.6	1.6	8.9	-2.2	117	61	56
1930	18,612	5,413	3,439	-10.2	1.6	-11.6	-4.5	69	33	36
1931	17,539	5,500	3,189	-5.8	1.6	-7.3	-6.5	55	23	32
1932	17,155	5,591	3,069	-2.2	1.6	-3.8	-4.4	38	13	25
1933	18,751	5,683	3,300	9.3	1.7	7.5	-2.6	48	16	32
1934	21,001	5,778	3,635	12.0	1.7	10.2	2.9	70	32	39
1935	22,871	5,875	3,893	9.9	1.7	7.1	1.9	74	35	39
1936	24,029	5,975	4,022	5.1	1.7	3.3	5.3	84	40	44
1937	24,602	6,077	4,048	2.4	1.7	0.7	6.3	92	48	45
1938	25,211	6,182	4,078	2.5	1.7	0.7	-4.1	77	47	30
1939	25,721	6,289	4,090	2.0	1.7	0.3	4.8	71	38	33
1940	26,430	6,399	4,131	2.8	1.7	1.0	9.2	66	41	24
1941	26,787	6,510	4,115	1.3	1.7	-0.4	10.5	76	44	32
1942	26,231	6,623	3,961	-2.1	1.7	-3.7	8.5	76	42	34
1943	26,937	6,738	3,998	2.7	1.7	0.9	12.3	71	55	16
1944	29,142	6,856	4,250	8.2	1.8	6.3	13.2	84	63	21
1945	30,539	6,978	4,376	4.8	1.8	3.0	11.1	104	68	36
1946	32,495	7,102	4,576	6.4	1.8	4.5	12.1	151	99	53
1947	33,554	7,228	4,642	3.3	1.8	1.5	46.1	154	134	20
1948	34,838	7,358	4,735	3.8	1.8	2.0	13.6	162	134	28
1949	37,699	7,492	5,032	8.2	1.8	6.3	18.7	155	134	21
1950	40,920	7,777	5,261	8.5	3.8	4.6	9.5	198	149	49
1951	44,711	7,979	5,604	9.3	2.6	6.5	8.2	259	223	36
1952	47,347	8,187	5,783	5.9	2.6	3.2	6.4	246	257	-12
1953	50,085	8,402	5,961	5.8	2.6	3.1	8.6	228	257	-29
1954	52,762	8,625	6,117	5.3	2.7	2.6	4.8	254	225	29
1955	55,858	8,858	6,306	5.9	2.7	3.1	4.6	281	295	-13
1956	58,484	9,099	6,428	4.7	2.7	1.9	6.0	320	342	-22
1957	62,371	9,348	6,672	6.6	2.7	3.8	7.1	331	402	-71
1958	61,706	9,606	6,424	-1.1	2.8	-3.7	8.9	292	345	-53
1959	63,653	9,874	6,446	3.2	2.8	0.4	16.8	323	281	42
1960	69,946	10,153	6,889	9.9	2.8	6.9	2.6	444	341	103
1961	75,085	10,445	7,189	7.3	2.9	4.4	8.7	510	429	82
1962	82,620	10,747	7,688	10.0	2.9	6.9	4.9	556	478	78
1963	86,196	11,060	7,794	4.3	2.9	1.4	8.7	555	518	37
1964	91,840	11,381	8,070	6.5	2.9	3.5	11.4	685	518	167
1965	97,003	11,708	8,285	5.6	2.9	2.7	14.6	685	660	25
1966	104,995	12,041	8,719	8.2	2.8	5.2	7.9	789	811	-23
1967	109,040	12,382	8,806	3.9	2.8	1.0	19.0	742	810	-68
1968	109,206	12,731	8,578	0.2	2.8	-2.6	9.8	840	673	167
1969	113,044	13,088	8,637	3.5	2.8	0.7	5.7	880	659	221
1970	116,849	13,454	8,685	4.4	2.8	0.6	5.5	1,034	700	335
1971	122,213	13,830	8,837	4.6	2.8	1.7	7.5	889	730	159
1972	126,463	14,215	8,897	3.5	2.8	0.7	4.2	945	812	133
1973	134,401	14,608	9,200	6.3	2.8	3.4	13.8	1,112	1,033	79
1974	147,017	15,009	9,795	9.4	2.7	6.5	19.1	1,513	1,908	-395
1975	153,340	15,414	9,948	4.3	2.7	1.6	24.0	1,335	2,427	-1,092
1976	155,559	15,826	9,829	1.4	2.7	-1.2	44.6	1,344	2,016	-672
1977	156,102	16,245	9,609	0.3	2.6	-2.2	32.6	1,730	2,148	-418
1978	151,977	16,670	9,117	-2.6	2.6	-5.1	73.9	2,038	1,668	370
1979	158,194	17,100	9,251	4.1	2.6	1.5	66.7	3,719	1,954	1,765
1980	167,596	17,532	9,559	5.9	2.5	3.0	60.1	3,951	3,090	861
1981	176,901	17,968	9,845	5.6	2.5	3.0	72.7	3,328	3,802	-474
1982	176,507	18,408	9,589	-0.2	2.5	-2.6	72.9	3,343	3,721	-379
1983	158,136	18,852	8,388	-10.4	2.4	-12.5	125.1	3,036	2,722	314
1984	163,842	19,299	8,490	3.6	2.4	1.2	111.5	3,193	2,166	1,027
1985	167,219	19,748	8,468	2.1	2.3	-0.3	158.3	3,021	1,823	1,199
1986	182,981	20,201	9,058	9.4	2.3	7.0	62.9	2,573	2,649	-77
1987	200,778	20,660	9,718	9.7	2.3	7.3	114.5	2,713	3,215	-502
1988	181,822	21,120	8,609	-9.4	2.2	-11.4	172.3	2,720	2,865	-145
1989	159,436	21,578	7,389	-12.3	2.2	-14.2	277.5	3,503	2,287	1,217
1990	151,492	22,032	6,876	-5.0	2.1	-6.9	764.9	3,280	2,922	358
1991	154,854	22,480	6,889	2.2	2.0	0.2	139.2	3,393	3,595	-202
1992	154,017	22,924	6,719	-0.5	2.0	-2.5	56.7	3,578	4,001	-423
1993	162,093	23,366	6,937	5.2	1.9	3.3	39.5	3,385	4,160	-776
1994	182,044	23,806	7,647	12.3	1.9	10.2	15.4	4,424	5,499	-1,075
1995	195,536	24,243	8,066	7.4	1.8	5.5	10.2	5,491	7,733	-2,241
1996	201,009	24,689	8,142	2.8	1.8	0.9	11.8	5,878	7,864	-1,987
1997	214,028	25,145	8,512	6.5	1.8	4.5	6.5	6,825	8,536	-1,711
1998	213,190	25,593	8,330	-0.4	1.8	-2.1	6.0	5,757	8,219	-2,462
1999	216,377	26,014	8,318	1.5	1.6	-0.1	3.7	6,088	6,710	-623
2000	222,207	26,390	8,420	2.7	1.4	1.2	3.7	6,955	7,358	-403
2001	223,580	26,715	8,369	0.6	1.2	-0.6	-0.1	7,026	7,204	-179
2002	235,773	26,999	8,733	5.5	1.1	4.3	1.5	7,714	7,393	321
2003	245,593	27,255	9,011	4.2	0.9	3.2	2.5	9,091	8,205	886
2004	257,770	27,492	9,376	5.0	0.9	4.1	3.5	12,809	9,805	3,004
2005	273,971	27,722	9,883	6.3	0.8	5.4	1.5	17,368	12,082	5,286
2006	294,598	27,935	10,546	7.5	0.8	6.7	1.1	23,830	14,844	8,986
2007	319,693	28,122	11,368	8.5	0.7	7.8	3.9	28,094	19,591	8,503
2008	348,870	28,300	12,327	9.1	0.6	8.4	6.7	31,018	28,449	2,569
2009	352,693	28,485	12,382	1.1	0.7	0.4	0.2	27,071	21,011	6,060
2010	382,081	28,693	13,316	8.3	0.7	7.5	2.1	35,803	28,815	6,988
2011	406,256	28,906	14,055	6.3	0.7	5.5	4.7	46,376	37,152	9,224
2012	431,199	29,113	14,811	6.1	0.7	5.4	2.6	47,411	41,018	6,393
2013	456,435	29,341	15,556	5.9	0.8	5.0	2.9	42,861	42,356	504
2014	467,308	29,616	15,779	2.4	0.9	1.4	3.2	39,533	41,042	-1,509
2015	482,506	29,964	16,103	3.3	1.2	2.1	4.4	34,414	37,331	-2,916
2016	501,581	30,423	16,487	4.0	1.5	2.4	3.2	37,082	35,128	1,953
2017,5/	514,155	30,974	16,602	2.5	1.8	2.7	1.4	45,422	38,722	6,700
2018,5/	534,665	31,562	16,940	4.0	1.9	2.0	2.2	49,066	41,870	7,197
2019,5/	546,161	32,131	16,998	2.2	1.8	0.3	1.9	47,688	41,074	6,614
2020,5/	485,474	32,626	14,880	-11.1	1.5	-12.5	2.0	42,413	34,663	7,750

1/ The values for 1922 - 1949 are based on Seminario and Beltrán: "Una estimación alternativa del GDP del siglo XX". For 1950 - 1989 are used GDP base 1979.

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.

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**  
**GROSS DOMESTIC PRODUCT BY PRODUCTION SECTOR**  
(Real % change)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Agriculture and Livestock 2/	4.1	5.9	2.7	1.6	3.5	2.7	2.8	7.7	3.5	1.3
- Agriculture	4.0	8.7	1.0	0.8	2.3	1.8	2.5	9.6	2.7	3.1
- Livestock	5.8	5.6	2.5	5.8	5.2	3.7	2.8	5.8	4.1	-1.6
Fishing	52.9	-32.2	24.8	-27.9	15.9	-10.1	4.7	47.7	-17.2	2.1
Mining and Hydrocarbons 3/	0.6	2.8	4.9	-0.9	9.5	16.3	3.4	-1.5	0.0	-13.2
- Metallic mining	-2.1	2.5	4.3	-2.2	15.7	21.2	4.5	-1.7	-0.8	-13.5
- Hydrocarbons	5.1	1.0	7.2	4.0	-11.5	-5.1	-2.4	0.0	4.6	-11.0
Manufacture 4/	8.6	2.5	4.9	-3.6	-1.5	-1.4	-0.2	5.9	-1.7	-13.4
- Based on raw materials	16.0	12.5	8.7	-9.4	1.6	-0.7	1.6	12.9	-8.5	-2.6
- Non-primary industries	6.5	-0.5	3.6	-1.5	-2.5	-1.6	-0.9	3.4	1.0	-17.3
Electricity and water	7.6	5.8	5.4	4.9	5.9	7.3	1.1	4.4	3.9	-6.1
Construction	3.6	15.8	9.0	1.9	-5.8	-3.2	2.1	5.3	1.4	-13.9
Commerce	8.9	7.2	5.9	4.4	3.9	1.8	1.0	2.6	3.0	-16.0
Other services 5/	6.7	7.4	6.2	5.1	4.1	3.9	3.4	4.4	3.6	-10.3
<b>GDP</b>	<b>6.3</b>	<b>6.1</b>	<b>5.9</b>	<b>2.4</b>	<b>3.3</b>	<b>4.0</b>	<b>2.5</b>	<b>4.0</b>	<b>2.2</b>	<b>-11.1</b>
Primary	4.9	4.1	5.4	-2.5	6.7	9.6	3.0	3.5	-0.9	-7.7
Non-primary	6.7	6.7	6.0	3.8	2.3	2.4	2.4	4.1	3.1	-12.1

1/ Preliminary data.

2/ Includes the forestry sector.

3/ Includes non-metallic mining.

4/ Includes related services.

5/ Includes import duties and other taxes.

Source: INEI and BCRP.

Elaborated by the Department of Economic Studies, BCRP.



**Appendix 3**  
**GROSS DOMESTIC PRODUCT BY PRODUCTION SECTOR**  
(Million soles at 2007 prices)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
							1/	1/	1/	1/
Agriculture and Livestock 2/	22,658	23,992	24,640	25,028	25,894	26,584	27,328	29,429	30,471	30,861
- Agriculture	13,596	14,773	14,926	15,044	15,397	15,668	16,065	17,609	18,079	18,644
- Livestock	5,761	6,086	6,239	6,604	6,950	7,208	7,409	7,841	8,161	8,032
Fishing	2,892	1,960	2,445	1,762	2,042	1,836	1,921	2,838	2,351	2,400
Mining and Hydrocarbons 3/	51,043	52,473	55,034	54,553	59,715	69,445	71,823	70,749	70,715	61,409
- Metallic mining	33,210	34,044	35,494	34,703	40,155	48,662	50,840	49,957	49,537	42,829
- Hydrocarbons	8,225	8,310	8,909	9,261	8,199	7,781	7,591	7,588	7,937	7,060
Manufacture 4/	64,330	65,965	69,207	66,684	65,702	64,793	64,669	68,476	67,313	58,300
- Based on raw materials	15,243	17,145	18,641	16,890	17,154	17,027	17,302	19,531	17,880	17,415
- Non-primary industries	49,087	48,820	50,562	49,799	48,553	47,772	47,363	48,955	49,457	40,885
Electricity and water	6,994	7,401	7,804	8,185	8,671	9,306	9,412	9,826	10,212	9,585
Construction	24,848	28,779	31,356	31,960	30,101	29,135	29,748	31,335	31,788	27,356
Commerce	44,034	47,218	49,984	52,193	54,217	55,199	55,767	57,243	58,960	49,539
Other services 5/	189,457	203,412	215,964	226,943	236,165	245,283	253,546	264,770	274,351	246,025
<b>GDP</b>	<b>406,256</b>	<b>431,199</b>	<b>456,435</b>	<b>467,308</b>	<b>482,506</b>	<b>501,581</b>	<b>514,215</b>	<b>534,665</b>	<b>546,161</b>	<b>485,474</b>
Primary	91,836	95,570	100,761	98,234	104,804	114,892	118,374	122,547	121,417	112,085
Non-primary	314,420	335,629	355,674	369,074	377,702	386,689	395,841	412,118	424,744	373,389

1/ Preliminary data.  
2/ Includes the forestry sector.  
3/ Includes non-metallic mining.  
4/ Includes related services.  
5/ Includes import duties and other taxes.  
Source: INEI and BCRP.  
Elaborated by the Department of Economic Studies, BCRP.

**Appendix 4**  
**AGRICULTURE AND LIVESTOCK BY MAIN PRODUCTS**  
(% change)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Agriculture</b>	<b>4.0</b>	<b>8.7</b>	<b>1.0</b>	<b>0.8</b>	<b>2.3</b>	<b>1.8</b>	<b>2.5</b>	<b>9.6</b>	<b>2.7</b>	<b>3.1</b>
<b>Domestic market</b>	<b>-0.9</b>	<b>12.6</b>	<b>3.0</b>	<b>-0.8</b>	<b>3.2</b>	<b>-1.9</b>	<b>-0.3</b>	<b>8.4</b>	<b>-1.2</b>	<b>2.4</b>
Rice	-7.3	16.0	0.1	-4.9	8.8	0.5	-4.0	17.1	-10.3	7.3
Potato	7.0	9.9	2.3	2.8	0.2	-4.3	5.8	7.4	5.0	1.1
Alfalfa	2.5	4.7	4.1	-5.3	3.3	-2.7	-2.3	0.5	5.0	3.8
Banana	-2.0	5.8	1.4	0.7	-3.3	0.9	-4.5	10.8	2.6	2.4
Cassava	-10.0	0.3	6.0	0.9	2.9	-4.0	1.3	3.6	3.0	3.9
Onion	0.4	3.4	-0.6	1.4	0.3	-7.2	2.4	-10.9	-1.2	-5.1
Amylaceous maize	-0.7	9.9	9.6	-1.9	1.9	-9.9	-1.3	14.3	-2.5	4.9
Tangerine	6.8	19.0	11.7	8.2	5.4	12.8	1.0	18.0	4.5	4.4
Orange	6.1	2.4	2.3	2.7	1.3	7.6	1.5	0.9	1.4	8.6
Tomato	-17.3	23.3	9.9	5.5	-11.2	-1.4	-5.3	14.9	-20.4	1.0
Lemon	-3.6	3.5	3.0	15.5	1.6	0.9	-37.9	53.9	12.0	4.8
Pineapple	28.9	9.1	2.4	1.8	-1.0	2.4	7.2	10.9	3.1	4.9
<b>Agricultural for industry</b>	<b>9.3</b>	<b>7.5</b>	<b>-2.0</b>	<b>-1.3</b>	<b>1.7</b>	<b>-10.6</b>	<b>-2.1</b>	<b>8.5</b>	<b>3.9</b>	<b>-11.5</b>
Hard yellow maize	-1.8	10.5	-2.0	-10.1	17.2	-14.3	1.4	1.3	0.4	-11.4
Sugarcane	0.3	4.9	6.0	3.6	-10.3	-3.7	-4.4	10.0	5.5	-4.0
Oil palm	23.3	44.0	9.2	9.2	10.8	7.6	14.5	9.2	1.2	-1.3
Cotton	91.4	-9.1	-25.5	11.9	-24.1	-35.3	-48.6	89.4	27.6	-65.9
<b>Agricultural export</b>	<b>14.1</b>	<b>0.6</b>	<b>-2.4</b>	<b>5.7</b>	<b>0.6</b>	<b>15.4</b>	<b>9.8</b>	<b>12.2</b>	<b>9.5</b>	<b>7.9</b>
Coffee	18.7	-3.4	-20.1	-13.2	13.5	11.5	20.1	9.6	-1.7	2.3
Asparagus	17.0	-4.2	2.2	-1.7	-1.8	2.0	1.3	-5.9	-1.1	2.0
Grapes	5.9	21.9	21.3	15.6	17.9	15.4	-6.5	0.1	-0.9	15.0
Avocado	15.9	25.7	7.6	20.9	7.8	20.9	2.5	8.1	13.4	15.5
Cocoa	21.2	10.6	14.4	14.2	13.4	16.6	12.9	10.5	5.3	6.9
Blueberry	n.a.	n.a.	1502.2	47.0	317.7	164.4	84.4	62.1	74.4	22.0
Mango	-22.5	-47.4	147.7	-18.0	-8.0	8.0	3.6	-2.1	12.9	15.6
Olive	-2.6	26.6	-37.6	163.0	-74.7	46.1	43.1	135.2	1.1	-8.8
Quinoa	0.3	7.4	15.8	124.0	-7.9	-25.0	-0.8	10.3	3.1	11.9
<b>Livestock GDP</b>	<b>5.8</b>	<b>5.6</b>	<b>2.5</b>	<b>5.8</b>	<b>5.2</b>	<b>3.7</b>	<b>2.8</b>	<b>5.8</b>	<b>4.1</b>	<b>-1.6</b>
Poultry	6.4	8.0	2.7	9.5	8.1	5.6	4.3	7.5	4.5	-2.0
Milk	4.0	2.7	0.9	1.7	3.4	2.7	3.0	2.7	2.6	0.8
Beef	3.9	4.7	1.9	3.0	-0.1	-3.0	-0.8	0.5	1.7	-4.6
Eggs	11.4	-1.1	11.4	2.5	7.7	3.8	3.6	8.9	8.0	1.9
Pork	1.4	7.5	1.8	5.3	5.6	4.5	5.6	4.6	5.0	-2.0
<b>TOTAL</b>	<b>4.1</b>	<b>5.9</b>	<b>2.7</b>	<b>1.6</b>	<b>3.5</b>	<b>2.7</b>	<b>2.8</b>	<b>7.7</b>	<b>3.5</b>	<b>1.3</b>

1/ Preliminary data.

Source: MINAGRI.

Elaborated by the Department of Economic Studies, BCRP.



**Appendix 5**  
**AGRICULTURE AND LIVESTOCK BY MAIN PRODUCTS**  
(Thousand tons)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Agriculture</b>										
<b>Domestic market</b>										
Rice	2,624	3,043	3,045	2,897	3,151	3,166	3,039	3,558	3,191	3,425
Potato	4,072	4,475	4,577	4,705	4,716	4,514	4,776	5,132	5,389	5,449
Alfalfa	6,398	6,696	6,974	6,605	6,822	6,637	6,487	6,522	6,848	7,105
Banana	1,968	2,082	2,111	2,126	2,056	2,074	1,981	2,195	2,252	2,305
Cassava	1,116	1,118	1,185	1,196	1,230	1,181	1,196	1,240	1,277	1,376
Onion	727	752	748	758	760	706	722	644	656	603
Amylaceous maize	256	281	308	302	308	277	274	313	305	320
Tangerine	236	281	314	340	358	404	408	482	503	525
Orange	419	429	439	450	456	491	498	503	510	553
Tomato	186	229	252	266	236	233	221	253	202	204
Lemon	214	222	228	264	268	270	168	258	289	303
Pineapple	400	437	447	455	451	461	495	548	565	593
<b>Agricultural for industry</b>										
Hard yellow maize	1,260	1,393	1,365	1,228	1,439	1,232	1,250	1,266	1,271	1,126
Sugarcane	9,885	10,369	10,992	11,390	10,212	9,833	9,400	10,336	10,903	10,469
Oil palm	360	518	566	618	684	736	843	921	932	920
Cotton	122	111	83	92	70	45	23	44	56	19
<b>Agricultural export</b>										
Coffee	332	320	256	222	252	281	337	370	363	372
Asparagus	392	376	384	378	371	378	383	361	357	364
Grapes	297	362	439	507	598	690	645	646	640	736
Avocado	214	269	289	349	377	455	467	505	572	661
Cocoa	56	62	71	82	93	108	122	135	142	152
Blueberry	0	0	2	3	11	28	52	85	148	180
Mango	352	185	459	376	346	374	387	379	428	495
Olive	73	93	58	152	38	56	80	189	191	174
Quinoa	41	44	51	115	106	79	79	87	89	100
<b>Livestock GDP</b>										
Poultry	1,323	1,429	1,467	1,607	1,736	1,834	1,914	2,058	2,150	2,108
Milk	1,746	1,793	1,810	1,840	1,903	1,954	2,014	2,067	2,121	2,138
Beef	350	367	374	385	384	373	370	372	378	361
Eggs	318	314	350	359	386	401	415	452	488	498
Pork	156	168	171	181	191	199	210	220	231	226

1/ Preliminary data.  
Source: MINAGRI.  
Elaborated by the Department of Economic Studies, BCRP.

**Appendix 6**  
**FISHING PRODUCTION BY DESTINATION AND MAIN SPECIES**  
(% change)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Industrial consumption</b>	<b>110.3</b>	<b>-47.2</b>	<b>28.9</b>	<b>-52.7</b>	<b>60.3</b>	<b>-24.4</b>	<b>15.9</b>	<b>91.8</b>	<b>-44.3</b>	<b>27.6</b>
Anchovy	110.3	-47.2	28.9	-52.7	60.3	-24.4	15.9	91.8	-44.3	27.6
<b>Human consumption</b>	<b>26.4</b>	<b>-14.1</b>	<b>19.9</b>	<b>0.8</b>	<b>-4.4</b>	<b>-0.5</b>	<b>-1.5</b>	<b>3.6</b>	<b>19.2</b>	<b>-16.1</b>
Frozen										
Scallop	53.4	-57.7	129.3	-41.5	-71.6	-32.0	-54.4	694.8	45.4	-11.5
Shrimp	61.5	-2.9	-15.8	13.9	23.0	9.3	32.5	-18.7	36.0	-19.5
Hake	11.3	-26.2	48.1	-1.3	-16.7	0.6	44.0	-6.1	-16.9	-31.5
Giant Squid	13.9	22.5	-10.1	13.2	-8.2	-42.4	2.6	26.4	51.6	-15.8
Canned										
Tuna	-28.3	-83.1	540.0	-33.7	134.1	-1.8	8.4	53.7	-1.7	-78.5
Chub mackerel	110.5	-51.3	166.6	11.2	-48.2	276.6	-59.7	5.9	-20.4	45.0
Yellow mackerel	1,342.2	-47.5	-83.5	23.4	-68.8	-85.1	155.5	1,288.5	89.7	-15.4
Fresh										
Scallop	-69.1	-14.7	192.8	-72.1	1.3	-5.9	-35.5	315.1	-20.9	-49.7
Yellow mackerel	601.2	0.0	-25.3	-14.9	-62.2	-28.9	-44.8	113.7	177.1	17.9
Liza	24.9	41.5	-27.0	-2.3	1.8	26.4	84.4	-19.7	3.0	-37.6
Dogfish	13.9	-25.5	-6.8	32.0	48.2	22.5	-29.2	-45.1	-66.2	-56.1
<b>Fishing GDP</b>	<b>52.9</b>	<b>-32.2</b>	<b>24.8</b>	<b>-27.9</b>	<b>15.9</b>	<b>-10.1</b>	<b>4.7</b>	<b>47.7</b>	<b>-17.2</b>	<b>2.1</b>

1/ Preliminary data.  
Source: PRODUCE.  
Elaborated by the Department of Economic Studies, BCRP.



**Appendix 7**  
**FISHING PRODUCTION BY DESTINATION AND MAIN SPECIES**  
(Thousand tons)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Industrial consumption</b>										
Anchovy	7,002	3,696	4,754	2,255	3,616	2,733	3,165	6,073	3,381	4,315
<b>Human consumption</b>										
<b>Frozen</b>										
Scallop	92	39	89	52	15	10	5	37	53	47
Shrimp	23	23	19	22	27	29	39	32	43	35
Hake	29	21	31	31	26	26	37	35	29	20
Giant Squid	373	457	411	465	427	246	252	319	484	407
<b>Canned</b>										
Tuna	7	1	7	5	11	11	12	18	18	4
Chub mackerel	20	10	27	30	15	58	23	25	20	28
Yellow mackerel	83	44	7	9	3	0	1	15	28	23
<b>Fresh</b>										
Scallop	1	1	2	1	1	1	0	2	1	1
Yellow mackerel	73	73	54	46	18	12	7	15	41	48
Liza	12	17	13	12	12	16	29	23	24	15
Dogfish	6	4	4	5	8	9	7	4	1	1

1/ Preliminary data.  
Source: PRODUCE.  
Elaborated by the Department of Economic Studies, BCRP.

**Appendix 8**  
**MINING AND HYDROCARBONS PRODUCTION BY MAIN PRODUCTS**  
(% change)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
							1/	1/	1/	1/
<b>Metallic mining</b>	<b>-2.1</b>	<b>2.5</b>	<b>4.3</b>	<b>-2.2</b>	<b>15.7</b>	<b>21.2</b>	<b>4.5</b>	<b>-1.7</b>	<b>-0.8</b>	<b>-13.5</b>
Copper	0.1	9.4	7.4	0.6	25.8	40.1	4.5	-0.5	0.8	-12.7
Tin	-14.7	-9.6	-9.3	-2.4	-15.6	-3.7	-5.3	4.6	6.7	4.0
Iron	16.0	-6.2	-0.1	7.7	1.8	4.7	14.9	8.3	6.1	-12.1
Gold	1.3	-2.8	-3.3	-10.3	4.8	4.2	-0.7	-7.7	-8.4	-32.0
Silver	-6.1	1.8	5.6	2.5	8.9	6.7	1.0	-5.8	-7.2	-22.5
Lead	-12.1	8.3	6.9	4.1	13.8	-0.4	-2.4	-5.8	6.6	-21.9
Zinc	-14.6	2.0	5.4	-2.6	8.0	-5.9	10.2	0.1	-4.7	-5.3
Molybdenum	12.8	-12.3	8.0	-6.2	18.4	27.8	9.3	-0.4	8.6	5.7
<b>Hydrocarbons</b>	<b>5.1</b>	<b>1.0</b>	<b>7.2</b>	<b>4.0</b>	<b>-11.5</b>	<b>-5.1</b>	<b>-2.4</b>	<b>0.0</b>	<b>4.6</b>	<b>-11.0</b>
Crude oil	-4.3	-3.9	-5.9	10.2	-16.3	-30.2	7.6	12.2	8.4	-24.9
Natural gas liquid	-1.5	4.1	20.9	-1.1	-11.6	3.9	-4.5	-5.8	1.5	-1.8
Natural gas	56.9	4.4	2.8	6.0	-3.3	12.1	-7.6	-1.7	5.6	-10.4
<b>Mining and hydrocarbons GDP 2/</b>	<b>0.6</b>	<b>2.8</b>	<b>4.9</b>	<b>-0.9</b>	<b>9.5</b>	<b>16.3</b>	<b>3.4</b>	<b>-1.5</b>	<b>0.0</b>	<b>-13.2</b>

1/ Preliminary data.

2/ Includes non-metallic mining.

Source: INEI and MINEM.

Elaborated by the Department of Economic Studies, BCRP.





**Appendix 9**  
**MINING AND HYDROCARBONS PRODUCTION BY MAIN PRODUCTS**  
(Thousand recoverable units)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
							1/	1/	1/	1/
<b>Metallic mining</b>										
Copper (tons)	1,025	1,121	1,204	1,211	1,523	2,134	2,230	2,219	2,236	1,952
Tin (tons)	25	23	21	20	17	16	15	16	17	18
Iron (tons)	7,123	6,685	6,681	7,193	7,321	7,663	8,806	9,534	10,120	8,894
Gold (kilos)	161	157	152	136	143	149	148	136	125	85
Silver (kilos)	3,214	3,273	3,457	3,542	3,856	4,114	4,154	3,911	3,629	2,812
Lead (tons)	214	232	248	258	293	292	285	269	286	224
Zinc (tons)	1,072	1,093	1,153	1,122	1,212	1,141	1,257	1,258	1,198	1,134
Molybdenum (tons)	18	16	17	16	19	25	27	27	29	31
<b>Hydrocarbons</b>										
Crude oil (barrels)	25,387	24,396	22,956	25,296	21,173	14,773	15,899	17,837	19,339	14,522
Natural gas liquid (barrels)	30,354	31,596	38,187	37,751	33,359	34,672	33,120	31,199	31,659	31,090
Natural gas (cubic feet) 2/	401,169	418,795	430,559	456,407	441,239	494,431	456,849	449,244	474,234	424,827

1/ Preliminary data.

2/ In thousand.

Source: INEI and MINEM.

Elaborated by the Department of Economic Studies, BCRP.

**Appendix 10**  
**MANUFACTURING PRODUCTION BY MAIN INDUSTRIAL GROUPS**  
(% change)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Based on raw materials</b>	<b>16.0</b>	<b>12.5</b>	<b>8.7</b>	<b>-9.4</b>	<b>1.6</b>	<b>-0.7</b>	<b>1.6</b>	<b>12.9</b>	<b>-8.5</b>	<b>-2.6</b>
Rice	-7.3	16.0	0.1	-4.9	8.2	1.0	-4.0	15.4	-8.7	5.4
Sugar	3.5	6.1	6.1	2.5	-9.6	5.1	-5.5	9.5	1.1	0.1
Meat products	11.9	0.6	2.2	7.1	5.8	4.4	2.9	6.4	3.1	-2.7
Fishmeal and fish oil	106.4	-8.2	24.3	-52.0	53.0	-21.3	13.6	95.5	-44.1	31.7
Canned and frozen fish products	56.4	13.5	-5.1	3.2	-17.4	-6.1	-0.1	10.4	44.3	-4.5
Refining of non-ferrous metals	8.2	42.9	13.0	-5.0	-5.2	1.2	-2.7	1.9	-2.4	-0.5
Refining of oil	-1.5	-13.4	-2.8	3.2	0.4	5.1	8.6	-6.6	-8.0	-33.1
<b>Non-primary manufacturing</b>	<b>6.5</b>	<b>-0.5</b>	<b>3.6</b>	<b>-1.5</b>	<b>-2.5</b>	<b>-1.6</b>	<b>-0.9</b>	<b>3.4</b>	<b>1.0</b>	<b>-17.3</b>
Food, beverages, and tobacco	5.1	0.5	0.1	1.9	0.2	-0.2	1.6	2.0	7.1	-4.9
Textiles, leather, and footwear	-12.6	9.9	-4.1	16.3	-5.8	-5.4	1.8	-2.5	-6.0	-33.6
Wood and furniture	5.5	4.9	-7.2	-6.8	-0.6	1.2	-12.6	10.1	6.5	0.0
Paper and print industry	7.7	-10.6	-0.8	1.0	-4.7	2.4	-1.4	0.1	-7.2	-17.1
Chemical, rubber and plastic products	6.8	2.6	8.2	1.9	-2.8	0.9	-3.2	3.2	-0.1	-6.3
Non-metallic minerals	4.4	-15.9	3.0	-0.2	-1.6	-0.9	-1.4	1.8	2.7	-25.0
Iron and steel industry	-2.1	44.3	8.3	5.9	-3.5	1.9	5.5	1.8	1.4	-21.5
Metallic products, machinery and equipment	12.8	-16.3	16.9	-7.1	-1.4	-7.2	-1.0	9.4	2.5	-27.4
Miscellaneous industries	-0.4	40.2	24.2	-6.1	-2.6	-12.8	12.2	22.2	-0.9	-48.3
Industrial services	15.1	-20.3	39.8	0.9	-6.5	2.4	-4.4	11.2	9.1	-46.7
<b>Manufacturing GDP 2/</b>	<b>8.6</b>	<b>2.5</b>	<b>4.9</b>	<b>-3.6</b>	<b>-1.5</b>	<b>-1.4</b>	<b>-0.2</b>	<b>5.9</b>	<b>-1.7</b>	<b>-13.4</b>

1/ Preliminary data.

2/ Includes secondary production.

Source: INEI and PRODUCE.

Elaborated by the Department of Economic Studies, BCRP.



**Appendix 11**  
**MANUFACTURING PRODUCTION BY MAIN INDUSTRIAL GROUPS**  
(Million soles at 2007 prices)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
							1/	1/	1/	1/
<b>Based on raw materials</b>	<b>15,243</b>	<b>17,145</b>	<b>18,641</b>	<b>16,890</b>	<b>17,154</b>	<b>17,027</b>	<b>17,302</b>	<b>19,531</b>	<b>17,880</b>	<b>17,415</b>
Rice	701	813	814	774	837	846	812	937	855	901
Sugar	595	632	670	687	621	653	617	676	683	684
Meat products	1,816	1,826	1,866	2,000	2,115	2,208	2,272	2,418	2,493	2,425
Fishmeal and fish oil	2,462	2,260	2,809	1,347	2,061	1,622	1,842	3,601	2,013	2,650
Canned and frozen fish products	899	1,020	968	999	825	774	774	854	1,233	1,177
Refining of non-ferrous metals	5,310	7,586	8,572	8,146	7,719	7,812	7,598	7,743	7,561	7,526
Refining of oil	3,472	3,008	2,923	3,016	3,027	3,180	3,454	3,228	2,970	1,988
<b>Non-primary manufacturing</b>	<b>49,087</b>	<b>48,820</b>	<b>50,562</b>	<b>49,799</b>	<b>48,553</b>	<b>47,772</b>	<b>47,363</b>	<b>48,955</b>	<b>49,457</b>	<b>40,885</b>
Food, beverages, and tobacco	10,232	10,278	10,286	10,481	10,504	10,484	10,654	10,863	11,631	11,060
Textiles, leather, and footwear	7,477	8,221	7,883	9,170	8,638	8,170	8,320	8,114	7,630	5,066
Wood and furniture	3,879	4,068	3,774	3,516	3,495	3,538	3,091	3,404	3,626	3,626
Paper and print industry	4,313	3,856	3,823	3,861	3,679	3,767	3,715	3,718	3,451	2,859
Chemical, rubber and plastic products	8,045	8,256	8,930	9,100	8,844	8,920	8,633	8,911	8,903	8,341
Non-metallic minerals	5,426	4,565	4,704	4,692	4,615	4,574	4,509	4,590	4,715	3,536
Iron and steel industry	870	1,255	1,360	1,440	1,390	1,417	1,495	1,522	1,543	1,212
Metallic products, machinery and equipment	5,162	4,322	5,054	4,693	4,627	4,296	4,251	4,650	4,767	3,461
Miscellaneous industries	1,005	1,409	1,749	1,643	1,600	1,396	1,565	1,914	1,896	980
Industrial services	1,075	857	1,198	1,208	1,130	1,157	1,106	1,230	1,342	715
<b>Manufacturing GDP 2/</b>	<b>64,330</b>	<b>65,965</b>	<b>69,207</b>	<b>66,684</b>	<b>65,702</b>	<b>64,793</b>	<b>64,669</b>	<b>68,476</b>	<b>67,313</b>	<b>58,300</b>

1/ Preliminary data.

2/ Includes secondary production.

Source: INEI and PRODUCE.

Elaborated by the Department of Economic Studies, BCRP.

**Appendix 12**  
**GROSS DOMESTIC PRODUCT BY EXPENDITURE**  
(Real % change)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
							1/	1/	1/	1/
<b>I. Domestic demand</b>	<b>7.7</b>	<b>7.5</b>	<b>7.2</b>	<b>2.2</b>	<b>2.6</b>	<b>1.0</b>	<b>1.5</b>	<b>4.2</b>	<b>2.3</b>	<b>-9.7</b>
a. Private consumption	7.2	7.4	5.7	3.9	4.0	3.7	2.6	3.8	3.0	-8.7
b. Public consumption	4.8	8.1	6.7	6.0	9.8	-0.6	0.7	0.4	2.2	7.4
c. Gross domestic investment	10.2	7.3	10.9	-3.1	-4.0	-5.3	-1.2	7.5	0.5	-21.5
Gross fixed investment	6.0	16.3	7.9	-2.3	-4.7	-4.1	-0.3	4.4	3.3	-16.4
i. Private	11.0	15.6	7.1	-2.2	-4.2	-5.2	0.1	4.1	4.5	-16.6
ii. Public	-11.2	19.5	11.1	-2.7	-6.9	0.3	-1.8	5.4	-1.5	-15.5
Change on inventories (Contribution to the GDP)	1.0	-2.3	0.7	-0.2	0.3	-0.2	-0.2	0.6	-0.6	-0.9
<b>II. Exports of goods and non-financial services</b>	<b>6.1</b>	<b>6.5</b>	<b>-0.7</b>	<b>-0.8</b>	<b>4.7</b>	<b>9.1</b>	<b>7.4</b>	<b>2.4</b>	<b>0.7</b>	<b>-20.1</b>
Minus:										
<b>III. Imports of goods and non-financial services</b>	<b>11.4</b>	<b>11.4</b>	<b>4.2</b>	<b>-1.3</b>	<b>2.2</b>	<b>-2.3</b>	<b>3.9</b>	<b>3.2</b>	<b>1.2</b>	<b>-15.7</b>
<b>IV. GDP</b>	<b>6.3</b>	<b>6.1</b>	<b>5.9</b>	<b>2.4</b>	<b>3.3</b>	<b>4.0</b>	<b>2.5</b>	<b>4.0</b>	<b>2.2</b>	<b>-11.1</b>
Memo:										
Domestic demand excluding inventories	6.6	9.8	6.4	2.4	2.3	1.2	1.7	3.6	3.0	-8.7

1/ Preliminary data.

Source: INEI and BCRP.

Elaborated by the Department of Economic Studies, BCRP.



**Appendix 13**  
**GROSS DOMESTIC PRODUCT BY EXPENDITURE**  
(Million soles at 2007 prices)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>I. Domestic demand</b>	<b>401,875</b>	<b>431,931</b>	<b>462,985</b>	<b>473,274</b>	<b>485,616</b>	<b>490,557</b>	<b>498,082</b>	<b>519,108</b>	<b>531,145</b>	<b>479,503</b>
a. Private consumption	252,507	271,305	286,857	298,045	309,917	321,383	329,870	342,541	352,747	321,946
b. Public consumption	44,063	47,634	50,802	53,845	59,148	58,793	59,183	59,409	60,695	65,187
c. Gross domestic investment	105,306	112,992	125,326	121,385	116,550	110,380	109,028	117,158	117,702	92,370
Gross fixed investment	104,027	121,028	130,548	127,530	121,515	116,497	116,165	121,258	125,268	104,717
i. Private	84,518	97,722	104,660	102,337	98,062	92,983	93,077	96,911	101,290	84,450
ii. Public	19,509	23,307	25,887	25,192	23,452	23,514	23,088	24,347	23,978	20,268
Change on inventories	1,279	-8,036	-5,222	-6,145	-4,965	-6,117	-7,137	-4,100	-7,565	-12,347
<b>II. Exports of goods and non-financial services</b>	<b>112,676</b>	<b>119,948</b>	<b>119,167</b>	<b>118,174</b>	<b>123,730</b>	<b>134,957</b>	<b>144,887</b>	<b>148,402</b>	<b>149,402</b>	<b>119,324</b>
Minus:										
<b>III. Imports of goods and non-financial services</b>	<b>108,296</b>	<b>120,680</b>	<b>125,718</b>	<b>124,141</b>	<b>126,839</b>	<b>123,933</b>	<b>128,754</b>	<b>132,845</b>	<b>134,386</b>	<b>113,353</b>
<b>IV. GDP</b>	<b>406,256</b>	<b>431,199</b>	<b>456,435</b>	<b>467,308</b>	<b>482,506</b>	<b>501,581</b>	<b>514,215</b>	<b>534,665</b>	<b>546,161</b>	<b>485,474</b>

1/ Preliminary data.

Source: INEI and BCRP.

Elaborated by the Department of Economic Studies, BCRP.

**Appendix 14**  
**GROSS DOMESTIC PRODUCT BY EXPENDITURE**  
(Million soles)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>I. Domestic demand</b>	<b>450,902</b>	<b>498,754</b>	<b>550,512</b>	<b>584,324</b>	<b>624,929</b>	<b>656,171</b>	<b>683,286</b>	<b>726,376</b>	<b>759,521</b>	<b>702,765</b>
a. Private consumption	288,646	321,457	349,438	374,811	403,631	433,542	457,462	481,279	506,221	470,447
b. Public consumption	48,111	55,002	61,210	67,800	77,205	79,082	82,133	84,938	89,145	98,855
c. Gross domestic investment	114,145	122,295	139,864	141,712	144,093	143,547	143,691	160,159	164,155	133,463
Gross fixed investment	112,708	131,350	146,160	149,023	150,536	151,421	153,017	165,767	174,587	151,121
i. Private	90,046	103,811	114,550	117,104	119,721	119,388	120,795	130,433	139,174	120,434
ii. Public	22,663	27,539	31,610	31,919	30,815	32,034	32,222	35,333	35,414	30,687
Change on inventories	1,437	-9,055	-6,296	-7,311	-6,443	-7,875	-9,326	-5,607	-10,432	-17,658
<b>II. Exports of goods and non-financial services</b>	<b>139,337</b>	<b>137,956</b>	<b>131,632</b>	<b>129,161</b>	<b>129,866</b>	<b>146,428</b>	<b>169,565</b>	<b>184,521</b>	<b>183,796</b>	<b>160,092</b>
Minus:										
<b>III. Imports of goods and non-financial services</b>	<b>120,219</b>	<b>128,077</b>	<b>136,045</b>	<b>139,267</b>	<b>145,650</b>	<b>146,840</b>	<b>154,606</b>	<b>170,080</b>	<b>172,797</b>	<b>147,361</b>
<b>IV. GDP</b>	<b>470,020</b>	<b>508,633</b>	<b>546,099</b>	<b>574,218</b>	<b>609,145</b>	<b>655,759</b>	<b>698,244</b>	<b>740,817</b>	<b>770,520</b>	<b>715,497</b>

1/ Preliminary data.  
Source: INEI and BCRP.  
Elaborated by the Department of Economic Studies, BCRP.



Appendix 15 GROSS DOMESTIC PRODUCT BY EXPENDITURE (% structure)												
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	1/	1/
<b>I. Domestic demand</b>	<b>95.9</b>	<b>98.1</b>	<b>100.8</b>	<b>101.8</b>	<b>102.6</b>	<b>100.1</b>	<b>97.9</b>	<b>98.1</b>	<b>98.6</b>	<b>98.2</b>		
a. Private consumption	61.4	63.2	64.0	65.3	66.3	66.1	65.5	65.0	65.7	65.8		
b. Public consumption	10.2	10.8	11.2	11.8	12.7	12.1	11.8	11.5	11.6	13.8		
c. Gross domestic investment	24.3	24.0	25.6	24.7	23.7	21.9	20.6	21.6	21.3	18.7		
Gross fixed investment	24.0	25.8	26.8	26.0	24.7	23.1	21.9	22.4	22.7	21.1		
i. Private	19.2	20.4	21.0	20.4	19.7	18.2	17.3	17.6	18.1	16.8		
ii. Public	4.8	5.4	5.8	5.6	5.1	4.9	4.6	4.8	4.6	4.3		
Change on inventories	0.3	-1.8	-1.2	-1.3	-1.1	-1.2	-1.3	-0.8	-1.4	-2.5		
<b>II. Exports of goods and non-financial services</b>	<b>29.6</b>	<b>27.1</b>	<b>24.1</b>	<b>22.5</b>	<b>21.3</b>	<b>22.3</b>	<b>24.3</b>	<b>24.9</b>	<b>23.9</b>	<b>22.4</b>		
Minus:												
<b>III. Imports of goods and non-financial services</b>	<b>25.6</b>	<b>25.2</b>	<b>24.9</b>	<b>24.3</b>	<b>23.9</b>	<b>22.4</b>	<b>22.1</b>	<b>23.0</b>	<b>22.4</b>	<b>20.6</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 16**  
**NATIONAL DISPOSABLE INCOME**  
(Real % change)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>GDP</b>	<b>6.3</b>	<b>6.1</b>	<b>5.9</b>	<b>2.4</b>	<b>3.3</b>	<b>4.0</b>	<b>2.5</b>	<b>4.0</b>	<b>2.2</b>	<b>-11.1</b>
+ Investment income	-15.0	9.7	9.0	17.0	14.4	-16.3	-20.9	-2.1	17.8	35.8
Gross national product	5.6	7.6	7.0	3.6	4.2	3.4	1.6	4.1	3.2	-10.0
Gross national income	8.1	6.6	4.9	2.2	2.2	3.3	3.6	3.9	2.8	-7.9
+ Current transfers	0.4	-3.8	0.7	32.1	-17.9	21.4	-14.8	-2.1	3.9	11.7
<b>National disposable income</b>	<b>7.9</b>	<b>6.3</b>	<b>4.8</b>	<b>2.7</b>	<b>1.7</b>	<b>3.7</b>	<b>3.2</b>	<b>3.8</b>	<b>2.8</b>	<b>-7.6</b>

1/ Preliminary data.  
Source: INEI and BCRP.  
Elaborated by the Department of Economic Studies, BCRP.





**Appendix 17**  
**NATIONAL DISPOSABLE INCOME**  
(Million soles at 2007 prices)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>GDP</b>	<b>406,256</b>	<b>431,199</b>	<b>456,435</b>	<b>467,308</b>	<b>482,506</b>	<b>501,581</b>	<b>514,215</b>	<b>534,665</b>	<b>546,161</b>	<b>485,474</b>
+ Investment income	-33,388	-30,157	-27,431	-22,765	-19,495	-22,667	-27,409	-27,972	-23,001	-14,765
Gross national product	372,868	401,042	429,004	444,543	463,011	478,914	486,806	506,693	523,160	470,709
+ Terms of trade	13,185	10,303	2,301	-3,750	-12,687	-13,596	-4,740	-5,734	-8,095	3,482
Gross national income	386,054	411,346	431,305	440,793	450,325	465,318	482,066	500,959	515,065	474,191
+ Current transfers	7,861	7,561	7,613	10,059	8,254	10,022	8,538	8,358	8,686	9,699
<b>National disposable income</b>	<b>393,914</b>	<b>418,906</b>	<b>438,918</b>	<b>450,852</b>	<b>458,579</b>	<b>475,340</b>	<b>490,604</b>	<b>509,317</b>	<b>523,751</b>	<b>483,890</b>

1/ Preliminary data.

Source: INEI and BCRP.

Elaborated by the Department of Economic Studies, BCRP.

**Appendix 18**  
**MACROECONOMIC FLOWS**  
(% GDP)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>I. SAVINGS-INVESTMENT</b>										
<b>1. Domestic savings</b>	<b>22.3</b>	<b>20.9</b>	<b>20.5</b>	<b>20.2</b>	<b>18.7</b>	<b>19.3</b>	<b>19.3</b>	<b>19.9</b>	<b>20.2</b>	<b>19.4</b>
a. Public sector	6.9	7.7	6.7	5.3	3.1	1.6	1.6	2.5	3.0	-4.6
b. Private sector	15.4	13.2	13.8	14.9	15.5	17.7	17.7	17.4	17.2	24.0
<b>2. External savings</b>	<b>2.0</b>	<b>3.2</b>	<b>5.1</b>	<b>4.5</b>	<b>5.0</b>	<b>1.3</b>	<b>1.3</b>	<b>1.7</b>	<b>1.2</b>	<b>-0.7</b>
<b>3. Investment</b>	<b>24.3</b>	<b>24.0</b>	<b>25.6</b>	<b>24.7</b>	<b>23.7</b>	<b>21.9</b>	<b>20.6</b>	<b>21.6</b>	<b>21.3</b>	<b>18.7</b>
a. Public sector	4.8	5.4	5.8	5.6	5.1	4.9	4.6	4.8	4.6	4.3
b. Private sector	19.5	18.6	19.8	19.1	18.6	17.0	16.0	16.8	16.7	14.4
<b>II. BALANCE OF PAYMENT</b>										
<b>1. Current account balance</b>	<b>-2.0</b>	<b>-3.2</b>	<b>-5.1</b>	<b>-4.5</b>	<b>-5.0</b>	<b>-2.6</b>	<b>-1.3</b>	<b>-1.7</b>	<b>-1.2</b>	<b>0.7</b>
a. Trade balance	5.4	3.3	0.2	-0.7	-1.5	1.0	3.1	3.2	2.9	3.8
b. Services	-1.3	-1.4	-1.1	-1.0	-1.1	-1.0	-0.7	-1.2	-1.4	-2.0
c. Investment income	-7.9	-6.8	-6.0	-4.9	-4.1	-4.6	-5.4	-5.3	-4.3	-3.0
d. Current transfers	1.9	1.7	1.7	2.2	1.7	2.0	1.7	1.6	1.6	2.0
<b>2. Financial account</b>	<b>5.5</b>	<b>10.2</b>	<b>5.1</b>	<b>2.9</b>	<b>5.5</b>	<b>2.8</b>	<b>1.4</b>	<b>0.8</b>	<b>4.0</b>	<b>3.6</b>
a. Private sector	5.3	8.4	7.1	3.6	4.6	1.1	0.4	0.7	1.9	-0.7
b. Public sector	0.4	0.8	-0.9	0.0	1.6	1.4	1.5	0.9	1.9	4.8
c. Short-term capital	-0.2	1.0	-1.1	-0.7	-0.8	0.4	-0.5	-0.9	0.2	-0.5
<b>3. Exceptional financing</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>4. Flow of BCRP net reserves (-)</b>	<b>2.7</b>	<b>7.7</b>	<b>1.4</b>	<b>-1.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.8</b>	<b>-1.6</b>	<b>3.0</b>	<b>2.7</b>
<b>5. Net errors and omissions</b>	<b>-0.8</b>	<b>0.7</b>	<b>1.5</b>	<b>0.5</b>	<b>-0.4</b>	<b>-0.2</b>	<b>0.7</b>	<b>-0.7</b>	<b>0.1</b>	<b>-1.6</b>
<b>III. NON-FINANCIAL PUBLIC SECTOR</b>										
<b>1. Current account savings</b>	<b>7.5</b>	<b>8.1</b>	<b>7.1</b>	<b>6.0</b>	<b>3.9</b>	<b>2.8</b>	<b>1.9</b>	<b>2.9</b>	<b>3.4</b>	<b>-4.0</b>
<b>2. 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>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>
<b>3. Capital expenditure</b>	<b>5.5</b>	<b>5.9</b>	<b>6.3</b>	<b>6.4</b>	<b>5.9</b>	<b>5.3</b>	<b>5.1</b>	<b>5.4</b>	<b>5.2</b>	<b>5.0</b>
a. Public investment	4.8	5.4	5.8	5.6	5.1	4.9	4.6	4.8	4.6	4.3
b. Other Capital expenditure	0.7	0.5	0.5	0.9	0.8	0.4	0.5	0.6	0.6	0.7
<b>4. Overall balance</b>	<b>2.1</b>	<b>2.3</b>	<b>0.9</b>	<b>-0.2</b>	<b>-1.9</b>	<b>-2.3</b>	<b>-3.0</b>	<b>-2.3</b>	<b>-1.6</b>	<b>-8.9</b>
<b>5. Financing</b>	<b>-2.1</b>	<b>-2.3</b>	<b>-0.9</b>	<b>0.2</b>	<b>1.9</b>	<b>2.3</b>	<b>3.0</b>	<b>2.3</b>	<b>1.6</b>	<b>8.9</b>
a. External financing	0.2	-0.3	-0.8	-0.1	1.6	0.7	-1.5	-0.1	0.6	4.8
b. Domestic financing	-2.3	-2.0	-0.2	0.4	0.3	1.2	4.5	2.4	1.0	4.1
c. Privatization	0.0	0.0	0.1	0.0	0.0	0.5	0.0	0.0	0.0	0.0

1/ Preliminary data.

Source: BCRP.

Elaborated by the Department of Economic Studies, BCRP.



**Appendix 19**  
**BALANCE OF PAYMENTS**  
(Million US\$)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>I. Current account balance</b>	<b>-3,374</b>	<b>-6,091</b>	<b>-10,380</b>	<b>-9,086</b>	<b>-9,526</b>	<b>-5,064</b>	<b>-2,779</b>	<b>-3,915</b>	<b>-2,657</b>	<b>1,504</b>
1. Trade balance	9,224	6,393	504	-1,509	-2,916	1,953	6,700	7,197	6,614	7,750
a. FOB Exports	46,376	47,411	42,861	39,533	34,414	37,082	45,422	49,066	47,688	42,413
b. FOB Imports	-37,152	-41,018	-42,356	-41,042	-37,331	-35,128	-38,722	-41,870	-41,074	-34,663
2. Services	-2,244	-2,631	-2,157	-2,041	-2,056	-2,002	-1,544	-2,759	-3,152	-4,170
a. Exports	4,264	4,928	5,815	5,984	6,324	6,353	7,260	7,090	7,523	3,268
b. Imports	-6,508	-7,559	-7,973	-8,025	-8,380	-8,355	-8,805	-9,850	-10,675	-7,438
3. Investment income	-13,555	-13,159	-12,073	-9,907	-7,884	-8,982	-11,523	-11,908	-9,838	-6,146
a. Private	-13,017	-12,429	-11,214	-9,197	-7,153	-8,120	-10,571	-10,796	-8,961	-5,259
b. Public	-538	-731	-859	-710	-731	-862	-953	-1,113	-877	-887
4. Current transfers	3,201	3,307	3,346	4,372	3,331	3,967	3,589	3,556	3,718	4,071
of which: Remittances	2,697	2,788	2,707	2,637	2,725	2,884	3,051	3,225	3,326	2,939
<b>II. Financial account</b>	<b>9,360</b>	<b>19,623</b>	<b>10,341</b>	<b>5,895</b>	<b>10,427</b>	<b>5,533</b>	<b>2,982</b>	<b>1,851</b>	<b>9,266</b>	<b>7,345</b>
1. Private sector	9,060	16,170	14,434	7,279	8,817	2,175	884	1,672	4,363	-1,496
a. Assets	-1,793	-4,076	-1,625	-5,563	19	-2,304	-3,564	-3,546	-2,505	175
b. Liabilities	10,852	20,246	16,059	12,843	8,798	4,479	4,448	5,219	6,868	-1,670
2. Public sector	682	1,466	-1,803	-67	3,110	2,650	3,249	2,122	4,399	9,818
a. Assets	-253	-440	-347	-670	-473	-189	601	-201	212	-288
b. Liabilities 2/	935	1,906	-1,456	603	3,583	2,839	2,648	2,323	4,187	10,106
3. Short-term capital	-381	1,987	-2,291	-1,318	-1,500	708	-1,152	-1,944	504	-977
a. Assets	-423	-452	-423	-1,060	-2,021	208	-1,876	-2,830	1,915	-2,489
b. Liabilities	42	2,439	-1,867	-258	521	500	724	886	-1,411	1,512
<b>III. Exceptional financing</b>	<b>33</b>	<b>19</b>	<b>5</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IV. Net errors and omissions</b>	<b>-1,333</b>	<b>1,256</b>	<b>2,941</b>	<b>1,003</b>	<b>-829</b>	<b>-300</b>	<b>1,426</b>	<b>-1,565</b>	<b>301</b>	<b>-3,288</b>
<b>V. Result of the Balance of Payments</b>	<b>4,686</b>	<b>14,806</b>	<b>2,907</b>	<b>-2,178</b>	<b>73</b>	<b>168</b>	<b>1,629</b>	<b>-3,629</b>	<b>6,909</b>	<b>5,562</b>
(V = I + II + III + IV) = (1 - 2)										
1. Change in the balance of NIRS	4,711	15,176	1,672	-3,355	-823	201	1,936	-3,500	8,195	6,391
2. Valuation effect	25	369	-1,235	-1,177	-896	32	307	130	1,286	829

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, Cavalí S.A. ICLV, Proinversión, Bank for International Settlements (BIS), and companies

Elaborated by the Department of Economic Studies, BCRP.

**Appendix 20**  
**BALANCE OF PAYMENTS**  
(% GDP)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>I. Current account balance</b>	<b>-2.0</b>	<b>-3.2</b>	<b>-5.1</b>	<b>-4.5</b>	<b>-5.0</b>	<b>-2.6</b>	<b>-1.3</b>	<b>-1.7</b>	<b>-1.2</b>	<b>0.7</b>
1. Trade balance	5.4	3.3	0.2	-0.7	-1.5	1.0	3.1	3.2	2.9	3.8
a. FOB Exports	27.1	24.6	21.2	19.5	18.0	19.1	21.2	21.8	20.6	20.7
b. FOB Imports	-21.7	-21.2	-21.0	-20.3	-19.5	-18.1	-18.1	-18.6	-17.8	-17.0
2. Services	-1.3	-1.4	-1.1	-1.0	-1.1	-1.0	-0.7	-1.2	-1.4	-2.0
a. Exports	2.5	2.6	2.9	3.0	3.3	3.3	3.4	3.1	3.3	1.6
b. Imports	-3.8	-3.9	-3.9	-4.0	-4.4	-4.3	-4.1	-4.4	-4.6	-3.6
3. Investment income	-7.9	-6.8	-6.0	-4.9	-4.1	-4.6	-5.4	-5.3	-4.3	-3.0
a. Private	-7.6	-6.4	-5.5	-4.5	-3.7	-4.2	-4.9	-4.8	-3.9	-2.6
b. Public	-0.3	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.5	-0.4	-0.4
4. Current transfers	1.9	1.7	1.7	2.2	1.7	2.0	1.7	1.6	1.6	2.0
of which: Remittances	1.6	1.4	1.3	1.3	1.4	1.5	1.4	1.4	1.4	1.4
<b>II. Financial account</b>	<b>5.5</b>	<b>10.2</b>	<b>5.1</b>	<b>2.9</b>	<b>5.5</b>	<b>2.8</b>	<b>1.4</b>	<b>0.8</b>	<b>4.0</b>	<b>3.6</b>
1. Private sector	5.3	8.4	7.1	3.6	4.6	1.1	0.4	0.7	1.9	-0.7
a. Assets	-1.0	-2.1	-0.8	-2.7	0.0	-1.2	-1.7	-1.6	-1.1	0.1
b. Liabilities	6.4	10.5	7.9	6.3	4.6	2.3	2.1	2.3	3.0	-0.8
2. Public sector	0.4	0.8	-0.9	-0.0	1.6	1.4	1.5	0.9	1.9	4.8
a. Assets	-0.1	-0.2	-0.2	-0.3	-0.2	-0.1	0.3	-0.1	0.1	-0.1
b. Liabilities 2/	0.5	1.0	-0.7	0.3	1.9	1.5	1.2	1.0	1.8	4.9
3. Short-term capital	-0.2	1.0	-1.1	-0.7	-0.8	0.4	-0.5	-0.9	0.2	-0.5
a. Assets	-0.2	-0.2	-0.2	-0.5	-1.1	0.1	-0.9	-1.3	0.8	-1.2
b. Liabilities	0.0	1.3	-0.9	-0.1	0.3	0.3	0.3	0.4	-0.6	0.7
<b>III. Exceptional financing</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>IV. Net errors and omissions</b>	<b>-0.8</b>	<b>0.7</b>	<b>1.5</b>	<b>0.5</b>	<b>-0.4</b>	<b>-0.2</b>	<b>0.7</b>	<b>-0.7</b>	<b>0.1</b>	<b>-1.6</b>
<b>V. Result of the Balance of Payments</b>	<b>2.7</b>	<b>7.7</b>	<b>1.4</b>	<b>-1.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.8</b>	<b>-1.6</b>	<b>3.0</b>	<b>2.7</b>
<b>(V = I + II + III + IV) = (1-2)</b>										
1. Change in the balance of NIRS	2.8	7.9	0.8	-1.7	-0.4	0.1	0.9	-1.6	3.5	3.1
2. Valuation effect	0.0	0.2	-0.6	-0.6	-0.5	0.0	0.1	0.1	0.6	0.4
Memo:										
GDP (Million US\$)	170,819	193,100	202,105	202,314	191,260	194,540	214,330	225,430	231,006	204,437

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 21**  
**TRADE BALANCE**  
(FOB values in million US\$)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>1. Exports</b>	<b>46,376</b>	<b>47,411</b>	<b>42,861</b>	<b>39,533</b>	<b>34,414</b>	<b>37,082</b>	<b>45,422</b>	<b>49,066</b>	<b>47,688</b>	<b>42,413</b>
Traditional products	35,896	35,869	31,553	27,686	23,432	26,183	33,566	35,638	33,751	29,405
Non-traditional products	10,176	11,197	11,069	11,677	10,895	10,798	11,725	13,240	13,783	12,887
Other	304	345	238	171	88	101	130	189	154	121
<b>2. Imports</b>	<b>37,152</b>	<b>41,018</b>	<b>42,356</b>	<b>41,042</b>	<b>37,331</b>	<b>35,128</b>	<b>38,722</b>	<b>41,870</b>	<b>41,074</b>	<b>34,663</b>
Consumer goods	6,734	8,252	8,843	8,899	8,754	8,608	9,339	9,591	9,576	8,723
Inputs	18,332	19,273	19,528	18,797	15,911	15,022	17,902	20,516	19,101	15,405
Capital goods	11,730	13,347	13,664	12,911	12,002	11,232	11,316	11,641	12,295	10,445
Other	356	145	321	435	664	267	164	123	102	90
<b>3. Trade balance</b>	<b>9,224</b>	<b>6,393</b>	<b>504</b>	<b>-1,509</b>	<b>-2,916</b>	<b>1,953</b>	<b>6,700</b>	<b>7,197</b>	<b>6,614</b>	<b>7,750</b>
<b>Memo:</b>										
<b>Annual % change: 2/</b>										
Terms of trade	7.9	-2.9	-6.0	-5.4	-6.8	-0.3	7.5	-0.4	-1.8	8.2
Index of X prices	22.6	-2.8	-6.4	-6.9	-15.4	-3.3	13.4	6.3	-3.4	2.7
Index of M prices	13.6	0.0	-0.5	-1.5	-9.2	-3.0	5.5	6.7	-1.7	-5.1
Index of X volume	5.6	5.2	-3.4	-1.0	2.9	11.4	8.0	1.6	0.6	-13.4
Index of M volume	13.5	10.4	3.8	-1.6	0.2	-3.0	4.5	1.3	-0.2	-11.1
Value of X	29.5	2.2	-9.6	-7.8	-12.9	7.8	22.5	8.0	-2.8	-11.1
Value of M	28.9	10.4	3.3	-3.1	-9.0	-5.9	10.2	8.1	-1.9	-15.6

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 22 EXPORTS OF NON-TRADITIONAL PRODUCTS (Million US\$)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Agriculture and Livestock</b>	<b>2,819</b>	<b>3,059</b>	<b>3,408</b>	<b>4,198</b>	<b>4,391</b>	<b>4,686</b>	<b>5,103</b>	<b>5,867</b>	<b>6,292</b>	<b>6,817</b>
Vegetables	1,903	1,044	1,085	1,112	1,143	1,154	1,130	1,114	1,144	1,180
Fruits	888	1,959	1,180	1,626	1,902	2,140	2,530	3,208	3,544	4,195
Various plant products	172	366	353	411	356	397	388	343	350	336
Cereals and its preparations	172	233	233	351	356	286	373	308	352	361
Tea, coffee, cocoa, and essences	294	239	235	335	393	406	371	308	352	350
Rest	235	282	288	337	302	293	283	292	290	254
<b>Fishing</b>	<b>1,066</b>	<b>1,041</b>	<b>1,067</b>	<b>1,189</b>	<b>951</b>	<b>926</b>	<b>1,089</b>	<b>1,375</b>	<b>1,613</b>	<b>1,321</b>
Frozen crustaceans and molluscs	479	423	566	588	439	454	526	686	936	726
Frozen fish	213	263	172	183	174	209	240	236	227	231
Preparations and canned products	310	269	242	326	249	194	240	367	367	289
Dried fish	31	31	30	35	40	37	34	39	41	39
Rest	33	55	57	56	49	32	49	47	43	37
<b>Textiles</b>	<b>1,990</b>	<b>2,177</b>	<b>1,928</b>	<b>1,800</b>	<b>1,331</b>	<b>1,196</b>	<b>1,272</b>	<b>1,402</b>	<b>1,354</b>	<b>1,024</b>
Clothes and other garments	1,543	1,641	1,417	1,218	928	872	903	872	1,006	775
Fabrics	204	312	273	296	182	149	155	167	159	110
Textile fibers	106	85	88	126	95	71	117	134	90	59
Yarns	136	139	151	160	126	104	98	109	99	80
<b>Wood, paper and its manufacturing</b>	<b>402</b>	<b>438</b>	<b>427</b>	<b>416</b>	<b>353</b>	<b>322</b>	<b>344</b>	<b>339</b>	<b>321</b>	<b>240</b>
Timber	127	124	117	132	120	102	99	102	108	81
Printed materials	82	97	83	66	56	55	54	52	47	28
Manufacturing of paper and cardboard products	145	173	180	174	144	132	162	146	146	115
Manufacturing of wood products	33	35	35	30	25	23	19	18	13	9
Wooden furniture	8	7	8	7	6	4	4	4	4	4
Rest	6	2	5	6	2	5	6	5	3	2
<b>Chemicals</b>	<b>1,655</b>	<b>1,636</b>	<b>1,510</b>	<b>1,515</b>	<b>1,406</b>	<b>1,344</b>	<b>1,385</b>	<b>1,562</b>	<b>1,600</b>	<b>1,558</b>
Organic and inorganic chemicals	490	492	414	349	346	345	363	468	497	395
Plastic manufacturing	162	194	193	186	154	142	148	164	183	170
Dyeing, tanning and coloring products	280	134	197	115	128	162	165	100	75	100
Rubber manufacturing	93	91	98	93	77	70	74	77	75	100
Essential oils and toiletries	139	208	195	193	178	149	140	124	137	139
Rest	492	518	512	580	523	472	496	564	572	624
<b>Non-metallic minerals</b>	<b>492</b>	<b>722</b>	<b>722</b>	<b>664</b>	<b>698</b>	<b>642</b>	<b>588</b>	<b>629</b>	<b>604</b>	<b>446</b>
Cement and construction materials	106	123	149	167	178	159	167	182	149	105
Fertilizers and raw minerals	284	481	467	375	398	337	251	285	290	233
Glass and manufactures	52	60	62	74	77	115	119	91	97	76
Ceramic products	8	7	6	5	4	4	6	4	4	3
Rest	42	52	37	43	41	27	45	68	64	30
<b>Iron-metallic and jewelry</b>	<b>1,130</b>	<b>1,301</b>	<b>1,320</b>	<b>1,149</b>	<b>1,081</b>	<b>1,085</b>	<b>1,273</b>	<b>1,325</b>	<b>1,310</b>	<b>929</b>
Copper products	461	451	438	456	360	277	335	355	326	327
Zinc products	284	238	242	268	236	284	403	422	315	228
Iron products	139	177	156	158	143	139	151	181	173	128
Common manufacturing metals	83	88	119	92	86	88	105	97	82	65
Non-ferrous waste	12	11	9	12	11	13	18	17	12	9
Lead products	22	207	204	19	10	161	95	78	242	73
Silver products	79	84	101	95	83	94	123	129	118	74
Jewelry	38	35	39	38	26	23	29	35	27	23
Rest	476	545	544	581	533	450	520	591	558	458
<b>Metal-mechanic</b>	<b>39</b>	<b>29</b>	<b>67</b>	<b>53</b>	<b>50</b>	<b>37</b>	<b>44</b>	<b>98</b>	<b>67</b>	<b>39</b>
Highway vehicles	57	67	60	77	82	87	85	85	92	61
Industrial machinery, equipment, and parts	53	66	55	45	43	44	51	35	57	48
Electrical appliances, machinery, and parts	29	34	27	31	28	24	28	31	32	21
Iron and steel manufactured article	10	13	12	14	10	13	10	11	10	11
Office machines and data processing	7	2	1	2	2	1	2	1	1	2
Domestic equipment	56	61	76	105	86	66	90	100	102	78
Machinery and equipment for civil engineering	15	44	55	60	64	36	42	40	46	36
Force generating machinery and equipment	15	13	10	9	9	10	6	11	10	13
Common metal household items	160	216	181	188	156	136	157	158	141	131
Rest	147	277	143	165	151	146	152	150	131	93
<b>Other 2/</b>	<b>147</b>	<b>277</b>	<b>143</b>	<b>165</b>	<b>151</b>	<b>146</b>	<b>152</b>	<b>150</b>	<b>131</b>	<b>93</b>
<b>Non-traditional products</b>	<b>10,176</b>	<b>11,197</b>	<b>11,069</b>	<b>11,677</b>	<b>10,895</b>	<b>10,798</b>	<b>11,725</b>	<b>13,240</b>	<b>13,783</b>	<b>12,887</b>

1/ Preliminary data.

2/ Includes mainly fur and leather and handicrafts.

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

Elaborated by the Department of Economic Studies, BCRP.



**Appendix 23**  
**EXPORTS BY GROUP OF PRODUCTS**  
(FOB values in millions US\$)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>1. Traditional products</b>	<b>35,896</b>	<b>35,869</b>	<b>31,553</b>	<b>27,686</b>	<b>23,432</b>	<b>26,183</b>	<b>33,566</b>	<b>35,638</b>	<b>33,751</b>	<b>29,405</b>
Fishing	2,114	2,312	1,707	1,731	1,457	1,269	1,789	1,938	1,929	1,546
Agriculture	1,689	1,095	786	847	723	878	827	762	774	733
Mining	27,526	27,467	23,789	20,545	18,950	21,819	27,582	28,899	28,074	25,774
Oil and Natural gas	4,568	4,996	5,271	4,562	2,302	2,217	3,369	4,039	2,974	1,352
<b>2. Non-traditional products</b>	<b>10,176</b>	<b>11,197</b>	<b>11,069</b>	<b>11,677</b>	<b>10,895</b>	<b>10,798</b>	<b>11,725</b>	<b>13,240</b>	<b>13,783</b>	<b>12,887</b>
Agriculture and Livestock	2,819	3,059	3,408	4,198	4,391	4,686	5,103	5,867	6,292	6,817
Fishing	1,066	1,041	1,067	1,189	951	926	1,089	1,375	1,613	1,321
Textiles	1,990	2,177	1,928	1,800	1,331	1,196	1,272	1,402	1,354	1,024
Woods and papers	402	438	427	416	353	322	344	339	321	240
Chemicals	1,655	1,636	1,510	1,515	1,406	1,344	1,385	1,562	1,600	1,558
Non-metallic minerals	492	722	722	664	698	642	588	629	604	446
Basic metal industries and jewelry	1,130	1,301	1,320	1,149	1,081	1,085	1,273	1,325	1,310	929
Metal-mechanic	476	545	544	581	533	450	520	591	558	458
Other	147	277	143	165	151	146	152	150	131	93
<b>3. Other 2/</b>	<b>304</b>	<b>345</b>	<b>238</b>	<b>171</b>	<b>88</b>	<b>101</b>	<b>130</b>	<b>189</b>	<b>153.8</b>	<b>120.9</b>
<b>4. Total exports</b>	<b>46,376</b>	<b>47,411</b>	<b>42,861</b>	<b>39,533</b>	<b>34,414</b>	<b>37,082</b>	<b>45,422</b>	<b>49,066</b>	<b>47,688</b>	<b>42,413</b>
Memo:										
<b>Percentage structure (%)</b>										
Traditional	77.4	75.7	73.6	70.0	68.1	70.6	73.9	72.6	70.8	69.3
Fishing	4.6	4.9	4.0	4.4	4.2	3.4	3.9	3.9	4.0	3.6
Agriculture	3.6	2.3	1.8	2.1	2.1	2.4	1.8	1.6	1.6	1.7
Mining	59.4	57.9	55.5	52.0	55.1	58.8	60.7	58.9	58.9	60.8
Oil and Natural gas	9.8	10.5	12.3	11.5	6.7	6.0	7.4	8.2	6.2	3.2
Non-traditional	21.9	23.6	25.8	29.5	31.7	29.1	25.8	27.0	28.9	30.4
Other 3/	0.7	0.7	0.6	0.4	0.3	0.3	0.3	0.4	0.3	0.3
<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, Tacna Free Trade Zone, Banco de la Nación and companies.

Elaborated by the Department of Economic Studies, BCRP.

## Appendix 24

### EXPORTS OF TRADITIONAL PRODUCTS

(FOB values in million US\$)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Agriculture</b>	<b>1,689</b>	<b>1,095</b>	<b>786</b>	<b>847</b>	<b>723</b>	<b>878</b>	<b>827</b>	<b>762</b>	<b>774</b>	<b>733</b>
Cotton	7.8	4.4	1.7	3.7	3.2	1.5	1.2	1.8	1.6	1.2
Volume (Thousand MT)	2.1	1.9	0.8	1.6	1.3	0.8	0.6	1.8	0.7	0.6
Price (US\$/MT)	3,762	2,358	2,142	2,371	2,415	1,889	1,911	2,442	2,148	1,975
Sugar	48	6	14	37	18	28	18	14	41	58
Volume (Thousand MT)	63	691	27	69	35	49	34	33	95	111
Price (US\$/MT)	760	63	525	535	519	575	532	432	427	526
Coffee	1,597	1,024	696	734	614	763	714	682	637	649
Volume (Thousand MT)	296	206	237	181	185	241	247	261	232	216
Price (US\$/MT)	5,388	3,842	2,930	4,028	3,319	3,160	2,887	2,610	2,738	3,004
Other agriculture products 2/	37	61	75	72	87	86	94	64	95	24
<b>Fishing</b>	<b>2,114</b>	<b>2,312</b>	<b>1,707</b>	<b>1,731</b>	<b>1,457</b>	<b>1,269</b>	<b>1,789</b>	<b>1,938</b>	<b>1,929</b>	<b>1,546</b>
Fishmeal	1,780	1,770	1,364	1,335	1,158	999	1,459	1,564	1,509	1,180
Volume (Thousand MT)	1,301	1,333	851	856	698	634	1,031	1,027	1,052	862
Price (US\$/MT)	1,368	1,328	1,602	1,560	1,658	1,576	1,415	1,523	1,435	1,369
Fishoil	333	542	343	395	299	270	330	375	420	367
Volume (Thousand MT)	235	312	126	163	119	95	171	196	184	142
Price (US\$/MT)	1,419	1,737	2,718	2,419	2,518	2,844	1,928	1,911	2,284	2,580
<b>Mining</b>	<b>27,526</b>	<b>27,467</b>	<b>23,789</b>	<b>20,545</b>	<b>18,950</b>	<b>21,819</b>	<b>27,582</b>	<b>28,899</b>	<b>28,074</b>	<b>25,774</b>
Copper	10,721	10,731	9,821	8,875	8,168	10,171	13,845	14,939	13,893	12,742
Volume (Thousand MT)	1,141	1,277	1,320	1,320	1,644	2,317	2,438	2,488	2,536	2,189
Price (US\$/tpd.)	426	381	336	305	225	199	258	272	249	264
Tin	776	558	528	540	342	344	370	352	371	355
Volume (Thousand MT)	34.2	25.5	23.4	23.9	20.8	18.1	18.1	17.1	19.3	19.9
Price (US\$/tpd.)	1,029.7	991.2	1,021.9	1,024.6	744.7	825.5	928.0	932.5	870.7	811.0
Iron	1,030	845	857	647	350	344	434	484	979	1,126
Volume (Million MT)	9.3	9.8	10.4	11.4	11.6	11.1	11.7	14.7	15.8	14.4
Price (US\$/MT)	111.3	86.3	82.6	56.9	30.1	31.0	37.1	33.0	62.1	78.0
Gold	10,235	10,746	8,536	6,729	6,651	7,426	8,270	8,259	8,482	7,850
Volume (thousand troy ounce)	6,492	6,427	6,047	5,323	5,744	5,937	6,564	6,513	6,097	4,440
Price (US\$/troy ounce)	1,576.5	1,671.9	1,411.6	1,264.1	1,157.9	1,250.8	1,260.0	1,267.9	1,391.2	1,767.9
Refined Silver	219	210	479	331	138	120	118	123	76	93
Volume (million troy ounce)	33.7	7	21	17	9	27	7	5	5	5
Price (US\$/troy ounce)	33.7	30.2	22.6	19.3	15.5	16.8	17.0	15.7	16.1	20.0
Lead 3/	2,427	2,575	1,776	1,523	1,548	1,658	1,726	1,545	1,530	1,431
Volume (Thousand MT)	988	1,170	855	771	938	942	866	794	876	730
Price (US\$/tpd.)	1,114	99.9	94.2	89.5	74.8	79.8	90.5	88.3	85.0	88.9
Zinc	1,523	1,352	1,414	1,504	1,508	1,469	2,399	2,574	2,103	1,715
Volume (Thousand MT)	990	995	1,059	1,124	1,190	1,103	1,237	1,208	1,188	1,190
Price (US\$/tpd.)	69.8	61.7	60.5	60.7	57.5	60.4	88.0	96.6	80.3	65.3
Molybdenum	564	428	356	360	220	273	368	612	638	456
Volume (Thousand MT)	18.9	17.3	18.1	16.2	17.8	24.5	25.4	27.3	29.3	29.1
Price (US\$/tpd.)	1,354.4	1,121.8	889.5	990.4	560.8	504.8	656.3	1,022.5	987.2	710.1
Other mining products 4/	31	22	23	38	27	15	51	11	2	5
<b>Oil and natural gas</b>	<b>4,568</b>	<b>4,996</b>	<b>5,271</b>	<b>4,562</b>	<b>2,302</b>	<b>2,217</b>	<b>3,369</b>	<b>4,039</b>	<b>2,974</b>	<b>1,352</b>
Crude oil and derivatives	3,284	3,665	3,899	3,776	1,853	1,693	2,597	2,997	2,351	820
Volume (Millions bbl.)	32.3	35.6	39.4	41.0	37.1	40.9	50.1	44.8	38.1	18.1
Price (US\$/bbl.)	101.8	102.9	98.9	92.2	50.0	41.7	51.8	66.9	61.7	43.2
Natural gas	1,284	1,331	1,372	786	449	523	772	1,042	623	532
Volume (Thousand m <sup>3</sup> )	8,969	8,737	9,562	9,227	8,093	9,589	9,222	8,455	9,018	8,466
Price (US\$/m <sup>3</sup> )	143.1	152.3	143.5	85.2	55.5	54.6	83.7	123.2	69.1	62.8
<b>Traditional products</b>	<b>35,896</b>	<b>35,869</b>	<b>31,553</b>	<b>27,686</b>	<b>23,432</b>	<b>26,183</b>	<b>33,566</b>	<b>35,638</b>	<b>33,751</b>	<b>29,405</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, SUNAT, Tacna Free Trade Zone, Banco de la Nación, and companies.

Elaborated by the Department of Economic Studies, BCRP.





**Appendix 25**  
**IMPORTS BY USE OR ECONOMIC DESTINATION**  
(FOB values in million US\$)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Consumer goods</b>	<b>6,734</b>	<b>8,252</b>	<b>8,843</b>	<b>8,899</b>	<b>8,754</b>	<b>8,608</b>	<b>9,339</b>	<b>9,591</b>	<b>9,576</b>	<b>8,723</b>
Non-durable	3,489	4,082	4,502	4,657	4,731	4,635	5,156	5,305	5,409	5,438
Main foods	409	568	381	479	473	480	676	518	450	554
Rest	3,080	3,514	4,120	4,178	4,258	4,154	4,480	4,786	4,959	4,884
Durable	3,245	4,170	4,342	4,243	4,023	3,973	4,183	4,286	4,167	3,285
<b>Inputs</b>	<b>18,332</b>	<b>19,273</b>	<b>19,528</b>	<b>18,797</b>	<b>15,911</b>	<b>15,022</b>	<b>17,902</b>	<b>20,516</b>	<b>19,101</b>	<b>15,405</b>
Fuel, lubricants and related	5,752	5,885	6,454	5,754	3,671	3,820	5,390	6,593	5,648	2,970
Raw materials for agriculture	1,092	1,292	1,244	1,339	1,236	1,214	1,469	1,459	1,449	1,525
Raw materials for industry	11,488	12,096	11,830	11,704	11,003	9,989	11,044	12,463	12,004	10,910
<b>Capital goods</b>	<b>11,730</b>	<b>13,347</b>	<b>13,664</b>	<b>12,911</b>	<b>12,002</b>	<b>11,232</b>	<b>11,316</b>	<b>11,641</b>	<b>12,295</b>	<b>10,445</b>
Materials for construction	1,449	1,488	1,443	1,422	1,421	1,112	1,061	1,193	1,304	1,081
For agriculture	111	137	131	141	160	144	143	150	152	153
For industry	7,345	8,168	8,327	8,689	7,842	7,391	7,399	7,373	7,803	7,108
Transport equipments	2,825	3,554	3,762	2,660	2,579	2,584	2,714	2,926	3,037	2,103
<b>Other goods 2/</b>	<b>356</b>	<b>145</b>	<b>321</b>	<b>435</b>	<b>664</b>	<b>267</b>	<b>164</b>	<b>123</b>	<b>102</b>	<b>90</b>
<b>Total imports</b>	<b>37,152</b>	<b>41,018</b>	<b>42,356</b>	<b>41,042</b>	<b>37,331</b>	<b>35,128</b>	<b>38,722</b>	<b>41,870</b>	<b>41,074</b>	<b>34,663</b>
Memo:										
Temporary admission	698	734	648	326	364	216	387	312	410	412
Free zone 3/	136	140	238	217	207	212	212	212	220	166
<b>Foodstuffs 4/</b>	<b>2,304</b>	<b>2,528</b>	<b>2,372</b>	<b>2,459</b>	<b>2,236</b>	<b>2,166</b>	<b>2,553</b>	<b>2,542</b>	<b>2,447</b>	<b>2,606</b>
Wheat	536	516	568	555	486	391	479	489	464	517
Corn and/or sorghum	564	507	502	479	485	524	553	600	659	653
Rice	118	149	110	127	134	152	211	144	149	166
Sugar 5/	138	188	78	80	141	163	258	113	82	133
Dairy products	98	167	127	204	124	108	141	186	144	178
Soybean	795	936	920	946	791	771	845	935	874	882
Meat	55	64	66	68	74	58	66	75	75	77

1/ Preliminary data

2/ Includes donations, fuel and food bought by Peruvian ships and aircrafts; repairs of capital goods abroad, as well as 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 26**  
**TERMS OF TRADE**  
(Year 2007 = 100)

	Exports 1/			Imports 1/			Terms of trade		
	Nominal prices Index	% Chg.	Volume Index	Nominal prices Index	% Chg.	Volume Index	Index	% Chg.	Index
<b>2011</b>	143	22.6	115	128	13.6	148	112	13.5	112
<b>2012</b>	139	-2.8	121	128	0.0	164	109	10.4	109
<b>2013</b>	130	-6.4	117	127	-0.5	170	102	3.8	102
<b>2014</b>	121	-6.9	116	125	-1.5	167	97	-1.6	97
<b>2015</b>	103	-15.4	120	114	-9.2	168	90	0.2	90
<b>2016</b>	99	-3.3	133	110	-3.0	163	90	-3.0	90
<b>2017</b>	112	13.4	144	116	5.5	170	97	4.5	97
<b>2018</b>	120	6.3	146	124	6.7	172	96	1.3	96
<b>2019</b>	115	-3.4	147	122	-1.7	172	95	-0.2	95
<b>2020</b>	119	2.7	127	116	-5.1	153	102	-11.1	102

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 27 COMMODITY PRICES (Average data)													
	Copper	Gold	Zinc	Silver	Lead	Tin	Oil	Fishmeal	Coffee	Sugar	Wheat	Maize	Soybean oil
	LME	LME	LME	H. Harman	LME	LME	WTI	Hamburg	Others S. Arab.	Cont. 14	USA	USA	USA
	US\$/pd.	US\$/tr.oz.	US\$/pd.	US\$/tr.oz.	US\$/pd.	US\$/pd.	US\$/bar.	US\$/MT	US\$/MT	US\$/MT	US\$/MT	US\$/MT	US\$/MT
<b>2011</b>	397	1,588	99	36	108	1,175	95	1,427	6,047	838	299	263	1,192
<b>2012</b>	361	1,668	88	31	94	958	94	1,565	4,137	636	301	272	1,118
<b>2013</b>	333	1,411	87	24	97	1,011	98	1,644	3,108	450	299	233	986
<b>2014</b>	311	1,266	98	19	95	993	93	1,753	4,466	531	285	152	830
<b>2015</b>	250	1,160	88	16	81	729	49	1,728	3,539	546	219	138	666
<b>2016</b>	221	1,248	95	17	85	814	43	1,570	3,625	609	167	132	703
<b>2017</b>	280	1,257	131	17	105	910	51	1,352	3,359	615	166	128	723
<b>2018</b>	296	1,269	133	16	102	914	65	1,515	3,027	559	217	129	652
<b>2019</b>	273	1,392	116	16	91	846	57	1,470	3,032	576	199	142	642
<b>2020</b>	280	1,770	103	21	83	777	39	1,509	3,461	594	210	137	696

Source: Reuters.  
Elaborated by the Department of Economic Studies, BCRP.

## Appendix 28 SERVICES (Million US\$)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>I. Transport</b>										
1. Credit	-1,531	-1,628	-1,367	-1,440	-1,404	-1,240	-1,280	-1,300	-1,516	-1,765
2. Debit	994	1,223	1,524	1,380	1,376	1,335	1,483	1,611	1,648	751
a. Freight	-2,524	-2,850	-2,891	-2,819	-2,780	-2,575	-2,763	-2,911	-3,164	-2,515
Credit	-1,964	-2,227	-2,227	-2,143	-1,964	-1,768	-1,868	-1,962	-2,105	-2,207
Debit	49	46	39	37	31	18	40	52	42	27
b. Passengers	-2,013	-2,273	-2,267	-2,180	-1,995	-1,786	-1,908	-2,014	-2,147	-2,234
Credit	140	170	403	301	171	143	161	199	112	21
Debit	552	631	916	830	831	802	863	947	965	226
c. Other 2/	-412	-461	-513	-529	-660	-658	-702	-749	-853	-205
Credit	293	430	457	403	390	384	426	463	476	422
Debit	393	546	569	513	514	515	580	611	640	497
	-99	-116	-111	-110	-124	-131	-153	-149	-164	-76
<b>II. Travel</b>										
1. Credit	906	1,004	1,408	1,488	1,430	1,444	1,385	954	963	43
2. Debit	2,262	2,443	3,000	3,077	3,309	3,486	3,576	3,557	3,738	776
	-1,356	-1,439	-1,592	-1,589	-1,879	-2,042	-2,191	-2,604	-2,775	-733
<b>III. Communications</b>										
1. Credit	-47	-74	-146	-146	-246	-249	-225	-209	-221	-214
2. Debit	132	147	131	149	101	92	103	110	114	102
	-179	-221	-278	-295	-348	-341	-328	-319	-335	-316
<b>IV. Insurance and reinsurance</b>										
1. Credit	-359	-366	-404	-376	-392	-406	210	-274	-244	-488
2. Debit	230	361	400	539	636	568	1,201	797	881	644
	-588	-728	-803	-915	-1,028	-975	-991	-1,071	-1,125	-1,132
<b>V. Other 3/</b>										
1. Credit	-1,214	-1,566	-1,649	-1,568	-1,444	-1,550	-1,634	-1,930	-2,134	-1,746
2. Debit	646	755	760	838	902	872	897	1,016	1,142	996
	-1,861	-2,321	-2,409	-2,406	-2,346	-2,422	-2,532	-2,946	-3,276	-2,742
<b>VI. Total services</b>										
1. Credit	-2,244	-2,631	-2,157	-2,041	-2,056	-2,002	-1,544	-2,759	-3,152	-4,170
2. Debit	4,264	4,928	5,815	5,984	6,324	6,353	7,260	7,090	7,523	3,268
	-6,508	-7,559	-7,973	-8,025	-8,380	-8,355	-8,805	-9,850	-10,675	-7,438

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, and companies.  
Elaborated by the Department of Economic Studies, BCRP.



**Appendix 29**  
**INVESTMENT INCOME**  
(Million US\$)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>I. Credits</b>	<b>1,089</b>	<b>1,095</b>	<b>1,147</b>	<b>1,153</b>	<b>1,027</b>	<b>1,123</b>	<b>1,618</b>	<b>1,796</b>	<b>2,416</b>	<b>1,944</b>
1. Private	317	353	385	448	556	660	934	1,011	1,140	590
2. Public	772	742	762	704	471	463	684	785	1,276	1,354
<b>II. Debits</b>	<b>14,644</b>	<b>14,255</b>	<b>13,220</b>	<b>11,060</b>	<b>8,911</b>	<b>10,105</b>	<b>13,141</b>	<b>13,704</b>	<b>12,254</b>	<b>8,090</b>
1. Private	13,334	12,782	11,599	9,646	7,709	8,780	11,505	11,806	10,101	5,850
Profits 2/	12,697	12,108	10,666	8,492	6,157	7,116	9,612	9,746	8,155	4,299
Interests 3/	637	674	933	1,154	1,552	1,664	1,893	2,060	1,945	1,551
- Interests on long-term loans	455	420	439	490	823	939	1,087	1,118	990	743
- Interests on bonds	44	139	371	568	608	567	597	649	670	637
- Interests on short-term loans 4/	137	115	122	96	121	158	209	292	285	171
2. Public 3/	1,309	1,473	1,621	1,414	1,202	1,325	1,636	1,898	2,153	2,241
Interests on long-term loans	289	286	421	209	200	224	239	256	232	191
Interests on bonds	1,020	1,187	1,200	1,204	1,002	1,101	1,397	1,641	1,920	2,018
Interests on BCRP liabilities	0	0	0	0	0	0	0	1	1	32
<b>III. Income balance (I-II)</b>	<b>-13,555</b>	<b>-13,159</b>	<b>-12,073</b>	<b>-9,907</b>	<b>-7,884</b>	<b>-8,982</b>	<b>-11,523</b>	<b>-11,908</b>	<b>-9,838</b>	<b>-6,146</b>
1. Private	-13,017	-12,429	-11,214	-9,197	-7,153	-8,120	-10,571	-10,796	-8,961	-5,259
2. Public	-538	-731	-859	-710	-731	-862	-953	-1,113	-877	-887

1/ Preliminary data.  
2/ Accrued profits and losses in the period, including profits and dividends transferred abroad and non-distributed profits.  
3/ Includes commissions.  
4/ Includes interests of non-financial public companies and obligations in national currency with non-residents.  
Source: BCRP, MEF, Cofide, ONP and companies.  
Elaborated by the Department of Economic Studies, BCRP.

**Appendix 30**  
**FINANCIAL ACCOUNT DEL PRIVATE SECTOR**  
(Million US\$)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>1. Assets</b>	<b>-1,793</b>	<b>-4,076</b>	<b>-1,625</b>	<b>-5,563</b>	<b>19</b>	<b>-2,304</b>	<b>-3,564</b>	<b>-3,546</b>	<b>-2,505</b>	<b>175</b>
Direct investment abroad	-343	-1,756	-492	-1,107	-189	-1,156	-500	-136	-941	-503
Portfolio investment abroad 2/	-1,450	-2,320	-1,133	-4,457	208	-1,148	-3,064	-3,410	-1,565	678
<b>2. Liabilities</b>	<b>10,852</b>	<b>20,246</b>	<b>16,059</b>	<b>12,843</b>	<b>8,798</b>	<b>4,479</b>	<b>4,448</b>	<b>5,219</b>	<b>6,868</b>	<b>-1,670</b>
Foreign direct investment	7,682	13,622	9,826	3,930	8,314	6,739	6,860	6,967	8,055	982
a. Reinvestment	4,670	7,337	4,258	3,589	2,983	3,606	5,627	5,127	2,268	1,631
b. Contributions and other capital operations	896	5,387	3,013	-1,139	4,060	2,574	1,944	1,763	2,965	365
c. Net loans with parent companies	2,117	899	2,555	1,479	1,271	560	-710	77	2,823	-1,015
Portfolio investment in the country	185	2,524	5,564	3,189	-976	-533	1,290	166	1,096	715
a. Capital participations 3/	147	-142	585	-79	-60	-307	-172	-442	-511	-209
b. Fixed income 4/	38	2,666	4,980	3,268	-916	-226	1,462	608	1,607	924
Long-term loans	2,985	4,099	669	5,724	1,460	-1,726	-3,703	-1,915	-2,283	-3,367
a. Disbursements	4,503	6,779	4,870	9,418	6,053	3,187	4,127	3,353	3,570	1,489
b. Amortization	-1,517	-2,679	-4,201	-3,694	-4,593	-4,914	-7,829	-5,268	-5,853	-4,857
<b>3. TOTAL</b>	<b>9,060</b>	<b>16,170</b>	<b>14,434</b>	<b>7,279</b>	<b>8,817</b>	<b>2,175</b>	<b>884</b>	<b>1,672</b>	<b>4,363</b>	<b>-1,496</b>
Memo:										
Net Foreign Direct Investment	7,340	11,867	9,334	2,823	8,125	5,583	6,360	6,831	7,115	478

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 Cavall (security settlement institution) through the LSE and placements of American Depositary Receipts (ADRs).

4/ Includes bonds, provisory notes, and securitization instruments expressed in net terms (issuance minus redemption).

Source: BCRP, Cavall ICLV S.A., Proinversión, and companies.

Elaborated by the Department of Economic Studies, BCRP.



**Appendix 31**  
**PUBLIC SECTOR FINANCIAL ACCOUNT 1/**  
(Million US\$)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>I. Disbursements</b>	<b>990</b>	<b>1,449</b>	<b>1,277</b>	<b>2,922</b>	<b>5,190</b>	<b>2,108</b>	<b>3,045</b>	<b>1,800</b>	<b>1,863</b>	<b>9,977</b>
<b>Investment projects</b>	<b>679</b>	<b>334</b>	<b>652</b>	<b>988</b>	<b>349</b>	<b>958</b>	<b>435</b>	<b>1,782</b>	<b>740</b>	<b>269</b>
National government	616	317	195	133	289	805	366	455	691	192
Public enterprises	63	18	457	855	60	153	69	1,327	49	78
Financial	0	0	430	304	36	109	1	44	0	0
Non-financial	63	18	27	551	23	44	68	1,283	49	78
Freely disposable funds 3/	311	115	125	244	985	0	0	18	372	2,208
Bonds	0	1,000	500	1,690	3,856	1,150	2,610	0	750	7,500
Global bonds 3/	0	500	0	500	3,056	1,150	0	0	750	7,000
Financial public enterprises	0	500	500	1,190	800	0	610	0	0	500
Non-financial public enterprises	0	0	0	0	0	0	2,000	0	0	0
<b>II. Amortization</b>	<b>-868</b>	<b>-1,215</b>	<b>-2,618</b>	<b>-1,592</b>	<b>-1,233</b>	<b>-1,957</b>	<b>-4,505</b>	<b>-1,614</b>	<b>-2,205</b>	<b>-935</b>
<b>III. Net external assets</b>	<b>-253</b>	<b>-440</b>	<b>-347</b>	<b>-670</b>	<b>-473</b>	<b>-189</b>	<b>601</b>	<b>-201</b>	<b>212</b>	<b>-288</b>
<b>IV. Other operations with debt securities (a-b)</b>	<b>813</b>	<b>1,671</b>	<b>-115</b>	<b>-727</b>	<b>-374</b>	<b>2,688</b>	<b>4,108</b>	<b>2,137</b>	<b>4,530</b>	<b>1,064</b>
a. Sovereign bonds held by non residents	360	1,797	219	-657	216	1,959	4,554	1,822	4,190	1,565
b. Global bonds held by residents	-452	126	333	70	591	-728	446	-315	-340	501
<b>V. TOTAL</b>	<b>682</b>	<b>1,466</b>	<b>-1,803</b>	<b>-67</b>	<b>3,110</b>	<b>2,650</b>	<b>3,249</b>	<b>2,122</b>	<b>4,399</b>	<b>9,818</b>

1/ Medium and long-term debt. The bonds are classified according to the market where they were issued. Global bonds, issued abroad, include those purchased by residents.

2/ Preliminary.

3/ Includes disbursements for S / 2 134 million of contingent credits from the Inter-American Development Bank and the World Bank, which were used to finance the cost of prevention and containment of COVID-19 (DU N ° 051-2020). In 2018 and 2019, contingent loan disbursements were classified as disbursements to finance investment projects, because they were allocated to the Fund for Interventions in the event of natural disasters.

Source: MEF and BCRP.

Elaborated by the Department of Economic Studies, BCRP.

**Appendix 32**  
**SHORT - TERM CAPITAL FINANCIAL ACCOUNT**  
(Million US\$)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>1. Commercial banks</b>										
Assets 2/	-912	2,028	-2,359	9	643	-519	177	980	-2	-957
Liabilities 3/	-180	-72	-423	-445	283	-123	-601	109	504	-819
	-732	2,100	-1,936	454	359	-396	777	871	-506	-138
<b>2. Banco de la Nación</b>										
Assets 2/	-4	-51	66	-100	93	-1	-35	49	-22	9
Liabilities 3/	-4	-51	66	-100	93	-1	-35	49	-22	9
	0	1	-0	-0	-0	0	0	0	0	0
<b>3. Non-bank financial companies</b>										
Assets 2/	9	50	-53	60	-329	346	11	-4	-35	109
Liabilities 3/	2	-16	-46	29	-426	409	-147	-52	9	34
	7	67	-7	31	97	-64	158	48	-44	75
<b>4. Non-financial sector 4/</b>										
Assets 2/	525	-40	56	-1,287	-1,907	882	-1,305	-2,969	562	-138
Liabilities 3/	-241	-311	-20	-544	-1,972	-77	-1,093	-2,936	1,424	-1,713
	767	271	76	-744	65	960	-211	-33	-861	1,575
<b>5. Total short-term capital</b>										
Assets 2/	-381	1,987	-2,291	-1,318	-1,500	708	-1,152	-1,944	504	-977
Liabilities 3/	-423	-452	-423	-1,060	-2,021	208	-1,876	-2,830	1,915	-2,489
	42	2,439	-1,867	-258	521	500	724	886	-1,411	1,512

1/ Preliminary data.

2/ Negative sign indicates increase of assets.

3/ Positive sign indicates increase of liabilities.

4/ Corresponds to the flow of net assets abroad. Negative sign indicates increase of assets.

Source: BCRP, Bank for International Settlements (BIS) and companies.

Elaborated by the Department of Economic Studies, BCRP.





Appendix 33

EXTERNAL INVESTMENT POSITION

(Level at the end-of-period in million US\$)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>I. Assets</b>	<b>79,046</b>	<b>100,525</b>	<b>103,502</b>	<b>106,154</b>	<b>106,616</b>	<b>110,358</b>	<b>121,281</b>	<b>121,826</b>	<b>132,596</b>	<b>142,735</b>
1. BCRP reserve assets	48,859	64,049	65,710	62,353	61,537	61,746	63,731	60,288	68,370	74,909
2. Financial system assets (excluding BCRP) 2/	18,757	22,834	23,866	27,706	27,159	28,257	34,417	34,902	38,503	39,921
3. Other assets	11,430	13,643	13,926	16,095	17,920	20,355	23,132	26,636	25,723	27,906
<b>II. Liabilities</b>	<b>120,129</b>	<b>147,561</b>	<b>156,686</b>	<b>166,527</b>	<b>172,419</b>	<b>186,303</b>	<b>200,386</b>	<b>205,541</b>	<b>216,978</b>	<b>222,589</b>
<b>1. Bonds and private and public external debt</b>	<b>47,630</b>	<b>59,131</b>	<b>60,559</b>	<b>69,271</b>	<b>73,129</b>	<b>74,571</b>	<b>76,499</b>	<b>78,170</b>	<b>80,200</b>	<b>88,768</b>
a. Medium- and long-term debt	41,276	50,324	53,629	62,602	65,931	66,865	68,019	68,723	72,277	79,185
Private sector 3/	17,044	23,871	29,589	38,651	39,221	37,248	35,067	33,811	33,013	30,553
Public sector (i - ii + iii) 4/	24,232	26,452	24,039	23,951	26,710	29,617	32,953	34,912	39,264	48,632
i. External public debt	20,204	20,402	18,778	19,764	23,630	23,762	22,710	22,977	22,554	32,469
ii. External debt securities held by residents	831	957	1,290	1,360	1,951	1,223	1,668	1,353	1,013	1,514
iii. Internal debt securities held by non residents	4,859	7,008	6,552	5,547	5,031	7,078	11,911	13,288	17,724	17,676
b. Short-term debt	6,354	8,808	6,930	6,669	7,198	7,706	8,480	9,447	7,923	9,583
Financial system (excluding BCRP) 3/	1,789	3,956	2,012	2,498	2,955	2,495	3,430	4,374	3,824	3,761
BCRP 5/	43	57	47	45	52	60	110	167	54	202
Other 6/	4,523	4,794	4,870	4,126	4,191	5,151	4,939	4,907	4,045	5,621
<b>2. Direct investment</b>	<b>50,658</b>	<b>64,281</b>	<b>74,107</b>	<b>78,037</b>	<b>86,351</b>	<b>93,090</b>	<b>99,950</b>	<b>106,918</b>	<b>114,973</b>	<b>115,955</b>
<b>3. Capital participation</b>	<b>21,840</b>	<b>24,149</b>	<b>22,021</b>	<b>19,219</b>	<b>12,940</b>	<b>18,642</b>	<b>23,936</b>	<b>20,453</b>	<b>21,804</b>	<b>17,867</b>

1/ Preliminary data.

2/ Includes assets in domestic currency against non-residents.

3/ Includes liabilities in domestic currency with non-residents

4/ Includes the external debt of the total public sector (including the financial sector). Also, government bonds issued abroad held by residents are excluded. Finally, domestic issued government bonds held by non-residents are included.

5/ Includes Certificate of Deposits issued by BCRP.

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

Source: BCRP, MEF, Caval (CLV S.A., Proinversión, BIS, and companies).

Elaborated by the Department of Economic Studies, BCRP.

**Appendix 34**  
**EXTERNAL INVESTMENT POSITION**  
(% GDP)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>I. Assets</b>										
1. BCRP reserve assets	46.3	52.1	51.2	52.5	55.7	56.7	56.6	54.0	57.4	69.8
2. Financial system assets (excluding BCRP) 2/	28.6	33.2	32.5	30.8	32.2	31.7	29.7	26.7	29.6	36.6
3. Other assets	11.0	11.8	11.8	13.7	14.2	14.5	16.1	15.5	16.7	19.5
	6.7	7.1	6.9	8.0	9.4	10.5	10.8	11.8	11.1	13.7
<b>II. Liabilities</b>										
<b>1. Bonds and private and public external debt</b>	<b>70.3</b>	<b>76.4</b>	<b>77.5</b>	<b>82.3</b>	<b>90.1</b>	<b>95.8</b>	<b>93.5</b>	<b>91.2</b>	<b>93.9</b>	<b>108.9</b>
a. Medium- and long-term debt	27.9	30.6	30.0	34.2	38.2	38.3	35.7	34.7	34.7	43.4
Private sector 3/	24.2	26.1	26.5	30.9	34.5	34.4	31.7	30.5	31.3	38.7
Public sector (i - ii + iii) 4/	10.0	12.4	14.6	19.1	20.5	19.1	16.4	15.0	14.3	14.9
i. External public debt	14.2	13.7	11.9	11.8	14.0	15.2	15.4	15.5	17.0	23.8
ii. External debt securities held by residents	11.8	10.6	9.3	9.8	12.4	12.2	10.6	10.2	9.8	15.9
iii. External debt securities held by non-residents	0.5	0.5	0.6	0.7	1.0	0.6	0.8	0.6	0.4	0.7
b. Short-term debt	2.8	3.6	3.2	2.7	2.6	3.6	5.6	5.9	7.7	8.6
Financial system (excluding BCRP) 3/	3.7	4.6	3.4	3.3	3.8	4.0	4.0	4.2	3.4	4.7
BCRP 5/	1.0	2.0	1.0	1.2	1.5	1.3	1.6	1.9	1.7	1.8
Other 6/	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.1
<b>2. Direct investment</b>	<b>29.7</b>	<b>33.3</b>	<b>36.7</b>	<b>38.6</b>	<b>45.1</b>	<b>47.9</b>	<b>46.6</b>	<b>47.4</b>	<b>49.8</b>	<b>56.7</b>
<b>3. Capital participation</b>	<b>12.8</b>	<b>12.5</b>	<b>10.9</b>	<b>9.5</b>	<b>6.8</b>	<b>9.6</b>	<b>11.2</b>	<b>9.1</b>	<b>9.4</b>	<b>8.7</b>

1/ Preliminary data.

2/ Includes assets in domestic currency against non-residents.

3/ Includes liabilities in domestic currency with non-residents

4/ Includes the external debt of the total public sector (including the financial sector). Also, government bonds issued abroad held by residents are excluded. Finally, domestic issued government bonds held by non-residents are included.

5/ Includes Certificate of Deposits issued by BCRP.

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

Source: BCRP, MEF, Cavali ICLV S.A., Proinversión, BIS, and companies.

Elaborated by the Department of Economic Studies, BCRP.



**Appendix 35**  
**OPERATIONS OF THE NON-FINANCIAL PUBLIC SECTOR**  
(Million soles)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>1. General government current revenues</b>	<b>102,412</b>	<b>113,733</b>	<b>121,013</b>	<b>128,203</b>	<b>123,191</b>	<b>122,737</b>	<b>126,557</b>	<b>142,719</b>	<b>152,019</b>	<b>127,902</b>
a. Tax revenue	77,266	86,097	91,620	97,654	92,791	92,153	93,400	107,358	113,769	95,523
b. Non-tax revenue	25,146	27,636	29,392	30,548	30,400	30,584	33,157	35,360	38,249	32,379
<b>2. General government non-financial expenditure</b>	<b>87,594</b>	<b>97,896</b>	<b>111,784</b>	<b>123,792</b>	<b>129,901</b>	<b>130,795</b>	<b>139,825</b>	<b>149,212</b>	<b>154,388</b>	<b>177,385</b>
a. Current expenditure	63,244	69,023	78,344	89,381	96,710	100,125	106,778	113,073	119,366	145,148
b. Capital expenditure	24,350	28,873	33,440	34,411	33,191	30,669	33,047	36,140	35,023	32,237
- Gross capital formation	21,116	26,428	29,784	29,742	27,246	27,343	28,439	31,415	30,508	26,993
- Other	3,234	2,445	3,656	4,669	5,945	3,326	4,608	4,725	4,515	5,243
<b>3. Other</b>	<b>512</b>	<b>1,378</b>	<b>1,771</b>	<b>452</b>	<b>1,322</b>	<b>-118</b>	<b>698</b>	<b>-440</b>	<b>641</b>	<b>-2,771</b>
<b>4. Primary balance (1-2+3)</b>	<b>15,329</b>	<b>17,215</b>	<b>11,000</b>	<b>4,863</b>	<b>-5,388</b>	<b>-8,176</b>	<b>-12,569</b>	<b>-6,934</b>	<b>-1,728</b>	<b>-52,254</b>
<b>5. Interests</b>	<b>5,541</b>	<b>5,568</b>	<b>6,091</b>	<b>6,216</b>	<b>6,388</b>	<b>7,182</b>	<b>8,356</b>	<b>10,013</b>	<b>10,662</b>	<b>11,496</b>
a. External debt	2,655	2,755	3,065	2,909	2,664	3,005	3,181	3,499	3,404	3,365
b. Domestic debt	2,886	2,813	3,026	3,306	3,724	4,177	5,175	6,514	7,258	8,130
<b>6. Overall balance</b>	<b>9,788</b>	<b>11,647</b>	<b>4,908</b>	<b>-1,353</b>	<b>-11,776</b>	<b>-15,358</b>	<b>-20,925</b>	<b>-16,948</b>	<b>-12,391</b>	<b>-63,749</b>
<b>7. Net financing</b>	<b>-9,788</b>	<b>-11,647</b>	<b>-4,908</b>	<b>1,353</b>	<b>11,776</b>	<b>15,358</b>	<b>20,925</b>	<b>16,948</b>	<b>12,391</b>	<b>63,749</b>
1. Foreign	748	-1,388	-4,388	-841	9,815	4,304	-10,363	-598	4,679	34,349
(Million US\$) (a-b+c)	\$,277	-\$,531	-\$,1,689	-\$,284	\$,2,974	\$,1,257	-\$,3,194	-\$,169	\$,1,399	\$,9,773
a. Disbursements	\$,990	\$,948	\$,348	\$,1,428	\$,4,354	\$,1,999	\$,2,434	\$,1,756	\$,1,863	\$,9,477
b. Amortization	\$,831	\$,1,175	\$,2,367	\$,1,456	\$,1,230	\$,1,672	\$,4,175	\$,1,265	\$,1,358	\$,292
c. Other 2/	\$,118	-\$,304	\$,330	-\$,256	-\$,150	\$,930	-\$,1,453	-\$,660	\$,893	\$,587
2. Domestic	-10,671	-10,284	-1,258	2,160	1,867	8,067	31,238	17,491	7,643	29,385
3. Privatization	135	26	737	34	94	2,987	51	54	69	15

1/ Preliminary data.

2/ Includes exceptional and short-term financing

Source: MEF, Banco de la Nación, BCRP, SUNAT, EsSalud, public welfare agencies, local governments, state-owned enterprises, and public institutions. Elaborated by the Department of Economic Studies, BCRP.

**Appendix 36**  
**OPERATIONS OF THE NON-FINANCIAL PUBLIC SECTOR**  
(% GDP)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>1. General government current revenues</b>	<b>21.8</b>	<b>22.4</b>	<b>22.2</b>	<b>22.3</b>	<b>20.2</b>	<b>18.7</b>	<b>18.1</b>	<b>19.3</b>	<b>19.7</b>	<b>17.9</b>
a. Tax revenue	16.4	16.9	16.8	17.0	15.2	14.1	13.4	14.5	14.8	13.4
b. Non-tax revenue	5.3	5.4	5.4	5.3	5.0	4.7	4.7	4.8	5.0	4.5
<b>2. General government non-financial expenditure</b>	<b>18.6</b>	<b>19.2</b>	<b>20.5</b>	<b>21.6</b>	<b>21.3</b>	<b>19.9</b>	<b>20.0</b>	<b>20.1</b>	<b>20.0</b>	<b>24.8</b>
a. Current expenditure	13.5	13.6	14.3	15.6	15.9	15.3	15.3	15.3	15.5	20.3
b. Capital expenditure	5.2	5.7	6.1	6.0	5.4	4.7	4.7	4.9	4.5	4.5
- Gross capital formation	4.5	5.2	5.5	5.2	4.5	4.2	4.1	4.2	4.0	3.8
- Other	0.7	0.5	0.7	0.8	1.0	0.5	0.7	0.6	0.6	0.7
<b>3. Other</b>	<b>0.1</b>	<b>0.3</b>	<b>0.3</b>	<b>0.1</b>	<b>0.2</b>	<b>0.0</b>	<b>0.1</b>	<b>-0.1</b>	<b>0.1</b>	<b>-0.4</b>
<b>4. Primary balance (1-2+3)</b>	<b>3.3</b>	<b>3.4</b>	<b>2.0</b>	<b>0.8</b>	<b>-0.9</b>	<b>-1.2</b>	<b>-1.8</b>	<b>-0.9</b>	<b>-0.2</b>	<b>-7.3</b>
<b>5. Interests</b>	<b>1.2</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.0</b>	<b>1.1</b>	<b>1.2</b>	<b>1.4</b>	<b>1.4</b>	<b>1.6</b>
a. External debt	0.6	0.5	0.6	0.5	0.4	0.5	0.5	0.5	0.4	0.5
b. Domestic debt	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.9	0.9	1.1
<b>6. Overall balance</b>	<b>2.1</b>	<b>2.3</b>	<b>0.9</b>	<b>-0.2</b>	<b>-1.9</b>	<b>-2.3</b>	<b>-3.0</b>	<b>-2.3</b>	<b>-1.6</b>	<b>-8.9</b>
<b>7. Net financing</b>	<b>-2.1</b>	<b>-2.3</b>	<b>-0.9</b>	<b>0.2</b>	<b>1.9</b>	<b>2.3</b>	<b>3.0</b>	<b>2.3</b>	<b>1.6</b>	<b>8.9</b>
1. Foreign (a-b+c)	0.2	-0.3	-0.8	-0.1	1.6	0.7	-1.5	-0.1	0.6	4.8
a. Disbursements	0.6	0.5	0.2	0.7	2.3	1.0	1.1	0.8	0.8	4.7
b. Amortization	0.5	0.6	1.1	0.7	0.6	0.9	1.9	0.6	0.6	0.1
c. Other 2/	0.1	-0.2	0.2	-0.1	-0.1	0.5	-0.7	-0.3	0.4	0.3
2. Domestic	-2.3	-2.0	-0.2	0.4	0.3	1.2	4.5	2.4	1.0	4.1
3. Privatization	0.0	0.0	0.1	0.0	0.0	0.5	0.0	0.0	0.0	0.0

1/ Preliminary data.

2/ Includes exceptional and short-term financing.

Source: MEF, Banco de la Nación, BCRP, SUNAT, EsSalud, public welfare agencies, local governments, state-owned enterprises, and public institutions. Elaborated by the Department of Economic Studies, BCRP.



**Appendix 37**  
**GENERAL GOVERNMENT CURRENT REVENUES**  
(Million soles)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>I. Tax revenues</b>	<b>77,266</b>	<b>86,097</b>	<b>91,620</b>	<b>97,654</b>	<b>92,791</b>	<b>92,153</b>	<b>93,400</b>	<b>107,358</b>	<b>113,769</b>	<b>95,523</b>
1. Income tax	33,628	37,278	36,512	40,157	34,745	37,214	36,755	41,598	44,015	38,167
- Individuals	7,931	9,070	10,149	10,894	10,557	11,159	11,450	12,474	13,819	12,525
- Corporate	21,432	23,429	22,914	25,031	20,542	22,250	20,421	22,756	23,834	21,046
- Clearing	4,265	4,779	3,450	4,232	3,646	3,805	4,884	6,368	6,363	4,596
2. Import tax	1,380	1,526	1,706	1,790	1,775	1,606	1,448	1,455	1,424	1,159
3. Value-added tax (VAT)	40,424	44,042	47,819	50,352	51,668	52,692	54,643	60,666	63,504	55,379
- Domestic VAT	22,029	24,543	27,164	28,732	30,410	31,040	32,114	35,125	37,892	32,708
- VAT on imports	18,395	19,499	20,655	21,620	21,258	21,652	22,529	25,541	25,613	22,671
4. Excise tax	4,718	4,918	5,478	5,135	5,495	5,902	6,315	6,860	8,216	6,920
- Fuel	2,231	2,149	2,501	2,041	2,210	2,423	2,604	2,565	3,212	2,970
- Other	2,487	2,769	2,977	3,094	3,284	3,479	3,711	4,295	5,005	3,951
5. Other tax revenues	6,818	8,920	11,363	10,924	10,785	11,096	11,448	13,363	14,660	11,081
- ITAN	2,293	2,439	2,776	3,513	3,697	4,300	4,585	4,953	5,176	4,764
- ITF	395	126	134	153	161	168	175	200	224	207
- Installment payment plan	709	857	893	814	922	1,068	1,109	1,320	1,843	1,165
- Special tax to the mining	59	442	337	372	208	236	638	770	545	430
- Other	3,362	5,056	7,223	6,071	5,797	5,323	4,941	6,120	6,871	4,515
6. Tax refunds	-9,703	-10,586	-11,258	-10,702	-11,677	-16,356	-17,209	-16,583	-18,051	-17,182
<b>II. Non-tax revenues</b>	<b>25,146</b>	<b>27,636</b>	<b>29,392</b>	<b>30,548</b>	<b>30,400</b>	<b>30,584</b>	<b>33,157</b>	<b>35,360</b>	<b>38,249</b>	<b>32,379</b>
1. Contributions to Essalud and ONP	9,071	10,281	11,493	12,478	13,873	14,487	14,737	16,247	17,266	15,972
2. Royalties: oil, gas, and mining	3,756	2,850	2,875	2,696	1,663	1,737	2,486	3,035	2,741	2,150
3. Oil canon	2,673	2,910	3,005	2,895	1,622	1,291	1,533	2,090	1,687	1,137
4. Other revenues 2/	9,647	11,596	12,019	12,480	13,242	13,069	14,402	13,988	16,556	13,119
<b>III. Total (I+ II)</b>	<b>102,412</b>	<b>113,733</b>	<b>121,013</b>	<b>128,203</b>	<b>123,191</b>	<b>122,737</b>	<b>126,557</b>	<b>142,719</b>	<b>152,019</b>	<b>127,902</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, SBS, ONP, SUNAT, Essalud, public welfare agencies, and state-owned enterprises. Elaborated by the Department of Economic Studies, BCRP.

**Appendix 38**  
**GENERAL GOVERNMENT CURRENT REVENUES**  
(% GDP)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>I. Tax revenues</b>	<b>16.4</b>	<b>16.9</b>	<b>16.8</b>	<b>17.0</b>	<b>15.2</b>	<b>14.1</b>	<b>13.4</b>	<b>14.5</b>	<b>14.8</b>	<b>13.4</b>
1. Income tax	7.2	7.3	6.7	7.0	5.7	5.7	5.3	5.6	5.7	5.3
- Individuals	1.7	1.8	1.9	1.9	1.7	1.7	1.6	1.7	1.8	1.8
- Corporate	4.6	4.6	4.2	4.4	3.4	3.4	2.9	3.1	3.1	2.9
- Clearing	0.9	0.9	0.6	0.7	0.6	0.6	0.7	0.9	0.8	0.6
2. Import tax	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2
3. Value-added tax (VAT)	8.6	8.7	8.8	8.8	8.5	8.0	7.8	8.2	8.2	7.7
- Domestic VAT	4.7	4.8	5.0	5.0	5.0	4.7	4.6	4.7	4.9	4.6
- VAT on imports	3.9	3.8	3.8	3.8	3.5	3.3	3.2	3.4	3.3	3.2
4. Excise tax	1.0	1.0	1.0	0.9	0.9	0.9	0.9	0.9	1.1	1.0
- Fuel	0.5	0.4	0.5	0.4	0.4	0.4	0.4	0.3	0.4	0.4
- Other	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6
5. Other tax revenues	1.5	1.8	2.1	1.9	1.8	1.7	1.6	1.8	1.9	1.5
- ITAN	0.5	0.5	0.5	0.6	0.6	0.7	0.7	0.7	0.7	0.6
- ITF	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Installment payment plan	0.2	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.2
- Special tax to the mining	0.0	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.1	0.1
- Other	0.7	1.0	1.3	1.1	1.0	0.8	0.7	0.8	0.9	0.6
6. Tax refunds	-2.1	-2.1	-2.1	-1.9	-1.9	-2.5	-2.5	-2.2	-2.3	-2.4
<b>II. Non-tax revenues</b>	<b>5.3</b>	<b>5.4</b>	<b>5.4</b>	<b>5.3</b>	<b>5.0</b>	<b>4.7</b>	<b>4.7</b>	<b>4.8</b>	<b>5.0</b>	<b>4.5</b>
1. Contributions to Essalud and ONP	1.9	2.0	2.1	2.2	2.3	2.2	2.1	2.2	2.2	2.2
2. Royalties: oil, gas, and mining	0.8	0.6	0.5	0.5	0.3	0.3	0.4	0.4	0.4	0.3
3. Oil canon	0.6	0.6	0.6	0.5	0.3	0.2	0.2	0.3	0.2	0.2
4. Other revenues 2/	2.1	2.3	2.2	2.2	2.2	2.0	2.1	1.9	2.1	1.8
<b>III. Total (I+ II)</b>	<b>21.8</b>	<b>22.4</b>	<b>22.2</b>	<b>22.3</b>	<b>20.2</b>	<b>18.7</b>	<b>18.1</b>	<b>19.3</b>	<b>19.7</b>	<b>17.9</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, SBS, ONP, SUNAT, Essalud, public welfare agencies, and state-owned enterprises. Elaborated by the Department of Economic Studies, BCRP.



<b>Appendix 39</b>												
<b>GENERAL GOVERNMENT EXPENDITURE</b>												
(Million soles)												
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		
							1/	1/	1/	1/		1/
<b>I. Non-financial expenditure</b>	<b>87,594</b>	<b>97,896</b>	<b>111,784</b>	<b>123,792</b>	<b>129,901</b>	<b>130,795</b>	<b>139,825</b>	<b>149,212</b>	<b>154,388</b>	<b>177,385</b>		
<b>1. Current expenditure</b>	<b>63,244</b>	<b>69,023</b>	<b>78,344</b>	<b>89,381</b>	<b>96,710</b>	<b>100,125</b>	<b>106,778</b>	<b>113,073</b>	<b>119,366</b>	<b>145,148</b>		
a. Wages and salaries	22,842	25,254	29,361	34,072	35,449	39,051	42,667	46,167	49,151	53,046		
b. Goods and Services	23,936	28,508	31,438	34,985	40,447	40,381	41,706	42,256	45,305	50,039		
c. Transfers	16,466	15,261	17,545	20,323	20,813	20,692	22,404	24,649	24,911	42,064		
<b>2. Capital expenditure</b>	<b>24,350</b>	<b>28,873</b>	<b>33,440</b>	<b>34,411</b>	<b>33,191</b>	<b>30,669</b>	<b>33,047</b>	<b>36,140</b>	<b>35,023</b>	<b>32,237</b>		
a. Gross capital formation	21,116	26,428	29,784	29,742	27,246	27,343	28,439	31,415	30,508	26,993		
b. Other	3,234	2,445	3,656	4,669	5,945	3,326	4,608	4,725	4,515	5,243		
<b>II. Interests</b>	<b>5,428</b>	<b>5,458</b>	<b>5,960</b>	<b>6,051</b>	<b>6,185</b>	<b>6,910</b>	<b>7,808</b>	<b>9,199</b>	<b>9,867</b>	<b>10,759</b>		
1. Domestic debt	2,818	2,749	2,942	3,197	3,598	3,988	4,862	6,318	6,992	7,947		
2. External debt	2,609	2,709	3,018	2,853	2,587	2,921	2,946	2,880	2,875	2,812		
<b>III. Total (+II)</b>	<b>93,021</b>	<b>103,354</b>	<b>117,744</b>	<b>129,843</b>	<b>136,086</b>	<b>137,705</b>	<b>147,633</b>	<b>158,411</b>	<b>164,256</b>	<b>188,144</b>		

1/ Preliminary data.

Source: MEF, Banco de la Nación, and BCRP.

Elaborated by the Department of Economic Studies, BCRP.

Appendix 40 GENERAL GOVERNMENT EXPENDITURE (% GDP)											
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
<b>I. Non-financial expenditure</b>	<b>18.6</b>	<b>19.2</b>	<b>20.5</b>	<b>21.6</b>	<b>21.3</b>	<b>19.9</b>	<b>20.0</b>	<b>20.1</b>	<b>20.0</b>	<b>24.8</b>	<b>1/</b>
<b>1. Current expenditure</b>	<b>13.5</b>	<b>13.6</b>	<b>14.3</b>	<b>15.6</b>	<b>15.9</b>	<b>15.3</b>	<b>15.3</b>	<b>15.3</b>	<b>15.5</b>	<b>20.3</b>	<b>1/</b>
a. Wages and salaries	4.9	5.0	5.4	5.9	5.8	6.0	6.1	6.2	6.4	7.4	
b. Goods and Services	5.1	5.6	5.8	6.1	6.6	6.2	6.0	5.7	5.9	7.0	
c. Transfers	3.5	3.0	3.2	3.5	3.4	3.2	3.2	3.3	3.2	5.9	
<b>2. Capital expenditure</b>	<b>5.2</b>	<b>5.7</b>	<b>6.1</b>	<b>6.0</b>	<b>5.4</b>	<b>4.7</b>	<b>4.7</b>	<b>4.9</b>	<b>4.5</b>	<b>4.5</b>	<b>1/</b>
a. Gross capital formation	4.5	5.2	5.5	5.2	4.5	4.2	4.1	4.2	4.0	3.8	
b. Other	0.7	0.5	0.7	0.8	1.0	0.5	0.7	0.6	0.6	0.7	
<b>II. Interests</b>	<b>1.2</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.0</b>	<b>1.1</b>	<b>1.1</b>	<b>1.2</b>	<b>1.3</b>	<b>1.5</b>	<b>1/</b>
1. Domestic debt	0.6	0.5	0.5	0.6	0.6	0.6	0.7	0.9	0.9	1.1	
2. External debt	0.6	0.5	0.6	0.5	0.4	0.4	0.4	0.4	0.4	0.4	
<b>III. Total (I+II)</b>	<b>19.8</b>	<b>20.3</b>	<b>21.6</b>	<b>22.6</b>	<b>22.3</b>	<b>21.0</b>	<b>21.1</b>	<b>21.4</b>	<b>21.3</b>	<b>26.3</b>	<b>1/</b>

1/ Preliminary data.

Source: MEF, Banco de la Nación, and BCRP.

Elaborated by the Department of Economic Studies, BCRP.





<b>Appendix 41</b>											
<b>REGIONAL GOVERNMENT OPERATIONS</b>											
(Million soles)											
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
							1/	1/	1/	1/	1/
<b>I. Current revenue</b>	15,025	16,012	18,026	20,272	20,724	21,957	25,314	27,656	29,824	32,824	
<b>II. Non-financial expenditure</b>	17,259	20,723	22,810	23,816	24,510	26,017	28,803	31,402	33,329	36,761	
1. Current expenditure	11,920	13,661	15,278	17,353	18,484	20,277	22,861	24,930	26,855	30,403	
2. Capital expenditure	5,339	7,062	7,531	6,463	6,026	5,741	5,942	6,472	6,474	6,358	
<b>III. Capital revenue</b>	2,434	3,801	4,465	4,747	4,543	4,821	5,221	4,886	5,657	4,909	
<b>IV. Primary balance (I-II+III)</b>	200	-910	-318	1,203	757	761	1,732	1,140	2,151	972	
<b>V. Interests</b>	0	0	0	0	0	0	0	0	0	0	
<b>VI. Overall balance (IV-V)</b>	200	-910	-318	1,203	757	761	1,732	1,140	2,151	972	

1/ Preliminary data.

Source: MEF.

Elaborated by the Department of Economic Studies, BCRP.

**Appendix 42**  
**REGIONAL GOVERNMENT OPERATIONS**  
(% GDP)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>I. Current revenue</b>	3.2	3.1	3.3	3.5	3.4	3.3	3.6	3.7	3.9	4.6
<b>II. Non-financial expenditure</b>	3.7	4.1	4.2	4.1	4.0	4.0	4.1	4.2	4.3	5.1
1. Current expenditure	2.5	2.7	2.8	3.0	3.0	3.1	3.3	3.4	3.5	4.2
2. Capital expenditure	1.1	1.4	1.4	1.1	1.0	0.9	0.9	0.9	0.8	0.9
<b>III. Capital revenue</b>	0.5	0.7	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.7
<b>IV. Primary balance (I-II+III)</b>	0.0	-0.2	-0.1	0.2	0.1	0.1	0.2	0.2	0.3	0.1
<b>V. Interests</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 (IV-V)</b>	0.0	-0.2	-0.1	0.2	0.1	0.1	0.2	0.2	0.3	0.1

1/ Preliminary data.

Source: MEF.

Elaborated by the Department of Economic Studies, BCRP.



<b>Appendix 43</b>											
<b>LOCAL GOVERNMENT OPERATIONS</b>											
(Million soles)											
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
<b>I. Current revenue</b>	15,028	16,817	16,716	16,700	15,774	15,184	16,337	19,022	19,415	26,763	
<b>II. Non-financial expenditure</b>	16,670	21,998	24,362	24,412	21,024	22,800	23,923	26,685	24,292	26,645	
1. Current expenditure	7,946	9,590	10,058	10,440	10,231	11,000	11,253	11,770	11,988	15,439	
2. Capital expenditure	8,724	12,408	14,304	13,972	10,793	11,800	12,671	14,914	12,304	11,206	
<b>III. Capital revenue</b>	4,872	6,196	6,953	7,339	6,610	6,919	9,102	7,358	8,358	7,210	
<b>IV. Primary balance (I-II+III)</b>	3,230	1,015	-693	-374	1,360	-697	1,515	-305	3,482	7,328	
<b>V. Interests</b>	26	26	26	41	30	28	36	68	55	50	
<b>VI. Overall balance (IV-V)</b>	3,204	989	-720	-415	1,331	-725	1,480	-374	3,426	7,278	

1/ Preliminary data.

Source: MEF.

Elaborated by the Department of Economic Studies, BCRP.

**Appendix 44**  
**LOCAL GOVERNMENT OPERATIONS**  
(% GDP)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>I. Current revenue</b>	3.2	3.3	3.1	2.9	2.6	2.3	2.3	2.6	2.5	3.7
<b>II. Non-financial expenditure</b>	3.5	4.3	4.5	4.3	3.5	3.5	3.4	3.6	3.2	3.7
1. Current expenditure	1.7	1.9	1.8	1.8	1.7	1.7	1.6	1.6	1.6	2.2
2. Capital expenditure	1.9	2.4	2.6	2.4	1.8	1.8	1.8	2.0	1.6	1.6
<b>III. Capital revenue</b>	1.0	1.2	1.3	1.3	1.1	1.1	1.3	1.0	1.1	1.0
<b>IV. Primary balance (I-II+III)</b>	0.7	0.2	-0.1	-0.1	0.2	-0.1	0.2	0.0	0.5	1.0
<b>V. Interests</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 (IV-V)</b>	0.7	0.2	-0.1	-0.1	0.2	-0.1	0.2	-0.1	0.4	1.0

1/ Preliminary data.

Source: MEF.

Elaborated by the Department of Economic Studies, BCRP.



**Appendix 45**  
**OPERATION OF NON-FINANCIAL STATE ENTERPRISES**  
(Million soles)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>I. Current revenue</b>	<b>26,158</b>	<b>26,544</b>	<b>30,068</b>	<b>30,969</b>	<b>29,289</b>	<b>29,695</b>	<b>32,279</b>	<b>37,495</b>	<b>37,493</b>	<b>28,772</b>
1. Petroperú	17,349	17,117	19,290	19,261	15,987	15,296	17,711	22,207	21,632	14,804
2. Electroperú	1,067	1,371	1,345	1,251	1,334	1,926	2,373	2,523	2,572	2,751
3. Regionales de electricidad	3,207	3,733	3,971	4,836	5,552	6,144	5,847	6,174	6,592	5,878
4. Sedapal	1,275	1,371	1,557	1,581	1,785	1,767	1,916	2,207	2,266	1,983
5. Other	3,260	2,951	3,905	4,040	4,631	4,561	4,433	4,384	4,432	3,355
<b>II. Non-financial current expenditure</b>	<b>24,557</b>	<b>24,482</b>	<b>28,137</b>	<b>28,894</b>	<b>25,765</b>	<b>26,442</b>	<b>30,239</b>	<b>35,367</b>	<b>33,424</b>	<b>28,444</b>
1. Petroperú	17,312	16,786	19,513	19,280	14,794	14,543	17,279	22,249	19,311	13,377
2. Electroperú	941	1,163	1,006	1,058	1,189	1,862	2,195	2,327	2,707	2,457
3. Regionales de electricidad	2,688	3,140	3,449	4,070	4,571	5,002	4,949	5,113	5,550	5,670
4. Sedapal	798	907	1,088	1,211	1,218	1,386	1,330	1,482	1,558	1,630
5. Other	2,818	2,486	3,082	3,276	3,993	3,649	4,486	4,196	4,298	5,309
<b>III. Capital expenditure</b>	<b>1,597</b>	<b>1,414</b>	<b>1,996</b>	<b>3,165</b>	<b>3,314</b>	<b>4,509</b>	<b>4,330</b>	<b>4,139</b>	<b>5,336</b>	<b>3,964</b>
1. Petroperú	201	223	361	1,353	1,860	2,999	2,525	2,365	3,566	2,835
2. Electroperú	26	22	43	58	49	67	47	28	49	46
3. Regionales de electricidad	399	347	588	689	644	432	522	528	498	289
4. Sedapal	447	271	431	463	255	387	496	553	553	292
5. Other	523	551	573	600	506	624	740	665	671	503
<b>IV. Capital revenue</b>	<b>243</b>	<b>481</b>	<b>912</b>	<b>890</b>	<b>515</b>	<b>197</b>	<b>1,701</b>	<b>414</b>	<b>258</b>	<b>402</b>
<b>V. Primary balance (I-II-III+IV)</b>	<b>247</b>	<b>1,129</b>	<b>847</b>	<b>-200</b>	<b>725</b>	<b>-1,059</b>	<b>-589</b>	<b>-1,598</b>	<b>-978</b>	<b>-3,234</b>
1. Petroperú	-164	108	-583	-1,372	-668	-2,246	-1,037	-2,408	-1,245	-1,408
2. Electroperú	99	186	297	135	97	-3	131	168	-184	248
3. Regionales de electricidad	188	306	133	239	542	754	632	653	612	-8
4. Sedapal	87	424	444	470	509	24	99	172	155	145
5. Other	37	104	556	328	245	412	-414	-183	-317	-2,212
<b>VI. Interests</b>	<b>114</b>	<b>110</b>	<b>132</b>	<b>165</b>	<b>203</b>	<b>272</b>	<b>548</b>	<b>815</b>	<b>795</b>	<b>737</b>
<b>VII. Overall balance (V-VI) 2/</b>	<b>134</b>	<b>1,018</b>	<b>715</b>	<b>-365</b>	<b>522</b>	<b>-1,331</b>	<b>-1,137</b>	<b>-2,412</b>	<b>-1,773</b>	<b>-3,971</b>
1. Petroperú	-174	96	-615	-1,450	-761	-2,399	-1,465	-3,083	-1,876	-2,012
2. Electroperú	99	186	297	135	97	-3	131	168	-184	248
3. Regionales de electricidad	165	288	110	213	511	716	597	624	579	-34
4. Sedapal	13	349	374	413	443	-45	25	77	36	46
5. Other	31	100	550	323	233	399	-426	-198	-328	-2,220

1/ Preliminary data.

2/ The difference between revenue and payments in cash is reflected in the cash flow. However, since 2018, in the case of business treatment entities (ETES), included in other, the information recorded corresponds to the accrued basis.

Source: State-owned companies and FONAFE.

Elaborated by the Department of Economic Studies, BCRP.

**Appendix 46**  
**OPERATION OF NON-FINANCIAL STATE ENTERPRISES**  
(% GDP)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>I. Current revenue</b>	<b>5.6</b>	<b>5.2</b>	<b>5.5</b>	<b>5.4</b>	<b>4.8</b>	<b>4.5</b>	<b>4.6</b>	<b>5.1</b>	<b>4.9</b>	<b>4.0</b>
1. Petroperú	3.7	3.4	3.5	3.4	2.6	2.3	2.5	3.0	2.8	2.1
2. Electroperú	0.2	0.3	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.4
3. Regionales de electricidad	0.7	0.7	0.7	0.8	0.9	0.9	0.8	0.8	0.9	0.8
4. Sedapal	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
5. Other	0.7	0.6	0.7	0.7	0.8	0.7	0.6	0.6	0.6	0.5
<b>II. Non-financial current expenditure</b>	<b>5.2</b>	<b>4.8</b>	<b>5.2</b>	<b>5.0</b>	<b>4.2</b>	<b>4.0</b>	<b>4.3</b>	<b>4.8</b>	<b>4.3</b>	<b>4.0</b>
1. Petroperú	3.7	3.3	3.6	3.4	2.4	2.2	2.5	3.0	2.5	1.9
2. Electroperú	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3
3. Regionales de Electricidad	0.6	0.6	0.6	0.7	0.8	0.8	0.7	0.7	0.7	0.8
4. Sedapal	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
5. Other	0.6	0.5	0.6	0.6	0.7	0.6	0.6	0.6	0.6	0.7
<b>III. Capital expenditure</b>	<b>0.3</b>	<b>0.3</b>	<b>0.4</b>	<b>0.6</b>	<b>0.5</b>	<b>0.7</b>	<b>0.6</b>	<b>0.6</b>	<b>0.7</b>	<b>0.6</b>
1. Petroperú	0.0	0.0	0.1	0.2	0.3	0.5	0.4	0.3	0.5	0.4
2. Electroperú	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3. Regionales de electricidad	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0
4. Sedapal	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.0
5. Other	0.1	0.1	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>0.1</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>	<b>0.0</b>	<b>0.2</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>
<b>V. Primary balance (I-II-III+IV)</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>	<b>0.0</b>	<b>0.1</b>	<b>-0.2</b>	<b>-0.1</b>	<b>-0.2</b>	<b>-0.1</b>	<b>-0.5</b>
1. Petroperú	0.0	0.0	-0.1	-0.2	-0.1	-0.3	-0.1	-0.3	-0.2	-0.2
2. Electroperú	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3. Regionales de electricidad	0.0	0.1	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.0
4. Sedapal	0.0	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0
5. Other	0.0	0.0	0.1	0.1	0.0	0.1	-0.1	0.0	0.0	-0.3
<b>VI. Interests 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>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
<b>VII. Overall balance (V-VI) 2/</b>	<b>0.0</b>	<b>0.2</b>	<b>0.1</b>	<b>-0.1</b>	<b>0.1</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.3</b>	<b>-0.2</b>	<b>-0.6</b>
1. Petroperú	0.0	0.0	-0.1	-0.3	-0.1	-0.4	-0.2	-0.4	-0.2	-0.3
2. Electroperú	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3. Regionales de electricidad	0.0	0.1	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.0
4. Sedapal	0.0	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0
5. Other	0.0	0.0	0.1	0.1	0.0	0.1	-0.1	0.0	0.0	-0.3

1/ Preliminary data.

2/ The difference between revenue and payments in cash is reflected in the cash flow. However, since 2018, in the case of business treatment entities (ETES), included in other, the information recorded corresponds to the accrued basis.

Source: State-owned companies and FONAFE.

Elaborated by the Department of Economic Studies, BCRP.



Appendix 47 NET DEBT OF THE NON-FINANCIAL PUBLIC SECTOR						
Years	Million soles			% GDP		
	Assets	Liabilities	Net debt	Assets	Liabilities	Net debt
2011	65,824	101,737	35,914	14.0	21.6	7.6
2012	81,130	101,225	20,094	16.0	19.9	4.0
2013	90,041	105,087	15,046	16.5	19.2	2.8
2014	96,994	114,432	17,438	16.9	19.9	3.0
2015	109,033	142,241	33,208	17.9	23.4	5.5
2016	111,649	156,663	45,014	17.0	23.9	6.9
2017	107,407	173,976	66,569	15.4	24.9	9.5
2018	107,185	190,789	83,604	14.5	25.8	11.3
2019	106,019	206,301	100,282	13.8	26.8	13.0
2020	89,121	249,197	160,076	12.5	34.8	22.4

Source: BCRP, MEF, Banco de la Nación, Petroperú, ONP, EsSalud, ElectroPerú and FONAFE  
Elaborated by the Department of Economic Studies, BCRP.

**Appendix 48**  
**INFLATION: 2011-2020**  
(% change)

	Weight	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>CPI</b>	<b>100.0</b>	<b>4.74</b>	<b>2.65</b>	<b>2.86</b>	<b>3.22</b>	<b>4.40</b>	<b>3.23</b>	<b>1.36</b>	<b>2.19</b>	<b>1.90</b>	<b>1.97</b>
<b>1. CPI excluding food and energy</b>	<b>56.4</b>	<b>2.42</b>	<b>1.91</b>	<b>2.97</b>	<b>2.51</b>	<b>3.49</b>	<b>2.87</b>	<b>2.15</b>	<b>2.21</b>	<b>2.30</b>	<b>1.76</b>
a. Goods	21.7	2.37	1.60	2.62	2.43	3.57	3.41	1.24	2.25	1.39	1.52
b. Services	34.8	2.45	2.10	3.18	2.55	3.44	2.54	2.70	2.19	2.86	1.91
<b>2. Food and energy</b>	<b>43.6</b>	<b>7.70</b>	<b>3.55</b>	<b>2.73</b>	<b>4.08</b>	<b>5.47</b>	<b>3.66</b>	<b>0.46</b>	<b>2.17</b>	<b>1.43</b>	<b>2.22</b>
a. Food	37.8	7.97	4.06	2.24	4.83	5.37	3.54	0.31	1.95	1.00	2.24
b. Energy	5.7	6.01	0.22	6.09	-0.85	6.20	4.48	1.55	3.67	4.32	2.13
Fuel	2.8	7.54	-1.48	5.95	-5.59	-6.33	0.61	3.95	5.35	-0.39	-4.20
Electricity	2.9	4.30	2.19	6.23	4.37	18.71	7.53	-0.21	2.39	8.04	6.73

Source: INEI.  
Elaborated by the Department of Economic Studies, BCRP.





**Appendix 49**  
**CONSUMER PRICE INDEX: 2011-2020**  
(% change)

	2011		2012		2013		2014		2015		2016		2017		2018		2019		2020		
	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>	0.39	2.17	-0.10	4.23	0.12	2.87	0.32	3.07	0.17	3.07	0.37	4.61	0.24	3.10	0.13	1.25	0.07	2.13	0.05	1.89	
<b>February</b>	0.38	2.23	0.32	4.17	-0.09	2.45	0.60	3.78	0.30	2.77	0.17	4.47	0.32	3.25	0.25	1.18	0.13	2.00	0.14	1.90	
<b>March</b>	0.70	2.66	0.77	4.23	0.91	2.59	0.52	3.38	0.76	3.02	0.60	4.30	1.30	3.97	0.49	0.36	0.73	2.25	0.65	1.82	
<b>April</b>	0.68	3.34	0.53	4.08	0.25	2.31	0.39	3.52	0.39	3.02	0.01	3.91	-0.26	3.69	-0.14	0.48	0.20	2.59	0.10	1.72	
<b>May</b>	-0.02	3.07	0.04	4.14	0.19	2.46	0.23	3.56	0.56	3.37	0.21	3.54	-0.42	3.04	0.02	0.93	0.15	2.73	0.20	1.78	
<b>June</b>	0.10	2.91	-0.04	4.00	0.26	2.77	0.16	3.45	0.33	3.54	0.14	3.34	-0.16	2.73	0.33	1.43	-0.09	2.29	-0.27	1.60	
<b>July</b>	0.79	3.35	0.09	3.28	0.55	3.24	0.43	3.33	0.45	3.56	0.08	2.96	0.20	2.85	0.38	1.62	0.20	2.11	0.46	1.86	
<b>August</b>	0.27	3.35	0.51	3.53	0.54	3.28	-0.09	2.69	0.38	4.04	0.36	2.94	0.67	3.17	0.13	1.07	0.06	2.04	-0.11	1.69	
<b>September</b>	0.33	3.73	0.54	3.74	0.11	2.83	0.16	2.74	0.03	3.90	0.21	3.13	-0.02	2.94	0.19	1.28	0.01	1.85	0.14	1.82	
<b>October</b>	0.31	4.20	-0.16	3.25	0.04	3.04	0.38	3.09	0.14	3.66	0.41	3.41	-0.47	2.04	0.08	1.84	0.11	1.88	0.02	1.72	
<b>November</b>	0.43	4.64	-0.14	2.66	-0.22	2.96	-0.15	3.16	0.34	4.17	0.29	3.35	-0.20	1.54	0.12	2.17	0.11	1.87	0.52	2.14	
<b>December</b>	0.27	4.74	0.26	2.65	0.17	2.86	0.23	3.22	0.45	4.40	0.33	3.23	0.16	1.36	0.18	2.19	0.21	1.90	0.05	1.97	
Memo:																					
<b>Annual average</b>	<b>3.37</b>	<b>3.66</b>	<b>2.81</b>	<b>3.25</b>	<b>3.55</b>	<b>2.80</b>	<b>3.59</b>	<b>1.32</b>	<b>2.14</b>	<b>1.83</b>											

Source: INEI.  
Elaborated by the Department of Economic Studies, BCRP.

**Appendix 50**  
**INFLATION WITHOUT FOOD AND ENERGY: 2011-2020**  
(% change)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020										
	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>	-0.05	1.39	-0.13	2.33	0.04	2.09	0.03	2.95	0.00	2.48	-0.07	3.42	0.04	2.98	-0.13	1.97	0.05	2.40	0.07	2.31
<b>February</b>	0.17	1.57	0.07	2.23	0.18	2.20	0.19	2.96	0.16	2.45	0.52	3.79	0.14	2.59	0.14	1.97	0.12	2.39	0.15	2.34
<b>March</b>	0.34	1.64	0.57	2.47	0.95	2.59	0.78	2.78	0.91	2.58	0.70	3.58	0.84	2.72	0.85	1.99	1.02	2.56	0.42	1.73
<b>April</b>	0.31	1.86	0.32	2.48	0.15	2.41	0.20	2.83	0.34	2.74	0.03	3.25	0.09	2.79	0.01	1.91	0.04	2.59	0.18	1.87
<b>May</b>	0.12	1.80	0.23	2.59	0.15	2.33	0.14	2.82	0.25	2.84	0.32	3.33	0.08	2.54	0.17	2.00	0.14	2.56	0.13	1.86
<b>June</b>	0.26	2.01	0.13	2.46	0.16	2.35	0.11	2.77	0.26	3.00	0.21	3.28	0.06	2.38	0.28	2.23	0.02	2.30	0.07	1.91
<b>July</b>	0.20	2.02	0.16	2.42	0.28	2.48	0.24	2.73	0.59	3.36	0.19	2.87	0.17	2.36	0.27	2.33	0.12	2.15	0.03	1.81
<b>August</b>	0.13	2.13	0.15	2.44	0.14	2.46	-0.03	2.56	0.09	3.48	0.17	2.96	0.38	2.57	0.09	2.04	0.14	2.20	0.11	1.79
<b>September</b>	0.25	2.38	-0.04	2.14	0.08	2.58	0.09	2.57	0.06	3.44	0.11	3.01	-0.01	2.45	0.04	2.09	0.01	2.16	0.05	1.83
<b>October</b>	0.11	2.33	-0.04	1.99	0.13	2.76	0.12	2.56	0.14	3.46	0.12	3.00	0.02	2.35	0.06	2.13	0.23	2.34	0.08	1.68
<b>November</b>	0.14	2.48	0.07	1.92	0.19	2.89	0.13	2.50	0.12	3.46	0.15	3.02	0.03	2.23	0.07	2.16	0.04	2.31	0.11	1.75
<b>December</b>	0.41	2.42	0.40	1.91	0.48	2.97	0.49	2.51	0.53	3.49	0.38	2.87	0.29	2.15	0.34	2.21	0.34	2.30	0.34	1.76
Memo:																				
<b>Annual average</b>	<b>2.00</b>	<b>2.28</b>	<b>2.51</b>	<b>2.71</b>	<b>3.07</b>	<b>3.20</b>	<b>2.51</b>	<b>2.08</b>	<b>2.35</b>	<b>1.89</b>										

Source: INEI.  
Elaborated by the Department of Economic Studies, BCRP.



**Appendix 51**  
**CPI FOOD AND ENERGY: 2011-2020**  
(% change)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020										
	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>	0.95	3.18	-0.06	6.62	0.20	3.82	0.66	3.20	0.37	3.78	0.88	6.01	0.46	3.23	0.43	0.43	0.08	1.81	0.04	1.39
<b>February</b>	0.65	3.09	0.63	6.61	-0.40	2.75	1.09	4.76	0.48	3.14	-0.22	5.28	0.53	4.01	0.38	0.28	0.13	1.55	0.13	1.39
<b>March</b>	1.16	3.98	1.00	6.44	0.85	2.60	0.21	4.10	0.60	3.54	0.47	5.15	1.84	5.43	0.06	-1.47	0.38	1.88	0.91	1.93
<b>April</b>	1.14	5.23	0.78	6.06	0.38	2.18	0.63	4.36	0.45	3.35	-0.01	4.68	-0.65	4.75	-0.31	-1.13	0.39	2.60	0.01	1.55
<b>May</b>	-0.20	4.69	-0.19	6.07	0.25	2.63	0.32	4.44	0.94	3.98	0.08	3.78	-1.00	3.62	-0.16	-0.30	0.15	2.92	0.30	1.69
<b>June</b>	-0.10	4.06	-0.24	5.92	0.39	3.27	0.22	4.26	0.42	4.19	0.06	3.41	-0.41	3.14	0.40	0.51	-0.21	2.28	-0.66	1.24
<b>July</b>	1.53	5.03	0.01	4.33	0.87	4.17	0.67	4.05	0.29	3.80	-0.04	3.07	0.24	3.43	0.51	0.79	0.30	2.07	0.98	1.92
<b>August</b>	0.43	4.88	0.94	4.86	1.03	4.25	-0.15	2.84	0.72	4.70	0.58	2.93	1.01	3.87	0.18	-0.04	-0.03	1.85	-0.37	1.57
<b>September</b>	0.43	5.43	1.24	5.70	0.14	3.13	0.24	2.93	-0.01	4.44	0.32	3.26	-0.03	3.52	0.37	0.35	0.01	1.49	0.24	1.81
<b>October</b>	0.57	6.58	-0.31	4.78	-0.07	3.37	0.68	3.71	0.15	3.89	0.75	3.88	-1.03	1.69	0.11	1.51	-0.03	1.35	-0.06	1.78
<b>November</b>	0.79	7.39	-0.38	3.56	-0.70	3.04	-0.48	3.95	0.60	5.02	0.46	3.73	-0.46	0.76	0.19	2.17	0.19	1.35	1.00	2.60
<b>December</b>	0.10	7.70	0.09	3.55	-0.21	2.73	-0.08	4.08	0.35	5.47	0.29	3.66	0.00	0.46	-0.01	2.17	0.07	1.43	-0.30	2.22
Memo:																				
<b>Annual average</b>	<b>5.11</b>	<b>5.36</b>	<b>3.16</b>	<b>3.88</b>	<b>4.11</b>	<b>4.06</b>	<b>3.15</b>	<b>1.88</b>	<b>0.43</b>	<b>1.76</b>										

Source: INEI.  
Elaborated by the Department of Economic Studies, BCRP.

**Appendix 52**  
**NOMINAL EXCHANGE RATE - END OF PERIOD 1/<sup>1/</sup>**  
**(% change)**

	2011		2012		2013		2014		2015		2016		2017		2018		2019		2020		
	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>	-1.3	-2.9	-0.2	-3.0	1.1	-4.2	0.9	9.5	2.3	8.4	1.7	13.5	-2.2	-5.3	-0.9	-2.1	-1.3	3.7	1.8	1.2	
<b>February</b>	0.1	-2.6	-0.5	-3.5	0.3	-3.4	-0.7	8.3	1.2	10.5	1.6	14.0	-0.7	-7.5	1.4	-0.1	-0.9	1.3	2.2	4.4	
<b>March</b>	1.1	-1.3	-0.4	-4.9	0.1	-3.0	0.3	8.5	0.1	10.3	-5.6	7.5	-0.4	-2.4	-1.0	-0.6	0.5	2.8	-0.3	3.6	
<b>April</b>	0.6	-1.0	-1.0	-6.4	2.2	0.2	0.0	6.2	1.0	11.3	-1.6	4.7	-0.1	-0.9	0.7	0.1	-0.3	1.9	-1.7	2.1	
<b>May</b>	-1.9	-2.7	2.6	-2.1	3.3	0.9	-1.5	1.2	1.0	14.1	3.1	6.8	0.8	-3.0	0.7	0.1	1.8	2.9	1.5	1.9	
<b>June</b>	-0.6	-2.7	-1.4	-2.9	1.8	4.2	1.0	0.5	0.7	13.7	-2.4	3.6	-0.5	-1.1	0.0	0.6	-2.4	0.5	3.1	7.6	
<b>July</b>	-0.4	-3.0	-1.6	-4.0	0.4	6.3	0.0	0.1	0.4	14.1	2.1	5.3	-0.4	-3.5	0.0	1.0	0.6	1.1	-0.3	6.6	
<b>August</b>	-0.4	-2.5	-0.7	-4.3	0.5	7.6	1.7	1.3	1.4	13.8	1.0	4.9	0.0	-4.5	0.7	1.7	2.7	3.1	0.5	4.4	
<b>September</b>	1.7	-0.5	-0.5	-6.3	-0.9	7.1	1.7	4.0	-0.4	11.4	0.2	5.6	0.8	-4.0	0.1	1.1	-0.4	2.5	1.5	6.3	
<b>October</b>	-2.3	-3.2	-0.2	-4.3	-0.4	6.9	1.1	5.5	2.0	12.5	-1.1	2.4	-0.5	-3.4	2.0	3.6	-1.1	-0.5	0.4	7.9	
<b>November</b>	-0.3	-4.7	-0.5	-4.5	1.2	8.6	-0.1	4.2	2.7	15.6	1.4	1.1	-0.5	-5.2	0.4	4.5	1.5	0.5	-0.1	6.2	
<b>December</b>	-0.1	-4.0	-1.1	-5.4	-0.2	9.6	2.4	6.9	1.1	14.2	-1.6	-1.6	0.3	-3.4	-0.1	4.1	-2.4	-1.8	0.4	9.3	
<b>Annual average</b>	<b>-2.6</b>	<b>-4.3</b>	<b>3.3</b>	<b>4.6</b>	<b>12.5</b>	<b>5.5</b>	<b>-3.7</b>	<b>1.2</b>	<b>1.5</b>	<b>1.2</b>	<b>1.5</b>	<b>1.2</b>	<b>1.5</b>	<b>1.2</b>	<b>1.5</b>	<b>1.2</b>	<b>1.5</b>	<b>1.2</b>	<b>1.5</b>	<b>1.2</b>	<b>1.5</b>

<sup>1/</sup>Corresponds to bank selling exchange rate.

Source: SBS.

Elaborated by the Department of Economic Studies, BCRP.



**Appendix 53**  
**NOMINAL EXCHANGE RATE - AVERAGE OF PERIOD 1/<sup>1/</sup>**  
 (% change)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020										
	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	-2.4	-0.1	-3.4	-0.6	-5.2	0.8	10.1	1.5	7.0	1.6	14.4	-1.6	-2.8	-1.0	-3.7	-0.6	4.0	-0.8	-0.5
<b>February</b>	-0.6	-2.9	-0.3	-3.1	1.0	-3.9	0.1	9.1	2.4	9.5	2.0	13.9	-2.4	-7.0	1.0	-0.4	-0.7	2.3	1.9	2.1
<b>March</b>	0.3	-2.1	-0.5	-3.9	0.6	-2.9	-0.2	8.2	0.4	10.2	-2.8	10.2	0.1	-4.2	0.1	-0.4	-0.5	1.6	3.0	5.7
<b>April</b>	1.3	-0.9	-0.5	-5.6	0.1	-2.2	-0.4	7.6	0.9	11.7	-3.1	5.8	-0.5	-1.7	-0.7	-0.5	0.0	2.3	-2.7	2.9
<b>May</b>	-1.4	-2.5	0.5	-3.8	1.8	-0.9	-0.3	5.4	1.0	13.1	1.0	5.9	0.8	-1.8	1.3	0.0	0.9	1.8	0.7	2.7
<b>June</b>	-0.4	-2.6	0.0	-3.4	3.9	2.9	0.3	1.7	0.3	13.1	-0.5	4.9	-0.2	-1.5	-0.1	0.1	-0.2	1.7	1.4	4.3
<b>July</b>	-0.8	-2.9	-1.3	-3.9	1.1	5.4	-0.3	0.3	0.6	14.2	-0.5	3.7	-0.6	-1.5	0.2	0.9	-1.1	0.4	1.4	6.9
<b>August</b>	-0.1	-2.2	-0.7	-4.5	0.9	7.1	1.0	0.5	1.8	15.1	1.0	2.9	-0.2	-2.8	0.3	1.4	2.6	2.7	1.3	5.5
<b>September</b>	0.2	-1.7	-0.5	-5.1	-0.8	6.8	1.8	3.1	-0.6	12.4	1.5	5.1	0.1	-4.0	0.7	2.0	-0.6	1.4	-0.2	5.9
<b>October</b>	-0.4	-2.1	-0.6	-5.3	-0.3	7.0	1.5	4.9	0.9	11.8	0.1	4.2	0.2	-4.0	0.7	2.5	0.1	0.8	1.1	7.0
<b>November</b>	-1.0	-3.6	0.4	-3.9	1.0	7.7	0.7	4.5	2.7	14.1	0.5	2.0	-0.3	-4.8	1.2	4.1	0.4	-0.1	0.4	7.0
<b>December</b>	-0.3	-4.2	-1.2	-4.8	-0.5	8.5	1.3	6.4	1.4	14.2	-0.2	0.4	0.2	-4.4	-0.3	3.6	-0.5	-0.3	-0.1	7.4
<b>Annual average</b>	<b>-2.5</b>	<b>-4.2</b>	<b>2.4</b>	<b>5.1</b>	<b>12.2</b>	<b>6.0</b>	<b>-3.4</b>	<b>0.8</b>	<b>1.5</b>	<b>4.7</b>										

<sup>1/</sup> Corresponds to bank selling exchange rate.  
 Source: SBS.  
 Elaborated by the Department of Economic Studies, BCRP.

**Appendix 54**  
**REAL MULTILATERAL EXCHANGE RATE**  
(% change)

	2011		2012		2013		2014		2015		2016		2017		2018		2019		2020	
	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>	-0.1	0.7	1.0	-3.6	0.1	-5.5	0.6	7.5	0.4	0.3	0.1	2.6	-0.7	-3.4	1.4	2.7	0.5	-1.4	0.3	-1.1
<b>February</b>	0.2	1.9	0.8	-3.1	1.7	-4.6	-0.3	5.4	2.0	2.6	3.2	3.8	-1.8	-8.1	2.3	6.9	0.2	-3.4	0.9	-0.3
<b>March</b>	0.6	2.8	-1.3	-4.9	-1.1	-4.4	-0.4	6.0	-1.7	1.2	-2.0	3.5	-1.4	-7.6	-0.9	7.5	-1.3	-3.8	0.2	1.2
<b>April</b>	2.2	4.7	-1.1	-7.9	0.1	-3.3	-0.2	5.7	1.3	2.8	-1.7	0.4	0.3	-5.7	-0.4	6.7	-0.1	-3.5	-4.4	-3.1
<b>May</b>	-1.0	5.2	-0.8	-7.7	1.4	-1.2	-0.1	4.1	1.2	4.2	0.4	-0.4	1.4	-4.7	-0.3	4.9	-0.6	-3.7	0.1	-2.4
<b>June</b>	-0.1	6.4	-1.0	-8.5	3.3	3.1	0.1	0.9	-0.4	3.7	-0.8	-0.8	0.6	-3.3	-1.4	2.8	0.2	-2.2	3.4	0.6
<b>July</b>	-0.9	4.9	-1.3	-8.9	0.2	4.6	-0.8	-0.1	-0.7	3.8	-0.8	-0.9	0.0	-2.6	-1.6	1.1	-0.7	-1.3	1.6	3.0
<b>August</b>	0.0	5.1	-0.5	-9.3	0.6	5.8	0.6	-0.1	-0.6	2.5	1.4	1.0	0.6	-3.4	-0.4	0.1	1.0	0.1	2.9	5.0
<b>September</b>	-1.5	2.6	0.1	-7.8	-0.1	5.5	1.0	1.0	-1.5	0.1	1.3	3.9	1.5	-3.2	0.4	-0.9	-0.8	-1.1	0.5	6.4
<b>October</b>	-1.4	-1.2	0.0	-6.5	0.5	6.0	0.3	0.8	1.4	1.1	-0.9	1.5	-0.1	-2.4	0.4	-0.4	0.8	-0.7	1.5	7.1
<b>November</b>	-1.5	-3.4	0.2	-4.9	0.6	6.5	-0.4	-0.2	1.4	2.9	-1.3	-1.1	-0.3	-1.5	0.4	0.4	0.4	-0.7	0.9	7.6
<b>December</b>	-1.2	-4.7	-0.9	-4.6	-0.5	7.0	0.1	0.4	0.1	3.0	-1.5	-2.7	0.5	0.5	-0.4	-0.6	-0.5	-0.8	1.8	10.1
<b>Annual average</b>	<b>2.0</b>	<b>-6.5</b>	<b>1.5</b>	<b>2.6</b>	<b>2.3</b>	<b>0.9</b>	<b>-3.8</b>	<b>2.6</b>	<b>0.9</b>	<b>-1.9</b>	<b>2.6</b>	<b>2.8</b>	<b>-1.9</b>	<b>2.6</b>	<b>2.6</b>	<b>-1.9</b>	<b>2.6</b>	<b>-1.9</b>	<b>2.6</b>	<b>2.8</b>

Source: SBS.  
Elaborated by the Department of Economic Studies, BCRP.



**Appendix 55**  
**BILATERAL AND MULTILATERAL REAL EXCHANGE RATE**  
(Period average data)

	NOMINAL EXCHANGE RATE INDEX (S/ x US\$) Base: 2009=100		US Index Base: 2009=100	BILATERAL REAL EXCHANGE RATE INDEX 1/ Base: 2009=100		Average	NOMINAL EXCHANGE RATE INDEX (S/ x Basket) 2/ Base: 2009=100		MULTILATERAL EXTERNAL PRICE INDEX 3/ Base: 2009=100	MULTILATERAL REAL EXCHANGE RATE INDEX 2/ 3/ Base: 2009=100
	Bid	Ask		Bid	Ask		Average	Average		
<b>2011</b>	91.5	91.5	104.8	91.4	91.4	91.4	97.5	106.9	99.3	
<b>2012</b>	87.6	87.6	107.0	86.2	86.2	86.2	92.1	109.7	92.9	
<b>2013</b>	89.7	89.7	108.6	87.1	87.1	87.1	93.9	112.3	94.3	
<b>2014</b>	94.2	94.3	110.3	90.1	90.1	90.1	97.4	114.7	96.7	
<b>2015</b>	105.7	105.8	110.5	97.7	97.7	97.7	101.6	116.4	99.0	
<b>2016</b>	112.0	112.1	111.9	101.2	101.3	101.3	104.1	118.8	99.9	
<b>2017</b>	108.2	108.3	114.3	97.2	97.2	97.2	101.1	121.0	96.1	
<b>2018</b>	109.1	109.2	117.0	99.0	99.0	99.0	102.8	123.6	98.5	
<b>2019</b>	110.8	110.8	119.2	100.2	100.2	100.2	100.7	126.5	96.6	
January	111.0	111.1	117.3	100.0	100.0	100.0	102.4	124.6	97.8	
February	110.3	110.3	117.8	99.6	99.6	99.6	102.0	125.3	98.0	
March	109.7	109.8	118.5	99.0	99.0	99.0	101.3	125.5	96.8	
April	109.7	109.7	119.1	99.2	99.2	99.2	101.1	125.9	96.7	
May	110.6	110.7	119.4	100.2	100.2	100.2	100.5	126.1	96.1	
June	110.4	110.5	119.4	100.1	100.1	100.1	100.6	126.1	96.3	
July	109.2	109.3	119.6	99.0	99.0	99.0	99.9	126.4	95.6	
August	112.1	112.2	119.6	101.5	101.6	101.6	100.6	126.8	96.6	
September	111.5	111.5	119.7	101.0	101.0	101.0	99.5	127.2	95.8	
October	111.5	111.6	120.0	101.2	101.2	101.2	99.9	127.8	96.6	
November	111.9	112.0	119.9	101.4	101.4	101.4	100.4	127.9	97.0	
December	111.4	111.5	119.8	100.6	100.6	100.6	100.0	128.1	96.5	
<b>2020</b>	116.0	116.1	120.6	104.3	104.3	104.3	103.7	128.6	99.4	
January	110.5	110.5	120.2	100.1	100.1	100.1	99.8	128.8	96.8	
February	112.6	112.6	120.6	102.1	102.1	102.1	100.4	129.4	97.7	
March	115.9	116.0	120.3	104.2	104.3	104.3	101.8	128.7	97.9	
April	112.8	112.9	119.5	100.6	100.7	100.7	97.9	128.1	93.6	
May	113.5	113.7	119.5	101.1	101.2	101.2	98.6	127.7	93.8	
June	115.2	115.3	120.2	103.4	103.5	103.5	101.4	128.0	96.9	
July	116.7	116.8	120.8	104.8	104.9	104.9	103.5	128.0	98.5	
August	118.3	118.4	121.2	106.7	106.8	106.8	105.8	128.7	101.4	
September	118.0	118.1	121.3	106.4	106.5	106.5	106.3	129.0	101.9	
October	119.4	119.4	121.4	107.7	107.8	107.8	107.9	129.0	103.4	
November	119.7	119.9	121.3	107.4	107.5	107.5	109.7	128.7	104.4	
December	119.6	119.7	121.4	107.3	107.4	107.4	111.2	129.2	106.2	

1/ Using the United States Consumer Price Index (CPI)  
2/ Corresponds to the average bid-ask exchange rate.  
3/ Using the Price Index of 20 main trading partners.  
Source: SBS, IMF, INEI, and Reuters.  
Elaborated by the Department of Economic Studies, BCRP.

**Appendix 56**  
**REAL EXCHANGE RATE**  
(% change, period average data) 1/

	NOMINAL EXCHANGE RATE INDEX (S/ x US\$) Base: 2009=100		US Index Base: 2009=100	BILATERAL REAL EXCHANGE RATE INDEX 2/ Base: 2009=100		Average	NOMINAL EXCHANGE RATE INDEX (S/ x Basket) 3/ Base: 2009=100		MULTILATERAL EXTERNAL INFLATION 4/ Base: 2009=100	MULTILATERAL REAL EXCHANGE RATE INDEX 3/4/ Base: 2009=100
	Bid	Ask		Bid	Ask		Average	Average		
<b>2011</b>	-2.5	-2.5	3.2	-2.7	-2.7	-2.7	1.3	4.1	2.0	
<b>2012</b>	-4.2	-4.2	2.1	-5.7	-5.7	-5.7	-5.6	2.6	-6.5	
<b>2013</b>	2.4	2.4	1.5	1.1	1.1	1.1	2.0	2.3	1.5	
<b>2014</b>	5.0	5.1	1.6	3.4	3.4	3.4	3.7	2.1	2.6	
<b>2015</b>	12.2	12.2	0.1	8.4	8.5	8.5	4.4	1.5	2.3	
<b>2016</b>	6.0	6.0	1.3	3.6	3.6	3.6	2.5	2.0	0.9	
<b>2017</b>	-3.4	-3.4	2.1	-4.0	-4.0	-4.0	-2.9	1.9	-3.8	
<b>2018</b>	0.8	0.8	2.4	1.9	1.9	1.9	1.7	2.2	2.6	
<b>2019</b>	1.5	1.5	1.8	1.2	1.2	1.2	-2.1	2.3	-1.9	
January	-0.6	-0.6	0.2	-0.5	-0.5	-0.5	0.4	0.2	0.5	
February	-0.7	-0.7	0.4	-0.4	-0.4	-0.4	-0.3	0.6	0.2	
March	-0.5	-0.5	0.6	-0.7	-0.7	-0.7	-0.7	0.1	-1.3	
April	0.0	0.0	0.5	0.3	0.3	0.3	-0.3	0.4	-0.1	
May	0.9	0.9	0.2	0.9	0.9	0.9	-0.6	0.1	-0.6	
June	-0.2	-0.2	0.0	-0.1	-0.1	-0.1	0.1	0.0	0.2	
July	-1.1	-1.1	0.2	-1.1	-1.1	-1.1	-0.8	0.2	-0.7	
August	2.7	2.6	0.0	2.6	2.6	2.6	0.8	0.3	1.0	
September	-0.6	-0.6	0.1	-0.5	-0.5	-0.5	-1.1	0.3	-0.8	
October	0.1	0.1	0.2	0.2	0.2	0.2	0.4	0.5	0.8	
November	0.3	0.4	-0.1	0.2	0.2	0.2	0.4	0.1	0.4	
December	-0.5	-0.5	-0.1	-0.8	-0.8	-0.8	-0.4	0.1	-0.5	
<b>2020</b>	4.7	4.7	1.2	4.1	4.1	4.1	3.0	1.7	2.8	
January	-0.8	-0.8	0.4	-0.5	-0.5	-0.5	-0.3	0.6	0.3	
February	1.9	1.9	0.3	2.0	2.0	2.0	0.7	0.4	0.9	
March	3.0	3.0	-0.2	2.1	2.1	2.1	1.4	-0.5	0.2	
April	-2.7	-2.7	-0.7	-3.5	-3.4	-3.4	-3.8	-0.5	-4.4	
May	0.7	0.7	0.0	0.5	0.5	0.5	0.7	0.1	0.1	
June	1.5	1.4	0.5	2.3	2.2	2.3	2.9	0.2	3.4	
July	1.3	1.4	0.5	1.4	1.4	1.4	2.1	0.0	1.6	
August	1.4	1.3	0.3	1.8	1.8	1.8	2.2	0.6	2.9	
September	-0.3	-0.2	0.1	-0.3	-0.3	-0.3	0.5	0.2	0.5	
October	1.1	1.1	0.0	1.2	1.2	1.2	1.5	0.0	1.5	
November	0.3	0.4	-0.1	-0.2	-0.2	-0.2	1.7	-0.2	0.9	
December	-0.1	-0.1	0.1	-0.1	-0.1	-0.1	1.4	0.4	1.8	

1/ For monthly data, change is respect to the previous month.

2/ Using the United States Consumer Price Index (CPI)

3/ Corresponds to the average bid-ask exchange rate.

4/ Using the Price Index of 20 main trading partners.

Source: SBS, IMF, INEI, and Reuters.

Elaborated by the Department of Economic Studies, BCRP.





**Appendix 57**  
**EXCHANGE RATE OF THE MAIN CURRENCIES AGAINST THE US DOLLAR**  
(Data at the end of period)

	Euro (€)	Yen (¥)	Pound (£)	Brazilian real (R)	Chilean peso (\$)	Mexican peso (\$)	Colombian peso (\$)	Argentine peso (\$)	SDR 1/
<b>2011</b>	0.773	77.720	0.647	1.86	521	13.98	1943	4.28	1.535
<b>2012</b>	0.759	86.550	0.621	2.05	479	12.99	1772	4.90	1.537
<b>2013</b>	0.726	105.300	0.607	2.35	524	13.07	1923	6.50	1.540
<b>2014</b>	0.824	120.640	0.641	2.66	607	14.73	2392	8.51	1.449
<b>2015</b>	0.919	120.500	0.675	3.90	707	17.25	3149	13.10	1.386
<b>2016</b>	0.949	116.800	0.813	3.26	667	20.66	3001	15.90	1.344
<b>2017</b>	0.834	112.900	0.740	3.31	615	19.66	2972	18.60	1.424
<b>2018</b>	0.873	110.830	0.788	3.87	696	19.68	3275	37.60	1.391
<b>2019</b>	0.894	109.120	0.762	4.03	745	18.87	3294	59.79	1.383
<b>2020</b>	0.819	103.26	0.731	5.19	711	19.89	3422	84.09	1.440

1/ US dollars per SDR.

Source: IMF and Reuters.

Elaborated by the Department of Economic Studies, BCRP.

**Appendix 58**  
**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 2/	Total broad money 2/	Credit to the private sector in domestic currency	Credit to the private sector in foreign currency 2/ 3/	Total credit to the private sector 2/
<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	12.9	24.1	10.7	34.8	18.9	14.3	33.2
<b>2013</b>	6.4	11.4	13.7	25.1	12.3	37.4	21.6	14.8	36.5
<b>2014</b>	6.8	11.9	14.5	26.4	12.5	38.9	24.2	15.0	39.2
<b>2015</b>	6.7	11.7	13.9	25.6	15.3	40.9	29.2	12.8	42.0
<b>2016</b>	6.6	11.3	14.7	26.0	13.8	39.7	29.1	12.0	41.0
<b>2017</b>	6.6	11.7	15.7	27.4	13.1	40.6	28.8	11.9	40.7
<b>2018</b>	6.7	12.4	16.6	29.0	12.9	41.9	30.3	11.9	42.1
<b>2019</b>	6.8	12.9	17.8	30.7	13.1	43.8	31.9	11.2	43.1
<b>2020</b>	10.0	20.0	23.8	43.8	17.1	60.9	41.2	11.8	52.9

1/ Data at the end of period.

2/ Valued at the current exchange rate.

3/ Includes loans made by banks' branches abroad

Source: Depository institutions.

Elaborated by the Department of Economic Studies, BCRP.



**Appendix 59**  
**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 2/	Credit to the private sector in domestic currency	Credit to the private sector in foreign currency 3/	Total credit to the private sector 2/
<b>2011</b>	13.0	14.3	18.8	16.6	17.2	16.8	20.4	18.2	19.3
<b>2012</b>	18.3	17.4	29.0	23.3	-0.7	13.3	16.0	14.6	15.3
<b>2013</b>	9.0	8.7	14.1	11.6	12.5	11.9	22.6	1.8	12.3
<b>2014</b>	11.5	9.7	11.3	10.6	0.8	7.0	17.7	-0.4	9.6
<b>2015</b>	3.8	4.5	2.0	3.1	13.1	6.6	28.0	-20.7	8.2
<b>2016</b>	6.5	3.5	13.6	9.0	-1.8	5.0	7.2	2.0	5.6
<b>2017</b>	6.7	10.7	13.9	12.5	5.5	10.1	5.3	9.9	6.6
<b>2018</b>	7.8	12.8	11.8	12.2	0.1	8.2	11.6	1.9	8.7
<b>2019</b>	4.7	7.9	12.0	10.2	7.5	9.4	9.8	-0.4	6.9
<b>2020</b>	37.3	43.8	23.9	32.3	10.8	25.9	19.7	-10.6	11.8

1/ Data at the end of period.

2/ Valued at the exchange rate of December 2019.

3/ Includes loans made by banks' branches abroad

Source: Depository institutions.

Elaborated by the Department of Economic Studies, BCRP.

**Appendix 60**  
**MONETARY ACCOUNTS OF THE DEPOSITORY INSTITUTIONS 1/**  
(Million soles)

	2011	2012	2013	2014	2015	2016	2017	2018	2019 2/	2020 2/
<b>I. Short-term external assets (Million US\$)</b>	<b>132,815</b>	<b>159,157</b>	<b>185,919</b>	<b>188,237</b>	<b>209,960</b>	<b>209,538</b>	<b>208,196</b>	<b>203,324</b>	<b>225,459</b>	<b>273,646</b>
A. Assets	49,191	62,414	66,399	63,167	61,572	62,363	64,258	60,334	68,115	75,593
B. Liabilities	136,939	168,382	190,541	194,409	218,395	216,358	217,079	213,651	235,002	283,684
	4,124	9,226	4,623	6,172	8,435	6,819	8,882	10,326	9,543	10,038
<b>II. Other net operations abroad (Million US\$) 3/</b>	<b>-21,575</b>	<b>-27,378</b>	<b>-33,650</b>	<b>-36,678</b>	<b>-37,975</b>	<b>-33,971</b>	<b>-30,575</b>	<b>-30,910</b>	<b>-31,076</b>	<b>-21,021</b>
A. Credits	-7,991	-10,736	-12,018	-12,308	-11,136	-10,110	-9,437	-9,172	-9,388	-5,807
B. Liabilities	5,008	5,096	5,498	5,508	6,349	8,833	8,394	10,662	9,299	16,184
	26,583	32,474	39,148	42,186	44,324	42,803	38,969	41,572	40,375	37,205
<b>III. Domestic credit (A+B+C+D)</b>	<b>46,219</b>	<b>45,312</b>	<b>51,870</b>	<b>71,947</b>	<b>77,416</b>	<b>84,818</b>	<b>105,577</b>	<b>137,992</b>	<b>143,363</b>	<b>182,969</b>
A. Public sector	-53,115	-68,827	-72,568	-73,327	-78,013	-78,200	-62,827	-57,302	-62,452	-34,785
1. Credits	8,916	8,349	12,446	16,571	21,430	22,595	29,882	32,402	30,042	39,732
- Central government	8,185	7,893	11,352	14,664	18,665	18,995	25,020	27,283	25,667	35,179
- Rest of the public sector	730	456	1,094	1,906	2,765	3,600	4,862	5,119	4,375	4,553
2. Deposits	62,031	77,177	85,014	89,898	99,443	100,795	92,709	89,704	92,494	74,517
- Central government	47,988	59,679	66,184	71,041	79,953	81,660	73,681	70,432	74,709	57,528
- Rest of the public sector	14,042	17,498	18,830	18,857	19,490	19,135	19,027	19,272	17,786	16,989
B. Private sector	147,861	167,524	198,252	224,376	255,471	268,562	282,293	311,368	331,384	377,700
Domestic currency	83,034	96,321	118,063	139,013	177,988	190,750	200,877	224,163	246,090	294,488
Foreign currency	64,828	71,203	80,189	85,363	77,483	77,812	81,416	87,205	85,295	83,212
(Million US\$)	24,010	27,923	28,639	28,645	22,722	23,158	25,128	25,877	25,769	22,987
C. Capital, reserves, provisions, and balances	45,684	49,389	52,096	55,844	64,614	76,980	84,485	92,257	104,243	116,203
D. Others Assets and Liabilities (Net)	-2,844	-3,996	-21,717	-23,258	-35,428	-28,564	-29,404	-23,816	-21,326	-43,742
<b>IV. Monetary liabilities with private sector (I+II+III)</b>	<b>157,459</b>	<b>177,091</b>	<b>204,139</b>	<b>223,505</b>	<b>249,401</b>	<b>260,386</b>	<b>283,198</b>	<b>310,407</b>	<b>337,747</b>	<b>435,594</b>
A. Domestic currency	99,520	122,734	136,976	151,445	156,170	170,211	191,498	214,901	236,862	313,325
1. Money	48,766	57,247	62,229	68,278	71,324	73,805	81,713	92,198	99,448	143,022
Notes and coins held by the public	27,261	32,244	35,144	39,173	40,643	43,295	46,178	49,778	52,117	71,575
Demand deposits in domestic currency	21,505	25,002	27,084	29,105	30,681	30,509	35,535	42,420	47,332	71,446
2. Quasi money	50,754	65,488	74,747	83,167	84,846	96,406	109,785	122,704	137,413	170,303
Saving deposits	22,409	26,978	31,061	35,591	36,751	40,696	45,692	53,723	59,454	95,495
Term deposits	26,551	35,260	40,870	43,691	43,890	51,078	59,135	63,952	72,342	71,494
Other securities	1,794	3,250	2,816	3,885	4,204	4,632	4,958	5,028	5,617	3,314
B. Quasi money in foreign currency (Million US\$)	57,939	54,357	67,163	72,060	93,231	90,175	91,700	95,505	100,885	122,269
	21,459	21,316	23,987	24,181	27,340	26,838	28,302	28,340	30,479	33,776

1/ Foreign currency is valued at the average bid-ask exchange rate at the end of period.

2/ Preliminary data.

3/ Balance of operations in foreign currency.

Source: Depository institutions.

Elaborated by the Department of Economic Studies, BCRP.



**Appendix 61**  
**MONETARY ACCOUNTS OF COMMERCIAL BANKS 1/**  
(Million soles)

	2011	2012	2013	2014	2015	2016	2017	2018	2019 2/	2020 2/
<b>I. Short-term external assets (Million US\$)</b>	<b>806</b>	<b>-4,345</b>	<b>1,890</b>	<b>2,078</b>	<b>64</b>	<b>2,043</b>	<b>1,728</b>	<b>532</b>	<b>-919</b>	<b>2,964</b>
Assets	299	-1,704	675	697	19	608	533	158	-278	819
Liabilities	4,815	4,733	6,380	8,118	8,322	8,659	10,252	10,298	8,445	12,272
	4,009	9,078	4,491	6,039	8,258	6,616	8,525	9,765	9,364	9,307
<b>II. Other net operations abroad (Million US\$) 3/</b>	<b>-20,570</b>	<b>-26,302</b>	<b>-32,241</b>	<b>-35,594</b>	<b>-37,060</b>	<b>-32,533</b>	<b>-29,630</b>	<b>-30,476</b>	<b>-29,690</b>	<b>-19,622</b>
Credits	2,952	-10,314	-11,515	-11,944	-10,868	-9,683	-9,145	-9,043	-8,970	-5,421
Liabilities	23,522	3,121	3,377	3,152	3,760	2,728	2,094	4,074	4,147	10,805
		29,423	35,618	38,747	40,820	35,262	31,724	34,550	33,837	30,427
<b>III. Domestic credit (A+B+C+D)</b>	<b>126,082</b>	<b>146,423</b>	<b>164,930</b>	<b>178,324</b>	<b>203,100</b>	<b>200,453</b>	<b>212,549</b>	<b>231,128</b>	<b>250,727</b>	<b>306,191</b>
<b>A. Public sector</b>	<b>-5,537</b>	<b>-9,213</b>	<b>-8,345</b>	<b>-6,478</b>	<b>-8,276</b>	<b>-7,075</b>	<b>-780</b>	<b>-1,406</b>	<b>404</b>	<b>16,307</b>
1. Credits	4,115	2,768	4,828	8,327	9,897	11,088	16,001	19,080	19,928	29,549
- Central government	3,704	2,576	4,078	6,421	7,427	7,827	11,227	13,961	15,630	25,579
- Rest of the public sector	411	192	750	1,906	2,470	3,262	4,774	5,119	4,298	3,970
2. Deposits	9,652	11,981	13,173	14,805	18,173	18,164	16,781	20,486	19,524	13,242
- Central government	671	467	887	762	3,366	3,191	2,215	5,212	5,449	835
- Rest of the public sector	8,982	11,514	12,286	14,043	14,807	14,973	14,565	15,274	14,075	12,407
<b>B. Private sector</b>	<b>122,539</b>	<b>138,411</b>	<b>165,612</b>	<b>187,736</b>	<b>218,504</b>	<b>227,199</b>	<b>234,815</b>	<b>258,461</b>	<b>273,779</b>	<b>317,832</b>
1. Domestic currency	60,753	70,416	88,577	105,758	144,762	153,011	157,463	175,753	192,822	239,364
2. Foreign currency	61,787	67,995	77,035	81,978	73,742	74,188	77,352	82,708	80,957	78,468
<b>(Million US\$)</b>	<b>22,884</b>	<b>26,665</b>	<b>27,512</b>	<b>27,510</b>	<b>21,625</b>	<b>22,080</b>	<b>23,874</b>	<b>24,543</b>	<b>24,458</b>	<b>21,676</b>
<b>C. Capital, reserves, provisions, and balances</b>	<b>31,608</b>	<b>34,942</b>	<b>39,523</b>	<b>44,980</b>	<b>53,929</b>	<b>59,773</b>	<b>65,912</b>	<b>70,915</b>	<b>77,792</b>	<b>89,368</b>
<b>D. Others Assets and Liabilities (Net)</b>	<b>40,688</b>	<b>52,168</b>	<b>47,186</b>	<b>42,046</b>	<b>46,801</b>	<b>40,102</b>	<b>44,426</b>	<b>44,988</b>	<b>54,336</b>	<b>61,420</b>
<b>IV. Monetary liabilities with private sector (A+B+C)</b>	<b>106,318</b>	<b>115,776</b>	<b>134,578</b>	<b>144,808</b>	<b>166,105</b>	<b>169,962</b>	<b>184,647</b>	<b>201,184</b>	<b>220,118</b>	<b>289,533</b>
<b>A. Money</b>	<b>18,332</b>	<b>21,023</b>	<b>22,151</b>	<b>23,105</b>	<b>24,006</b>	<b>24,293</b>	<b>29,513</b>	<b>35,947</b>	<b>40,105</b>	<b>62,252</b>
1. Demand deposits in domestic currency	18,332	21,023	22,151	23,105	24,006	24,293	29,513	35,947	40,105	62,252
<b>B. Quasi money in domestic currency</b>	<b>33,533</b>	<b>43,777</b>	<b>49,503</b>	<b>54,393</b>	<b>55,414</b>	<b>62,331</b>	<b>69,955</b>	<b>76,469</b>	<b>85,545</b>	<b>111,967</b>
1. Saving deposits	15,940	19,602	22,599	24,964	25,896	28,639	32,097	38,390	42,773	70,900
2. Term deposits	17,168	23,733	26,163	27,794	28,004	32,476	36,857	37,432	42,572	41,055
3. Other securities	425	442	742	1,635	1,514	1,217	1,001	647	200	12
<b>C. Quasi money in foreign currency (Million US\$)</b>	<b>54,453</b>	<b>50,976</b>	<b>62,924</b>	<b>67,310</b>	<b>86,685</b>	<b>83,337</b>	<b>85,179</b>	<b>88,768</b>	<b>94,468</b>	<b>115,313</b>
	<b>20,168</b>	<b>19,991</b>	<b>22,473</b>	<b>22,587</b>	<b>25,421</b>	<b>24,803</b>	<b>26,290</b>	<b>26,341</b>	<b>28,540</b>	<b>31,855</b>

1/ Foreign currency is valued at the average bid-ask exchange rate at the end of period.

2/ Preliminary data.

3/ Balance of operations in foreign currency.

Source: Depository institutions.

Elaborated by the Department of Economic Studies, BCRP.

**Appendix 62**  
**MONETARY ACCOUNT OF CENTRAL RESERVE BANK OF PERU 1/**  
(Million soles)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>I. Net international Reserves (Million US\$)</b>	<b>131,803</b>	<b>163,178</b>	<b>183,857</b>	<b>185,678</b>	<b>209,663</b>	<b>207,263</b>	<b>206,132</b>	<b>202,609</b>	<b>226,126</b>	<b>270,439</b>
A. Assets	48,816	63,991	65,663	62,308	61,485	61,686	63,621	60,121	68,316	74,707
B. Liabilities	131,918	163,325	183,989	185,811	209,841	207,466	206,490	203,170	226,304	271,169
	115	146	132	133	178	203	358	561	179	730
<b>II. Other net liabilities abroad (Million US\$) 2/</b>	<b>55</b>	<b>50</b>	<b>54</b>	<b>58</b>	<b>67</b>	<b>63</b>	<b>62</b>	<b>65</b>	<b>64</b>	<b>67</b>
A. Credits	21	20	20	20	20	20	20	20	20	20
B. Liabilities 1,815	1,870	1,727	1,797	1,783	2,138	5,944	5,595	5,517	4,993	5,244
	1,678	1,743	1,724	2,071	5,881	5,533	5,452	4,929	5,178	
<b>III. Domestic credit (A+B+C- D+E)</b>	<b>-53,586</b>	<b>-57,994</b>	<b>-70,426</b>	<b>-71,175</b>	<b>-61,801</b>	<b>-66,877</b>	<b>-61,413</b>	<b>-71,516</b>	<b>-77,308</b>	<b>-48,184</b>
A. Public sector	-41,681	-52,917	-57,756	-62,614	-67,334	-71,043	-63,272	-58,177	-60,785	-45,720
1. Credits 3/	0	817	1,569	1,998	2,813	2,638	2,588	2,538	2,398	3,559
2. Liabilities	41,681	53,734	59,325	64,612	70,147	73,681	65,860	60,715	63,183	49,278
2.1 Central government	40,506	52,560	57,322	64,231	70,070	73,271	65,464	60,520	62,903	48,845
2.2 Rest of the public sector 4/	1,175	1,174	2,003	380	77	409	396	195	280	434
B. Private sector	0	0	0	0	0	0	0	0	0	0
C. Banking system	-11,225	-10,832	-10,422	-2,651	18,983	17,556	13,246	4,297	1,751	37,709
1. Banco de la Nación	-11,225	-10,832	-11,372	-12,551	-11,121	-11,172	-8,854	-9,011	-15,649	-25,763
2. Banks	0	0	950	9,379	29,717	28,210	21,538	13,228	17,038	58,508
3. Other financial entities	0	0	0	521	388	519	562	80	363	4,964
D. Capital, reserves, provisions, and balance	3,078	1,851	-450	-592	738	1,431	1,460	2,731	5,647	7,947
E. Other assets and liabilities (net)	2,397	7,605	-2,699	-6,501	-12,713	-11,960	-9,926	-14,906	-12,627	-32,227
<b>IV. Monetary liabilities with the private sector (I+II+III)</b>	<b>78,271</b>	<b>105,234</b>	<b>113,484</b>	<b>114,562</b>	<b>147,929</b>	<b>140,449</b>	<b>144,781</b>	<b>131,158</b>	<b>148,882</b>	<b>222,322</b>
A. Domestic currency	56,332	80,198	73,471	68,359	71,280	74,730	89,028	87,692	92,295	174,519
1. Monetary base	39,967	52,735	51,937	53,865	51,291	53,375	57,207	61,367	64,565	85,987
1.1. Notes and coins issued	32,300	37,824	42,530	47,543	48,890	51,056	55,271	59,244	62,099	82,689
- In vault	5,040	5,579	7,386	8,370	8,247	7,761	9,092	9,467	9,983	11,114
- In circulation	27,261	32,244	35,144	39,173	40,643	43,295	46,178	49,778	52,117	71,575
1.2. Deposits	7,667	14,911	9,406	6,322	2,401	2,318	1,937	2,123	2,465	3,298
- Banks	4,911	10,274	4,678	3,856	1,402	1,280	1,184	1,156	1,332	2,250
- Banco de la Nación 5/	1,370	2,350	2,600	1,250	350	350	250	250	280	280
- Other financial entities	1,386	2,287	2,129	1,215	649	688	503	717	854	767
2. Others deposits 6/	3,757	9,743	3,097	1,016	1,115	2,097	1,592	1,802	2,115	44,058
3. Securities issued 7/	12,608	17,720	18,437	13,478	18,873	19,258	30,229	24,523	25,615	44,474
B. Foreign currency (Million US\$)	21,939	25,036	40,014	46,202	76,649	65,719	55,753	43,465	56,587	47,803
1. Deposits	8,125	9,818	14,291	15,504	22,478	19,559	17,208	12,898	17,096	13,205
1.1. Banking companies	21,937	25,034	40,013	46,202	76,648	65,718	55,752	43,465	56,587	47,803
1.2. Rest of the financial system	21,567	24,603	39,182	44,345	74,363	63,513	53,978	42,176	54,981	46,032
2. Certificates	370	431	831	1,857	2,285	2,206	1,774	1,288	1,607	1,771
	1	1	1	1	1	1	1	1	0	0

1/ Balances in foreign currency is valued at the average bid-ask exchange rate at the end of period.

2/ Includes only operations in foreign currency.

3/ Includes bonds issued by Public Treasury purchased by BCRP in the secondary market, according with the Article 61 Organic Law BCRP.

4/ Includes COFIDE.

5/ Since December 31, 2007, the broad money includes deposits in the current account from Banco de la Nación.

6/ Financial entities' sterilization deposits in domestic currency (overnight deposits and auctions of term deposits) are also included here.

7/ 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 63**  
**OPERATIONS OF THE CENTRAL RESERVE BANK OF PERU**  
(Million soles)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>I. FOREIGN EXCHANGE TRANSACTIONS</b>	<b>669</b>	<b>31,172</b>	<b>-12,681</b>	<b>-14,822</b>	<b>-28,100</b>	<b>2,783</b>	<b>31,111</b>	<b>4,784</b>	<b>4,439</b>	<b>49,558</b>
(Million US\$)	<b>329</b>	<b>11,837</b>	<b>-4,270</b>	<b>-5,128</b>	<b>-8,918</b>	<b>928</b>	<b>9,604</b>	<b>1,452</b>	<b>1,335</b>	<b>13,944</b>
1. Over the Counter Transactions	3,537	13,179	5	-4,208	-8,064	786	5,246	184	405	-159
2. Public sector	-3,039	-1,353	-4,298	-955	657	-321	4,152	1,380	927	13,692
3. Other	-169	11	24	35	-1,511	463	207	-112	3	411
<b>II. DOMESTIC NET ASSET</b>	<b>2,461</b>	<b>-26,188</b>	<b>15,581</b>	<b>18,850</b>	<b>29,570</b>	<b>-131</b>	<b>-28,228</b>	<b>-1,185</b>	<b>-2,100</b>	<b>-30,099</b>
1. Public deposits	-5,214	-7,999	3,293	158	5,793	2,227	-13,702	2,623	-6,122	-11,490
2. Reserve repos	0	0	950	350	1,200	-401	3,321	530	400	-41
3. Foreign exchange swaps	0	0	0	8,600	19,005	-975	-9,950	-9,322	3,692	-5,080
4. Loan portfolio repos operations										464
5. Government secured repos operations					195	-7,584	-7,783	3,686	-1,304	50,729
6. BCRP Certificates of Deposit (CDBCRP)	-13,550	-7,225	1,812	3,417						-12,703
7. BCRP Indexed Certificates of Deposit (CDR)	-11	0	-3,111	521	-4,469	6,254	-30	835	0	-6,392
8. BCRP Certificates of Deposit payable in dollars (CDLD BCRP)	450	0	0	0	0	0	-400	400	0	0
9. BCRP Certificates of Deposit with a variable rate (CDV BCRP)	3,207	0	0	0	-161	161	0	0	0	0
10. Term Deposits	17,151	-5,611	9,248	0	-840	840	0	0	0	-36,017
11. Overnight Deposits	559	-375	-2,602	2,080	741	-1,822	505	-210	-313	-5,925
12. Reserve requirement in domestic currency	-2,630	-7,784	3,698	2,100	4,044	569	-950	-560	-858	-1,963
13. Rest	2,499	2,805	2,292	1,623	4,062	600	760	834	2,406	-1,681
<b>III. Currency</b>	<b>3,130</b>	<b>4,983</b>	<b>2,900</b>	<b>4,028</b>	<b>1,470</b>	<b>2,653</b>	<b>2,883</b>	<b>3,599</b>	<b>2,339</b>	<b>19,458</b>
Memo: Saldos fin de periodo										
- Currency	27,261	32,244	35,144	39,173	40,643	43,295	46,178	49,778	52,117	71,575
- CD BCRP	13,580	20,805	18,992	15,575	15,380	22,964	30,747	27,061	28,365	41,067
- CDR BCRP 1/	0	0	3,111	2,627	7,249	792	829	0	0	6,407
- CDBCRP with restricted negotiation	0	0	0	0	0	0	0	0	0	0
- CDLD BCRP	0	0	0	0	0	0	400	0	0	0
- CDV BCRP 2/	0	0	0	0	161	0	0	0	0	0
- Term Deposits (DP BCRP)	3,637	9,248	0	0	840	0	0	0	0	36,017
- Deposits of the Public Sector	31,940	39,939	36,646	36,488	30,694	28,467	42,169	39,546	45,669	57,174

1/ Includes adjustment by indexing.

2/ Includes the readjustment of the balance due to variations in the BCRP Policy interest rate.

Memo:

CD BCRP: Certificate of Deposit

CDR BCRP: Certificate of Deposit indexed to the exchange rate.

CDLD BCRP: Certificates of Deposit payable in dollars

CDV BCRP: Certificate of Deposit indexed to the BCRP Policy interest rate.

Source: BCRP.

Elaborated by the Department of Economic Studies, BCRP.

**Appendix 64**  
**FLOWS OF NET INTERNATIONAL RESERVES (NIR)**  
(Million US\$)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>I. Foreign exchange operations</b>	<b>329</b>	<b>11,837</b>	<b>-4,270</b>	<b>-5,128</b>	<b>-8,918</b>	<b>928</b>	<b>9,604</b>	<b>1,452</b>	<b>1,335</b>	<b>13,944</b>
1. Over the Counter operations	3,537	13,179	5	-4,208	-8,064	786	5,246	184	405	-159
a. Purchases	4,733	13,855	5,210	20	0	2,090	5,246	184	405	32
b. Sales	-1,196	-676	-5,205	-4,228	-8,064	-1,304	0	0	0	-191
2. Net purchases to the public sector	-3,039	-1,353	-4,298	-955	657	-321	4,152	1,380	927	13,692
3. Other operations (net)	-169	11	24	35	-1,511	463	207	-112	3	411
<b>II. Deposits of the financial system</b>	<b>1,473</b>	<b>1,269</b>	<b>4,315</b>	<b>1,265</b>	<b>6,911</b>	<b>-2,623</b>	<b>-2,591</b>	<b>-4,397</b>	<b>4,710</b>	<b>-3,761</b>
<b>III. Public sector deposits</b>	<b>2,392</b>	<b>1,467</b>	<b>2,561</b>	<b>1,161</b>	<b>1,681</b>	<b>1,465</b>	<b>-5,716</b>	<b>-1,197</b>	<b>474</b>	<b>-5,571</b>
<b>IV. Other</b>	<b>516</b>	<b>603</b>	<b>-934</b>	<b>-653</b>	<b>-497</b>	<b>431</b>	<b>639</b>	<b>643</b>	<b>1,675</b>	<b>1,780</b>
<b>V. Total</b>	<b>4,711</b>	<b>15,176</b>	<b>1,672</b>	<b>-3,355</b>	<b>-823</b>	<b>201</b>	<b>1,936</b>	<b>-3,500</b>	<b>8,195</b>	<b>6,391</b>

Source: BCRP.  
Elaborated by the Department of Economic Studies, BCRP.





**Appendix 65**  
**NOMINAL AND REAL INTEREST RATES IN DOMESTIC AND FOREIGN CURRENCY**  
 (Annual effective rate at end-of-period)

	DOMESTIC CURRENCY										FOREIGN CURRENCY											
	Average Lending (TAMN)		Lending activa Corporate Prime 1/		Average Deposits (TIPMN)		Savings		Interbank		Average Lending (TAMEX)		Average Deposits (TIPMEX)		Savings		Interbank		Libor US\$ 3 months (%)			
	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	Real 3/
<b>2011</b>	18.9	13.5	5.4	0.6	2.5	-2.2	0.6	-4.0	4.2	-0.5	7.8	-1.1	0.7	-7.7	0.3	-8.0	0.3	-8.0	0.3	-8.0	0.58	-7.7
<b>2012</b>	19.1	16.0	5.0	2.3	2.4	-0.3	0.6	-2.0	4.2	1.6	8.2	-0.5	0.9	-7.2	0.3	-7.7	1.2	-6.9	0.31	-7.7		
<b>2013</b>	15.9	12.7	4.5	1.6	2.3	-0.6	0.5	-2.3	4.1	1.2	8.0	15.3	0.4	7.2	0.3	7.0	0.2	6.9	0.25	7.0		
<b>2014</b>	15.7	12.1	4.7	1.4	2.3	-0.9	0.5	-2.6	3.8	0.6	7.5	10.9	0.4	3.5	0.2	3.3	0.2	3.3	0.26	3.4		
<b>2015</b>	16.1	11.2	4.9	0.5	2.4	-1.9	0.5	-3.7	3.8	-0.6	7.9	18.2	0.3	10.0	0.2	9.8	0.2	9.8	0.61	10.3		
<b>2016</b>	17.2	13.5	5.2	1.9	2.6	-0.6	0.5	-2.6	4.4	1.1	7.6	2.7	0.3	-4.2	0.2	-4.4	0.6	-4.0	1.00	-3.6		
<b>2017</b>	15.8	14.2	3.6	2.2	2.5	1.1	0.6	-0.7	3.3	1.9	6.7	1.5	0.5	-4.4	0.2	-4.7	1.3	-3.6	1.69	-3.3		
<b>2018</b>	14.3	11.8	4.3	2.1	2.4	0.2	0.8	-1.3	2.8	0.5	7.9	9.8	0.8	2.6	0.2	2.0	2.3	4.1	2.81	4.6		
<b>2019</b>	14.1	12.0	3.3	1.3	2.2	0.3	0.7	-1.2	2.3	0.3	7.5	3.6	0.8	-2.8	0.2	-3.4	1.8	-1.9	1.91	-1.8		
<b>2020</b>	12.1	9.9	0.6	-1.3	1.0	-0.9	0.6	-1.3	0.2	-1.7	6.1	13.8	0.3	7.5	0.1	7.4	0.3	7.5	0.24	7.5		

1/ Since 2010, corresponds to corporate credits.  
 2/ Nominal interest rate minus last twelve months inflation.  
 3/ Nominal interest rate adjusted to last 12-month exchange rate variations minus last 12-months inflation.  
 Source: SBS and BCRP.  
 Elaborated by the Department of Economic Studies, BCRP.

**Appendix 66**  
**COMMERCIAL BANKS: INDICATORS OF FINANCIAL SOUNDNESS**  
(%)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>1. SOLVENCY</b>										
Global Leverage 1/	13.5	13.6	13.7	14.4	14.2	15.0	15.2	14.7	14.6	15.5
<b>2. PORTFOLIO QUALITY</b>										
Non-performing loans / Direct loans	1.5	1.8	2.1	2.5	2.5	2.8	3.0	3.0	3.0	3.8
Non-performing loans in domestic currency / Direct loans in domestic currency	2.0	2.4	2.8	2.8	2.5	2.8	3.3	3.2	3.3	3.9
Non-performing loans in foreign currency / Direct loans in foreign currency	1.0	1.1	1.4	2.0	2.7	2.7	2.5	2.4	2.3	3.5
Refinanced and restructured loans / Direct loans	1.0	1.0	0.9	1.0	1.1	1.2	1.4	1.5	1.4	1.7
Provisions / Non-performing loans	251.1	223.6	188.1	165.0	166.6	160.6	152.6	153.6	152.1	177.7
Provisions / (Non-performing loans + refinanced and restructured loans)	149.5	142.3	131.5	116.4	117.5	111.6	105.7	102.0	103.0	122.3
<b>3. MANAGEMENT</b>										
Operative expenses / Total financial margin	47.1	46.7	47.1	45.3	43.0	43.0	42.5	42.2	41.1	43.4
<b>4. PROFITABILITY</b>										
Net profit / Average equity (ROE)	24.5	22.4	21.2	19.7	22.1	19.9	18.3	18.4	18.3	4.0
Net profit / Average asset (ROA)	2.3	2.2	2.0	1.9	2.1	2.0	2.1	2.2	2.2	0.4
<b>5. LIQUIDITY 2/</b>										
Liquidity ratio in domestic currency	39.2	46.3	30.8	24.4	26.5	27.4	34.3	27.0	27.0	52.2
Liquidity ratio in foreign currency	45.0	46.2	56.1	54.7	46.6	43.9	44.9	44.5	49.6	49.2

1/ Equity as a percentage of the total risk-weighted assets and contingencies (credit risk, market risk and operational risk).

2/ Daily average of liquid assets divided by banks' short-term liabilities in domestic currency and foreign currency.

Source: SBS.

Elaborated by Department of Financial Stability, BCRP.



**Appendix 67**  
**PRIMARY BOND MARKET**  
(Million soles)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>I. BONDS ISSUED BY THE PRIVATE SECTOR 1/</b>	<b>17,363</b>	<b>16,603</b>	<b>17,233</b>	<b>17,324</b>	<b>20,646</b>	<b>21,825</b>	<b>22,554</b>	<b>23,052</b>	<b>22,982</b>	<b>21,756</b>
<b>BALANCE BY TYPE OF BOND</b>										
Leasing bonds	809	708	581	739	852	885	1,015	887	654	188
Subordinate bonds	1,621	1,762	2,225	2,560	2,795	2,570	2,586	2,567	2,436	2,798
Mortgage bonds	40	20	9	3	-	-	-	-	-	-
Securitization bonds	1,162	769	2,422	2,574	3,165	2,496	1,849	1,820	1,747	1,696
Corporate	13,731	13,345	11,995	11,448	13,834	15,874	17,104	17,778	18,145	17,074
<b>BALANCE BY MATURITY</b>										
Up to 3 years	1,623	1,062	1,051	1,290	1,410	2,436	2,715	3,140	2,678	1,595
More than 3 years, up to 5 years	3,295	3,317	3,071	2,203	2,941	2,484	2,303	2,121	1,909	1,899
More than 5 years	12,444	12,224	13,110	13,831	16,295	16,906	17,536	17,791	18,396	18,262
<b>% PARTICIPATION BY CURRENCIES</b>										
Fixed-income bonds in soles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Variable-income bonds in soles	47.8	54.2	50.8	52.7	52.2	62.7	68.4	73.4	82.2	76.2
US dollars	8.9	10.5	10.7	10.2	9.1	8.2	6.8	6.5	4.5	6.0
Other	43.4	35.3	37.5	36.1	38.4	29.0	24.8	20.1	13.3	17.8
	-	-	1.0	1.0	0.3	0.2	0.0	-	-	-
<b>II. TOTAL BALANCE OF TREASURY BONDS (1) + (2) 2/</b>	<b>28,785</b>	<b>31,723</b>	<b>35,248</b>	<b>43,018</b>	<b>47,623</b>	<b>63,030</b>	<b>86,339</b>	<b>100,864</b>	<b>120,669</b>	<b>123,115</b>
<b>a. BALANCE OF FIXED-INCOME BONDS</b>	<b>26,694</b>	<b>29,632</b>	<b>32,961</b>	<b>40,379</b>	<b>44,808</b>	<b>59,431</b>	<b>82,659</b>	<b>97,943</b>	<b>117,761</b>	<b>120,208</b>
Up to 3 years	577	2,262	1,687	3,070	2,299	618	4,401	1,574	157	8,049
More than 3 years, up to 5 years	1,687	1,212	1,578	-	6,069	4,401	-	5,739	8,049	91
More than 5 years, up to 10 years	10,043	9,047	11,990	17,692	12,178	19,701	26,313	37,916	41,409	42,486
More than 10 years	14,387	17,110	17,707	19,617	24,262	34,711	51,945	52,714	68,147	69,582
<b>b. BALANCE OF VARIABLE-INCOME BONDS</b>	<b>2,091</b>	<b>2,091</b>	<b>2,287</b>	<b>2,639</b>	<b>2,815</b>	<b>3,599</b>	<b>3,681</b>	<b>2,921</b>	<b>2,907</b>	<b>2,907</b>
Up to 10 years	185	185	288	1,108	1,110	1,658	1,658	898	884	961
More than 10 years, up to 20 years	795	795	795	28	969	988	988	988	988	1,139
More than 20 years, up to 30 years	911	911	911	934	41	652	652	652	652	424
More than 30 years	200	200	293	569	696	301	383	383	383	383
<b>Memo:</b>										
<b>Private sector bonds (% GDP)</b>	<b>3.7</b>	<b>3.3</b>	<b>3.2</b>	<b>3.0</b>	<b>3.4</b>	<b>3.3</b>	<b>3.2</b>	<b>3.1</b>	<b>3.0</b>	<b>3.0</b>
<b>Sovereign bonds (% GDP)</b>	<b>6.1</b>	<b>6.2</b>	<b>6.5</b>	<b>7.5</b>	<b>7.8</b>	<b>9.6</b>	<b>12.4</b>	<b>13.6</b>	<b>15.7</b>	<b>17.2</b>

1/ Includes only bonds negotiated through auctions.

2/ Sovereign bonds are classified according to term maturity.

Source: Issuing companies, SMV and MEF.

Elaborated by the Department of Economic Studies, BCRP.

**Appendix 68**  
**PRIVATE PENSION SYSTEM**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>I. FUND VALUE</b>										
Million soles	81,052	95,907	101,113	113,467	123,006	135,158	154,887	152,071	173,328	163,329
Annual % growth	-6.2	18.3	5.4	12.2	8.4	9.9	14.6	-1.8	14.0	-5.8
% GDP 1/	17.2	18.8	18.5	19.8	20.2	20.6	22.2	20.5	22.5	22.8
Annuity Fund 0	-	-	-	-	-	1,208	1,782	2,266	2,832	4,032
Annuity Fund 1	7,988	10,645	12,084	13,981	16,332	15,757	16,612	16,072	20,031	24,110
Annuity Fund 2	56,553	66,021	69,025	77,738	85,674	96,671	113,184	112,497	129,890	117,973
Annuity Fund 3	16,511	19,240	20,004	21,748	21,000	21,522	23,310	21,236	20,575	17,213
<b>II. NUMBER OF MEMBERS</b>										
In thousands	4,928	5,268	5,482	5,728	5,963	6,264	6,605	7,019	7,427	7,781
Annual % growth	6.2	6.9	4.0	4.5	4.1	5.0	5.4	6.3	5.8	4.8
<b>III. ANNUAL YIELD</b>										
Nominal	-7.1	11.8	-0.0	8.9	5.7	9.9	11.9	-1.3	12.9	10.5
Real 2/	-11.3	8.9	-2.8	5.5	1.2	6.5	10.4	-3.4	10.8	8.4
<b>IV. COMPOSITION OF INVESTMENT PORTFOLIO</b>										
(In %)										
<b>Government securities</b>	17.0	17.5	13.5	17.7	17.8	21.9	21.7	23.2	23.3	16.9
Central government securities	15.9	14.6	11.3	17.3	17.8	21.5	21.6	23.2	23.3	16.9
Central bank securities	1.1	2.9	2.1	0.4	-	0.4	0.1	-	-	0.1
<b>Financial institutions</b>	14.4	14.7	25.0	18.2	23.2	20.0	16.5	14.6	13.9	15.6
Deposits in domestic currency	3.8	2.2	2.2	0.8	0.8	2.4	3.3	2.4	1.6	4.4
Deposits in foreign currency 3/	0.7	1.9	10.7	5.8	10.6	3.5	2.5	0.2	0.6	0.2
Shares	1.9	2.1	1.5	1.2	0.9	1.9	1.9	2.9	3.3	3.2
Bonds	4.1	4.6	6.3	5.7	6.6	6.9	5.5	5.1	5.3	4.4
Other 4/	3.9	3.9	4.2	4.7	4.4	5.4	3.4	4.0	3.1	3.3
<b>Non-financial institutions</b>	40.1	38.3	26.4	23.4	18.8	20.0	18.5	17.6	17.7	18.0
Common and investment stocks	25.5	23.9	14.7	11.4	6.6	8.4	8.6	8.2	8.3	9.3
Corporate bonds	9.9	9.2	6.3	6.9	6.7	6.7	6.5	6.8	7.1	6.7
Other 5/	4.7	5.3	5.4	5.1	5.5	4.8	3.3	2.6	2.3	2.0
<b>Investment abroad</b>	28.5	29.4	35.2	40.6	40.2	38.1	43.3	44.6	45.1	49.6
Other countries' debt bonds	1.2	1.8	1.3	0.6	0.1	0.5	0.6	1.0	2.6	4.3
Foreign mutual funds	14.1	18.5	24.6	0.5	0.4	0.6	0.4	0.2	0.3	0.4
Foreign shares	5.1	3.9	4.3	35.6	37.8	35.0	40.7	42.2	40.7	43.3
American Depository Shares (ADS)	2.8	0.2	0.8	0.9	0.3	0.0	0.1	0.0	0.0	0.0
Other	5.4	5.1	4.2	3.1	1.7	1.8	1.5	1.1	1.6	1.6
<b>Operations in transit</b>	1.1	2.9	2.1	0.4	-	0.4	0.1	-	0.6	-0.1

1/ Preliminary the last 3 years

2/ Since December 2005, annual yields correspond to the yield of Type 2 Fund.

3/ Includes current account and certificates in foreign currency.

4/ Includes mortgage bonds and guaranteed promissory notes.

5/ Includes commercial bonds, repos, and promissory notes.

Source: SBS.

Elaborated by the Department of Economic Studies, BCRP.



**Appendix 69**  
**LIMA STOCK EXCHANGE**  
(Million soles)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>I. STOCK EXCHANGE INDICES 1/</b> (Base: 31/12/91 = 100)										
SP/BVL Peru General	19,473.7	20,629.4	15,753.7	51,319.0	9,848.6	15,567.0	19,974.4	19,350.4	20,526.1	20,822.2
SP/BVL LIMA 25	27,335.2	31,000.6	22,877.8	20,265.0	12,901.7	23,578.4	30,766.8	26,508.1	25,752.9	25,198.6
<b>III. ANNUAL TRADING VOLUME</b> (Million soles)										
Variable-income instruments	19,764	18,534	13,511	13,344	7,728	10,458	22,769	13,319	13,849	14,688
Fixed-income instruments	1,824	1,417	2,619	3,093	3,411	4,923	6,478	7,049	4,391	5,420
Total	21,588	19,951	16,130	16,436	11,139	15,381	29,247	20,369	18,240	20,108
<b>IV. MARKET CAPITALIZATION</b> Million soles	327,823	391,181	337,226	360,840	309,004	416,167	526,354	479,301	537,308	599,007
<b>(Million US\$)</b>	<b>121,416</b>	<b>153,404</b>	<b>120,438</b>	<b>121,087</b>	<b>90,617</b>	<b>123,859</b>	<b>162,455</b>	<b>142,374</b>	<b>162,329</b>	<b>165,472</b>
% GDP 2/	69.7	76.9	61.8	62.8	50.7	63.5	75.4	64.7	69.7	83.7
<b>V. DEMATERIALIZED HOLDINGS 3/</b> (Million soles)										
Variable-income instruments	153,325	144,300	155,736	157,192	145,341	194,927	223,035	223,744	228,718	210,250
Fixed-income instruments	52,685	53,190	64,660	75,835	82,167	105,450	132,143	149,190	170,975	174,444
Total	206,010	197,490	220,396	233,027	227,508	300,377	355,179	372,934	399,692	384,694
% GDP 2/	43.8	38.8	40.4	40.6	37.3	45.7	50.8	49.2	51.8	56.5
<b>VI. NON-RESIDENTS SHARE 4/</b> (%)										
Variable-income instruments	41.6	45.9	42.8	39.9	34.6	35.2	37.4	34.6	34.2	34.0
Fixed-income instruments	24.1	30.6	29.9	24.0	20.9	23.7	28.3	28.8	30.8	32.3
<b>Total</b>	<b>37.1</b>	<b>41.8</b>	<b>39.1</b>	<b>34.7</b>	<b>29.7</b>	<b>31.2</b>	<b>34.0</b>	<b>32.3</b>	<b>32.7</b>	<b>33.2</b>

1/ Since May 1, 2015, an agreement entered in force between the Lima Stock Exchange and S&P Dow Jones Indices for the calculation, commercialization, licensing and distribution of new indexes. These include the SP/BVL Peru General and the SP/BVL Peru 25, which replace the old general and selective indexes, and also include new sectoral indices.

2/ Preliminary the last 3 years

3/ Dematerialized holdings listed at CAVALI.

4/ Relative to securities listed at CAVALI.

Source: Lima Stock Exchange, CAVALI ICLV.

Elaborated by the Department of Economic Studies, BCRP.

**Appendix 70**  
**INVESTMENT MUTUAL FUNDS**  
(Million soles)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>I. Fund value</b>	<b>13,460</b>	<b>17,820</b>	<b>16,389</b>	<b>18,727</b>	<b>21,094</b>	<b>25,231</b>	<b>29,676</b>	<b>29,875</b>	<b>35,441</b>	<b>45,957</b>
<b>Balance by type of fund</b>										
Fixed-income	11,977	16,169	15,039	17,400	18,390	19,526	21,142	15,733	20,648	23,839
Mixed-income	1,483	1,651	1,350	1,327	2,704	5,704	8,533	14,142	14,793	22,119
<b>Balance by currencies</b>										
Domestic currency	5,410	9,235	8,161	9,074	7,793	9,708	12,637	12,488	13,183	18,819
Foreign currency	8,050	8,585	8,228	9,653	13,301	15,523	17,038	17,387	22,258	27,139
(Million US\$)	2,982	3,366	2,943	3,240	3,898	4,625	5,258	5,151	6,720	7,497
<b>II. Number of participants (in thousands)</b>	<b>263</b>	<b>316</b>	<b>313</b>	<b>352</b>	<b>385</b>	<b>419</b>	<b>443</b>	<b>439</b>	<b>436</b>	<b>437</b>
Fixed-income	116	177	176	219	245	250	247	199	238	271
Mixed-income	147	139	137	134	139	169	197	240	198	166
<b>III. Composition of the investment portfolio (In %)</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>
Deposits	50.2	53.2	63.3	63.1	54.8	53.3	50.0	41.0	40.8	36.3
Fixed-income instruments	37.6	33.6	23.6	11.9	8.6	7.2	6.5	10.7	8.7	13.9
Sovereign bonds	11.4	7.4	5.5	2.6	0.9	0.7	0.9	0.9	0.7	0.8
BCRP securities	6.3	11.4	6.4	1.1	0.5	1.4	1.5	0.5	0.1	2.6
Other	19.9	14.8	11.7	8.2	7.1	5.0	4.1	9.3	8.0	10.4
Variable income instruments	7.0	4.7	3.8	2.5	1.4	1.8	1.8	2.7	3.4	3.6
Investment abroad	5.1	7.7	9.0	22.4	33.6	36.0	39.6	44.0	43.8	42.2
Repos and derivatives	0.1	0.8	0.4	0.1	1.6	1.8	2.1	1.6	3.3	4.1

Source: SMV.  
Elaborated by the Department of Economic Studies, BCRP.



Warrior, ceramic work, Vicús Culture.  
*James McDonald Checa (MBE) Collection.*

# THE VICÚS LEGACY AT THE CENTRAL RESERVE BANK OF PERU

The Central Reserve Bank of Peru holds one of the most important Vicús art collections in the country. This collection is made up of more than 1500 pieces, mainly pottery vessels and metal artifacts, which stand out not only for their artistic quality, but also, and above all, because they allow us to learn about cultural and social aspects of an archaeological culture that is little known in Peru.

A selection of outstanding pieces from this collection has been included in the 2020 Annual Report of BCRP to contribute to make this legacy known. The Vicús collection of BCRP was formed thanks to the acquisition of the Domingo Seminario collection in 1979; the Hugo Cohen collection, donated by Roberto Letts Colmenares in 2010, which includes important pieces of gold work from the Frías culture, and the collection of James McDonald Checa, MBE, received in 2020 as a gratuitous loan.

Consisting of 70 percent of pieces from the Vicús Culture, the McDonald collection is a valuable contribution to the BCRP archaeological collection that allows us to have a more complete record of the Vicús as well as to expand the narratives and knowledge we have about this ancient culture.

The Vicús Culture developed in the coastal valleys of Piura, mainly in the province of Morropón, between 100 BC and 500 AD. The objects produced by the Vicús were recovered mainly from burial sites, so it is thought not only that these pieces played an important role in ceremonies and rituals related to death, but also that the Vicús conceived death as a transition or transformation stage and not as the end of life.

There is evidence that the Vicús maintained a close relationship with the Ecuadorian Guangala and Tolita cultures as vessels with similar shapes and decorations have been found in their tombs. They also carried out commercial exchanges with the Mochicas, whose objects were used by the elites of the Vicús as symbols of their power.

Vicús ceramics are known for the technique of negative decoration, which was achieved by subjecting pottery vessels to an intense smoking to obtain very dark surfaces. In addition, they also used cream and red pigments that were applied before firing the piece. These techniques have served as inspiration for the current potters of Chulucanas who have incorporated them in their artistic creations.





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