

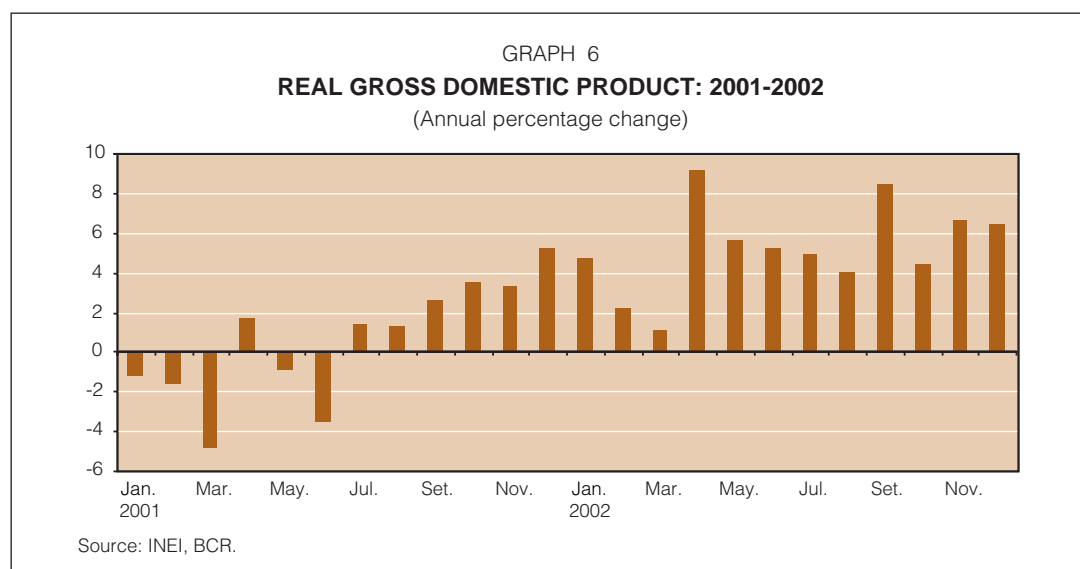
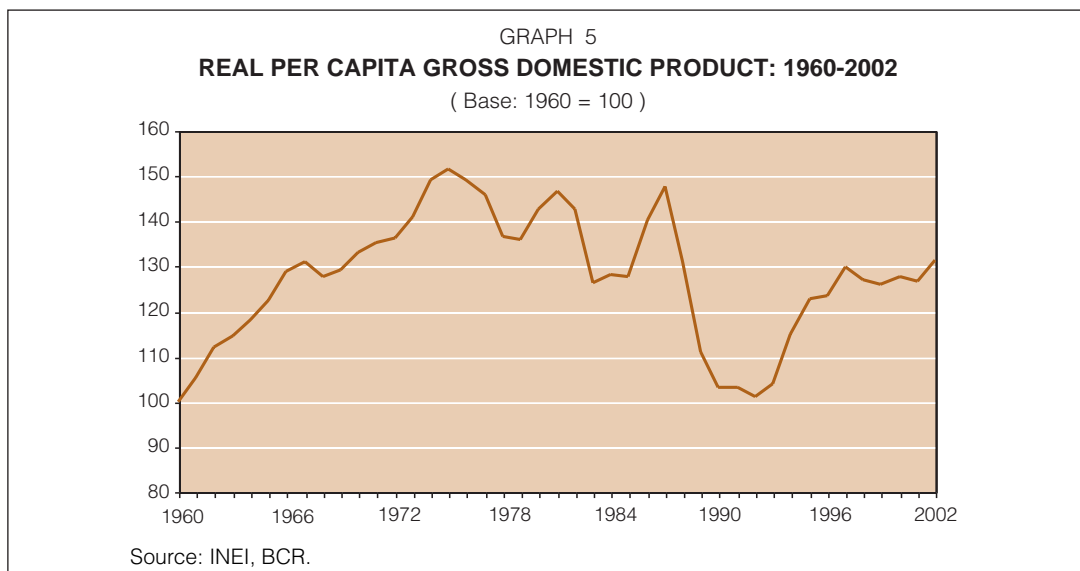
Output and Employment

III.

GDP grew 5,3 percent led by a 4,7 percent increase in domestic demand. Quarterly gross rates grew progressively throughout the year reflecting the growth of private demand and the recovery of private investment especially

in the third quarter when investment began to recover.

GDP per capita grew 3,7 percent in 2002. In absolute terms, it rose from 1968 levels to 1970 figures.

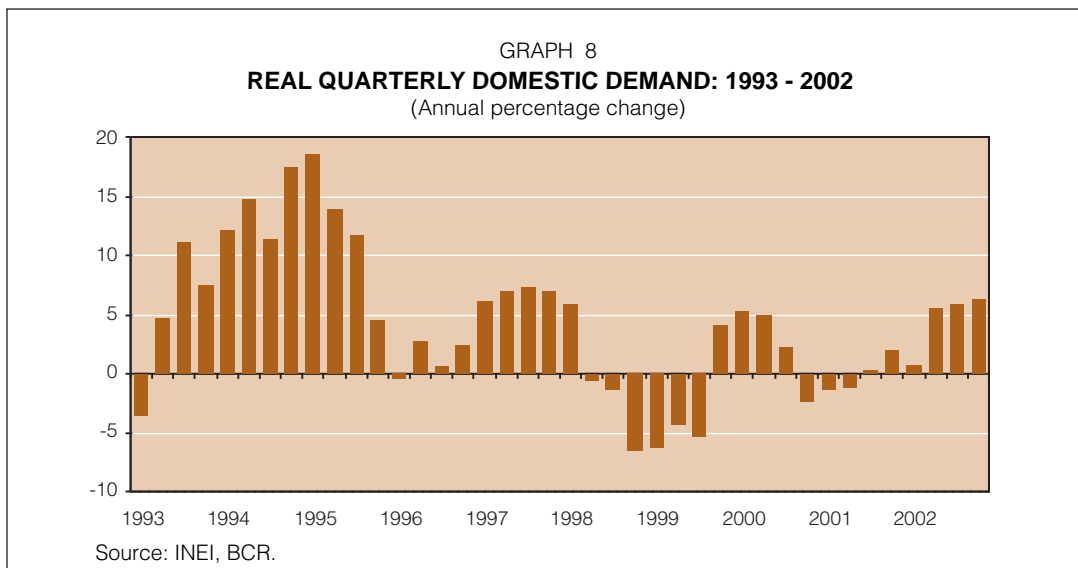
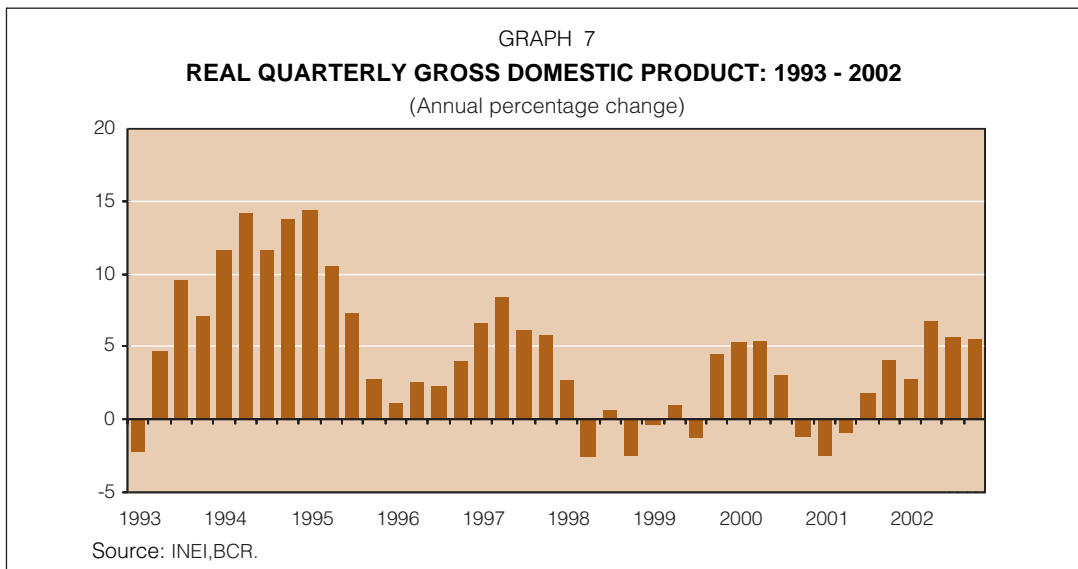




1. Global demand and supply

Both components of domestic demand increased. Private and government consumption grew 4,4 and 1,6 percent respectively, while private investment expanded by 0,5 percent. The largest contribution came from private consumption which expanded 4,4

percent linked to the 4,7 percent increase in national disposable income, the 4,4 increase in employment in Metropolitan Lima during the fourth quarter and the reduction in the lending interest rates in domestic currency, which fell from an average of 25,0 percent in 2001 to 20,8 percent in 2002.



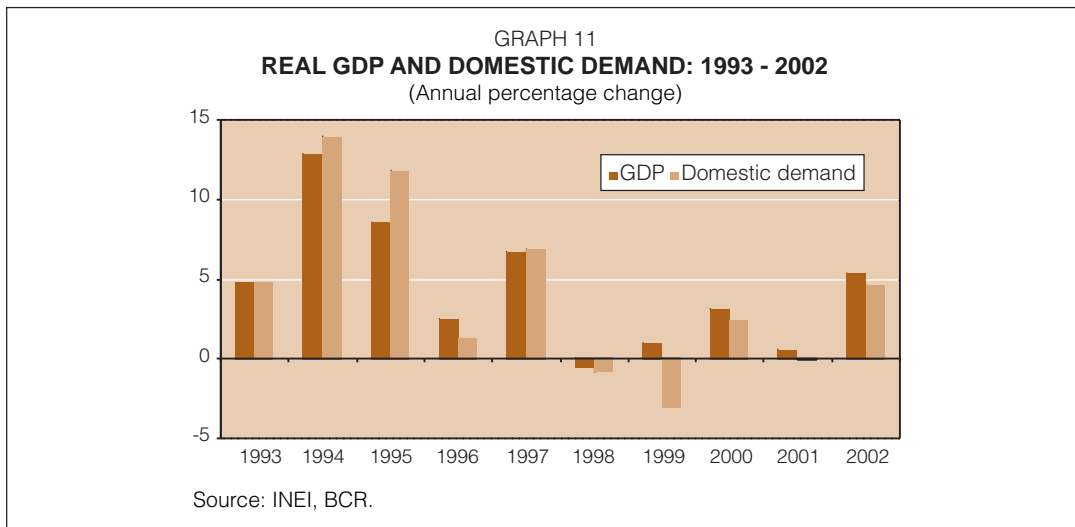
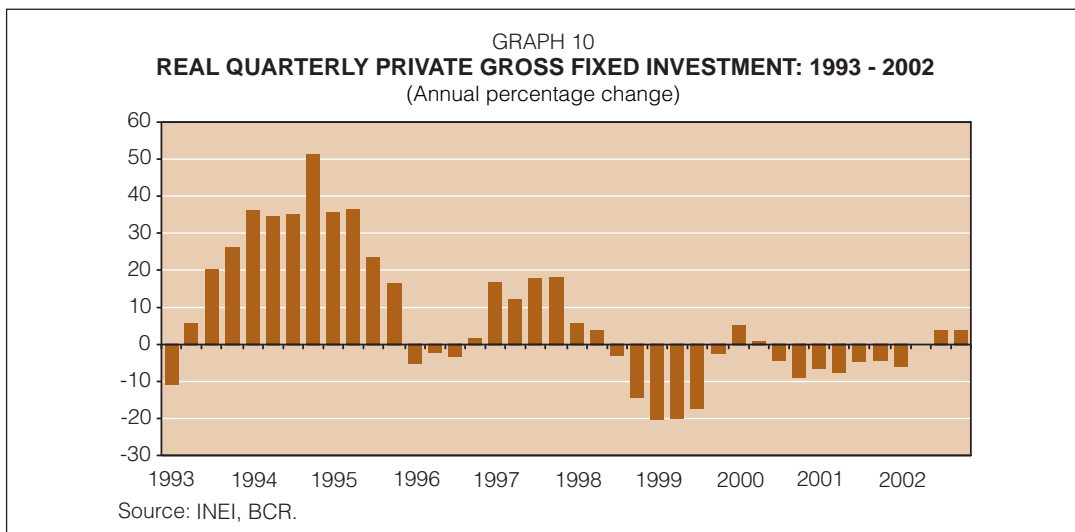
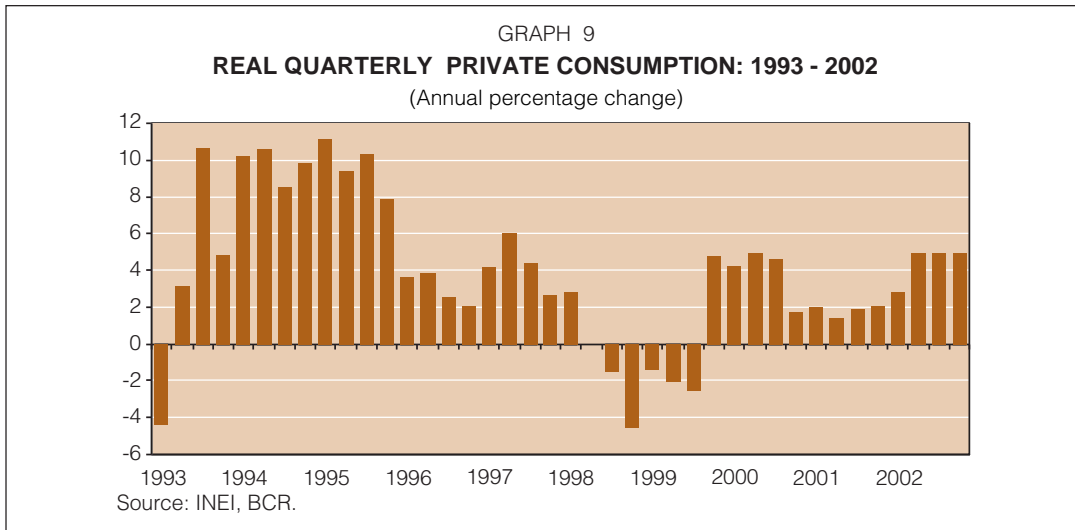


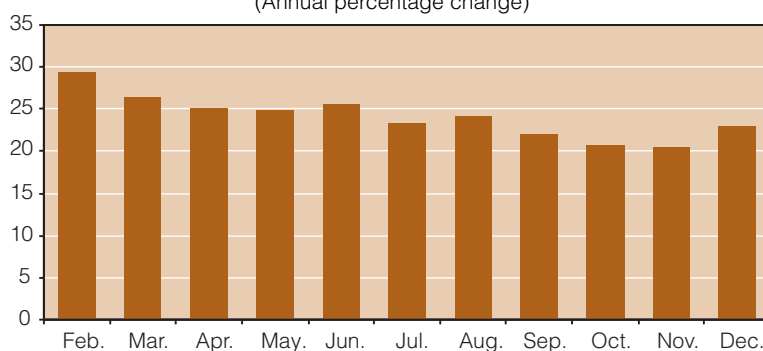


TABLE 12
REAL GLOBAL DEMAND AND SUPPLY: 2000-2002
 (Annual percentage change)

	2000	2001	2002
I. GLOBAL DEMAND	3,2	0,9	4,9
1. Domestic demand	2,4	-0,1	4,7
a. Private consumption	3,9	1,8	4,4
b. Government consumption	5,1	-0,3	1,6
c. Gross fixed investment	-5,0	-9,2	-0,5
- Private	-2,1	-5,7	0,5
- Government	-14,9	-22,9	-5,0
2. Exports 1/	7,9	6,7	6,3
II. GLOBAL SUPPLY	3,2	0,9	4,9
1. GDP	3,1	0,6	5,3
2. Imports 1/	3,6	2,7	2,5

1/ Non-financial goods and services.
 Source: INEI, BCR.

GRAPH 12
MONTHLY CONSUMPTION CREDIT FROM FINANCIAL INSTITUTIONS:
FEBRUARY - DECEMBER 2002
 (Annual percentage change)

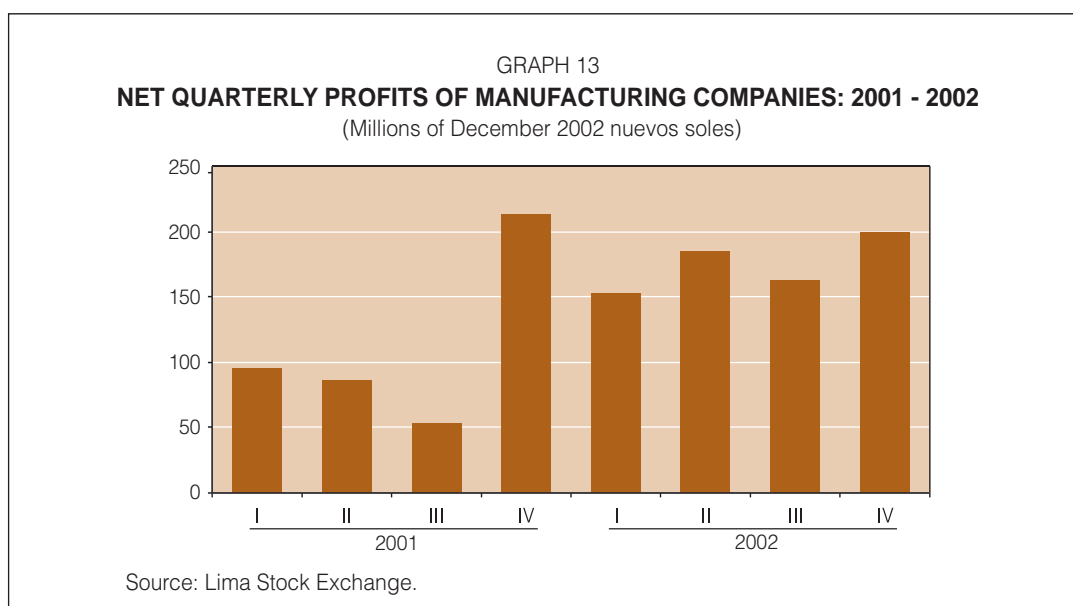


Source: Superintendency of Banking and Insurance.

Private investment is recovery after 4 years of decline started in the third quarter of 2002 and was reflected in the expansion of the construction sector and, in the final months of the year, in the recovery of imports of capital goods, substantially driven by purchases for the Camisea gas

project. Throughout the year, new shopping centers such as Royal Plaza and Mega Plaza malls, supermarkets and department stores were built.

Growth of private investment was reflected in higher profits in the



manufacturing sector, as seen in the earnings of companies listed at Lima Stock Exchange which 57 percent in 2002 grew.

Government's spending also increased slightly compared to 2001. Public consumption increased 1,6 percent as a consequence of higher wages paid since September 2001 and higher expenditure to finance the election process in the third quarter of the year. Public investment dropped for third consecutive year, reaching its lowest level in the last 10 years.

Exports grew 6,3 percent and contributed 1,1 percent points to GDP growth in 2002, whereas traditional exports increased 12,0 percent and non-traditional grew 3,5 percent. Among traditional exports, gold exports by Yanacocha and copper by Antamina grew at higher rates. Non-traditional exports include highlights asparagus, chemicals, textiles and non-metallic minerals.

Gross domestic investment represented 18,5 percent of GDP, similar proportion to that of 2001. However, private investment represented a bigger share of GDP going from 15,4 percent to 15,7 percent between 2001 and 2002, while government investment fell from 3,1 percent to 2,8 percent of GDP.

Gross domestic investment was financed by increased domestic savings which rose from 16,3 percent of GDP in 2001 to 16,4 percent in 2002, through a greater share of private investment. External savings levels were similar to those of 2001 (2,1 percent of GDP).

2. GDP by sector

GDP growth in 2002 was the result of positive outcomes across all sectors. Non-primary activities grew 4,8 percent, driven by manufacturing and construction. Primary activities expanded 6,4 percent through increased mineral extraction (Antamina and Yanacocha) and larger agricultural output.

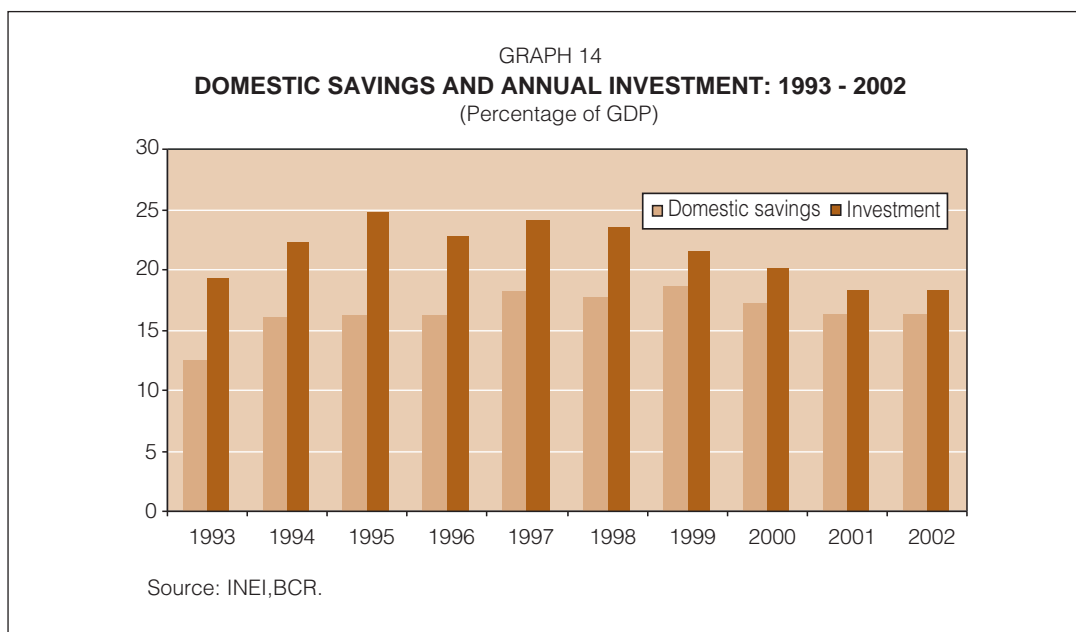


TABLE 13
SAVINGS AND INVESTMENT: 2000-2002
(Percentage of GDP)

	2000	2001	2002
I. INVESTMENT	20,1	18,5	18,5
Public investment	4,0	3,1	2,8
Private investment	16,1	15,4	15,7
II. DOMESTIC SAVINGS	17,2	16,3	16,4
Public sector	0,8	0,7	0,6
Private sector	16,4	15,6	15,8
III. EXTERNAL SAVINGS	2,9	2,2	2,1

1/ Includes change on inventories.
Source: INEI, BCR.

Non-primary activities led GDP growth in the second half of the year, contrary to

events in the first semester when dynamism came principally from primary activities.

TABLE 14
REAL GROSS DOMESTIC PRODUCT: 2000-2002
 (Annual percentage change)

	2000	2001	2002
I. PRIMARY GROSS AGGREGATED VALUE	5,6	3,0	6,4
Agriculture and livestock	6,2	0,5	5,8
Agriculture	6,7	-2,3	6,1
Livestock	6,0	4,6	5,3
Fishing	9,1	-10,5	3,1
Oil and fishmeal	27,0	-27,0	12,2
Direct human consumption	-3,4	-4,9	-3,3
Mining and fuel	2,4	12,4	11,3
Metal	4,0	13,3	12,0
Fuel	-6,5	-2,0	0,6
Manufacturing of primary resources	8,5	-2,4	0,1
II. NON-PRIMARY GROSS AGGREGATED VALUE	2,9	0,2	4,8
Non-primary manufacturing	6,1	-0,4	5,3
Construction	-4,3	-6,4	8,3
Commerce	5,1	1,6	3,8
Services	2,3	0,6	4,5
Electricity and water	4,7	3,9	5,4
Other services	2,2	0,5	4,5
GROSS AGGREGATED VALUE	3,5	0,8	5,1
Taxes on goods and import duties	-0,1	-1,4	7,5
III. GROSS DOMESTIC PRODUCT	3,1	0,6	5,3

Source: INEI, production ministries, BCR.

2.1 Primary sectors

Agricultural sector

The **agricultural sector** grew by 5,8 percent as a consequence of higher yields in main crops, such as potatoes, yellow corn and sugar cane, mostly favored by good weather. Planted area for the non-permanent crops increased slightly compared to the previous year (from 1 944 to 1 953 thousand hectares). The largest contributions to this growth came from potatoes (1,6 percentage points), other agricultural products (0,9 percentage

points), sugar cane (0,5 percentage points) and poultry (1,4 percentage points).

Potato production grew by 23,1 percent reaching a peak of 3 299 thousand tons; due to an increase of 16 percent in cultivated area and a 6 percent rise in yields (from 11,4 to 12,2 tons per hectare between 2001 and 2002).

Sugar cane production grew by 14 percent due to larger harvested areas in firms located northern of Lima such as Pucalá, Casagrande and Tumán, and also due to higher yields.



Rice production grew by 4,7 percent reflecting an increase of 6,2 percent in cultivated area favored by good weather and water conditions that led to a historical yield of 2 124 thousand tons per hectare compared to an average of 1 777 MT/ha over the last 5 years.

Coffee production has been growing since 1994 and increased 6,0 percent in 2002 due to larger cultivated areas in San Martín, Cajamarca, Puno, Cuzco, Junín and Amazonas established in 1988 when international prices reached its peak of US\$ 4 167 compared to US\$ 1 330 averaged in 2002. As a consequence of lower prices, producers started the cultivation of organic coffee which accounted for 15 percent of total production in 2002.

Cotton production dropped 5 percent, with different results depending on the

variety: while Pima variety dropped 58 percent after negative expectations due to the possibility of El Niño presence, Tangüis variety increased 5 percent (14 percent in Ica and 3 percent in Ancash), as a response to higher demand from the textile industry in the context of the ATPDEA agreement renewal.

Poultry production grew by 6,7 percent, continuing its positive trend over the last 5 years as a result of the use of genetically improved varieties with a shorter period of feeding, the strengthening of the yellow corn production chain and improved practices in nutrition, lighting and health. The combination of all those factors contributed to higher yields and competitiveness in the poultry industry.

Egg production increased 19,3 percent, driven by a larger consumption after promotion campaigns organized by the

TABLE 15
AGRICULTURAL AND LIVESTOCK BY PRODUCT: 2000-2002
(Real percentage change)

	2000	2001	2002
AGRICULTURE	6,7	-2,3	6,1
Potato	6,8	-18,1	23,1
Rice	-3,2	7,2	4,7
Coffee	9,3	1,0	6,0
Sugar cane	13,6	3,5	14,0
Hard yellow corn	19,0	10,7	-2,4
Cotton	14,0	-12,8	-5,0
Others	6,3	-0,6	3,7
LIVESTOCK	6,0	4,6	5,3
Poultry	10,1	5,3	6,7
Beef	2,0	1,1	2,7
Milk	5,3	4,5	7,1
Egg	0,6	3,1	19,3
TOTAL	6,2	0,5	5,8

Source: Ministry of Agriculture.

Peruvian Chicken Association (Asociación Peruana de Avicultura), which focused on higher protein value at lower costs in particular in lower income areas.

Fresh milk grew by 7,1 percent, pushed by water conditions which favored larger pasture areas and therefore increasing the feeding of livestock. This higher production was mostly absorbed by the dairy industry which has lately grown after a larger diversification of products and promotion campaigns. Different social assistance programs, such as the «glass of milk» and school breakfast programs contributed to the increase in milk production.

Fishing

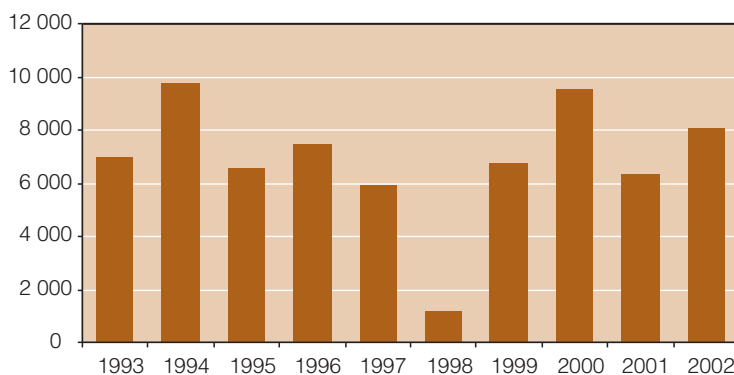
Growth in the **fishing sector** was explained by larger extraction for fishmeal and oil, partially offset by lower catching for direct human consumption. Fishmeal and oil catch increase was determined by the 26,8 percent growth in anchovy, reaching 8 million metric tons, the third higher volume in recent years.

This year's ocean conditions were better than last year's with higher temperatures throughout most of the year. Closed season were enforced following the same pattern as the previous year with fishing periods concentrating from April to June and October to December. During the fourth quarter, the monthly extraction of anchovy averaged 766 thousand tons (248 percent increase). This increase occurred despite a shorter period of effective fishing in 2002 (183 days) compared to 2001 (225 days).

The decrease in fishing for direct human use occurred across all items, excepting frozen fish that rose 26 percent in particular, giant squid, scallops and shrimp.

Canned fish diminished 16 percent explained by lower volumes of sardine, mackerel and Peruvian mackerel. Sardine catching continue to decrease showing the same pattern as in previous years after falling from 258 thousand to 5 thousand tons between 1997 (historical peak) and 2002. Higher ocean surface temperatures

GRAPH 15
ANCHOVY EXTRACTION FOR INDUSTRIAL CONSUMPTION: 1993-2002
 (Thousands of metric tons)



Source: Ministry of Production.



TABLE 16
FISHING PRODUCTION: 2000-2002
(Real percentage change)

	2000	2001	2002
INDUSTRIAL CONSUMPTION	27,0	-27,0	12,2
Anchovy	41,9	-33,6	26,8
Other species	-65,8	143,6	-91,0
DIRECT HUMAN CONSUMPTION	-3,4	4,9	-3,3
Frozen	-36,3	11,8	25,9
Canned	29,4	-9,8	-16,1
Fresh	11,0	4,6	-11,8
Dry-salted	6,2	4,8	-7,5
TOTAL	9,1	-10,5	3,1
Note: Anchovy for industrial consumption (thousands of MT)	9 556	6 348	8 051

Source: Ministry of Production, INEI.

drove mackerel and Peruvian mackerel away from Peruvian shores discouraging this fishery because of higher extraction costs. On September 6, 2002, mackerel and Peruvian mackerel catching were regulated establishing their fishing exclusively for direct human consumption. After this new regulation captures of these two fisheries increased for canning purposes. At the same time, tuna fish catching grew 42 percent fostered by the favorable legislation that promoted this type of fishery since 2001.

Fresh fish sales decreased after reduced mackerel, «liza», «cojinova» and «cabrilla» catchings among the main species.

Mining and Fuels

Mining and fuels grew by 11,3 percent due to an increase in metal mining output (12 percent) and fuels (0,6 percent).

In the first half, metal mining output continued to grow driven by the Antamina

production, significantly contributing to larger volumes of copper and zinc. In the second half, growth was driven by a larger gold production from La Quinoa owned by Yanacocha mining which started to operate at full capacity. Most metal prices declined (including copper, lead and zinc). However, gold prices grew throughout the year.

Copper production reached 635 thousand metric tons, with substantial increases determined by Antamina operations (111 percent up).

Tin production reached 34 thousand metric tons. A new historical record at Minsur Mining Company, Peru's only tin producer.

In 2002, 4,9 million ounces of **gold** were produced. Minera Yanacocha reached its production target of 2,3 million ounces as the La Quinoa unit reached full capacity after starting its operations during the fourth quarter of 2001. Barrick

Misquichilca, operator of the Pierina mine slightly cut production after wearing out the richest areas during initial operation years. Medium size mines benefited from better prices and were able to start operating new units.

Silver production reached 2,5 million kilograms slightly above 2001 figures, where the larger production from Antamina was partially offset by the lower production in medium size mines.

TABLE 17
INVESTMENT BY MINING COMPANY 1/
(Millions of US dollars)

Mining company and units	Metals	2000	2001	2002
Minera Yanacocha S.R.L.	Gold	276,9	276,9	146,2
Southern Peru Copper Corporation Sucursal del Perú	Copper	131,7	161,0	128,9
BHP Billiton Tintaya S.A. 2/	Copper	21,9	129,0	127,0
Compañía Minera Antamina S.A.	Polymetallic	825,0	530,0	49,7
Volcan Compañía Minera S.A.A.	Polymetallic	53,6	54,8	29,7
Compañía de Minas Buenaventura S.A.A.	Silver	4,4	31,5	17,7
Perubar S.A.- Rosaura	Polymetallic	0,4	7,4	14,2
Doe Run Perú S.R.L. 2/	Polymetallic	26,2	12,0	14,0
Compañía Minera Milpo S.A.	Polymetallic	6,7	12,6	13,5
Minsur S.A.	Tin	12,1	8,8	10,5
Empresa Minera Iscaycruz S.A.	Polymetallic	11,6	9,4	8,9
Sociedad Minera Corona S.A.	Polymetallic	6,1	11,5	7,7
Compañía Minera Atacocha S.A.	Polymetallic	13,3	10,2	7,6
Sociedad Minera Cerro Verde S.A.	Copper	15,0	14,2	7,3
Refinería de Cajamarquilla S.A. 2/	Zinc	10,8	14,2	6,8
Sociedad Minera El Brocal S.A.	Polymetallic	7,7	5,8	5,0
Minera Barrick Misquichilca S.A. – Pierina	Gold	49,0	12,0	5,0
Compañía Minera Arcata S.A.	Silver	0,1	0,3	4,0
Shougang Hierro Perú S.A.A.	Iron	5,9	9,6	2,8
Compañía Minera Huarón S.A.	Polymetallic	1,6	0,9	0,9
Compañía Minera Aurífera Santa Rosa S.A.	Gold	1,8	0,6	0,9
Compañía Minera Santa Luisa S.A.	Polymetallic	4,6	1,7	0,8
Compañía Minera Condestable S.A. A.	Copper	0,6	0,9	0,7
Compañía Minera Raura S.A.	Polymetallic	10,0	1,5	0,4
Pan American Silver S.A.C. Mina Quiruvilca	Silver	0,8	0,6	0,4
Castrovirreyna Compañía Minera S.A.	Polymetallic	4,0	3,0	0,4
TOTAL		1 501,8	1 320,3	610,9

1/ Prepared using financial statements and corporate data.

2/ Preliminary data. Foreign financing recorded by the Balance of Payment Department.

Source: Corporations.



TABLE 18
MINING AND FUELS BY PRODUCT: 2000-2002
(Real percentage change)

	2000	2001	2002
METALLIC MINING	4,0	13,3	12,0
Copper	1,9	34,6	16,0
Tin	38,3	2,1	1,7
Iron	6,4	10,5	0,6
Silver	5,1	12,1	0,5
Lead	3,2	11,2	3,1
Gold	2,4	4,1	13,4
Zinc	4,0	13,7	15,6
FUELS	-6,5	-2,0	0,6
Natural gas	-16,8	7,4	19,3
Oil crude	-6,1	-2,4	-0,2
TOTAL	2,4	12,4	11,3

Source: Ministry of Energy and Mines, INEI.

Zinc production reached 1 047 thousand tons which means a 16 percent increase. Zinc prices dropped to a historical low (US\$ 0,353 a pound as an average in 2002, compared to US\$ 0,402 a pound in 2001). The increase in production is explained by Antamina, and several medium-sized mining companies where concentration capacity expanded, such as Empresa Minera Iscaycruz, Empresa Administradora Chungar, Compañía Minera Milpo and Sociedad Minera El Brocal.

Fuels production expanded 0,6 percent mainly reflecting the larger production of gas (19 percent) from Aguaytia Energy and Olympic Peru, that compensated the setback in crude (-0,2 percent).

Raw Material Processing Industry

The **Raw Material Processing Industry** recorded levels similar to year before (0,1

percent increase) as a consequence of reduced availability of raw materials for fish canning and freezing and reduced refining of non-ferrous metals. In contrast, the greater **sugar refining** (15,4 percent) was associated to an increased sugar cane availability that came after investments by the main sugar mills.

2.2 Non-primary sectors

Non-primary manufacturing

Non-primary manufacturing grew 5,3 percent, and continued on its rising trend started in the third quarter of 2001. Growth was explained by a recovery in private consumption led by reduction in interest rates, credit expansion and growth of employment as well as higher activity in the construction sector, and the 3,5 percent increase in non-traditional exports particularly in the last quarter when several industries, including

TABLE 19
MANUFACTURING OF RAW MATERIALS: 2000-2002
 (Percentage change)

	2000	2001	2002
MANUFACTURING OF RAW MATERIALS	8,5	-2,4	0,1
Sugar	18,9	5,1	15,4
Meat products	7,4	1,7	5,0
Fishmeal	21,6	-28,7	2,8
Canned and frozen fish	26,2	8,7	-22,9
Non-ferrous metals	3,4	3,5	-1,9
Refined petroleum	-1,2	3,5	0,1

Source: Ministry of Production, INEI.

TABLE 20
NON-PRIMARY MANUFACTURING BY LARGE INDUSTRIAL GROUPS : 2000-2002
 (Percentage change)

	2000	2001	2002
NON-PRIMARY MANUFACTURING	6,1	-0,4	5,3
Foodstuffs, beverage and tobacco	1,3	-0,9	4,7
Textile, leather and footwear	10,1	-2,4	3,3
Paper and printing industry	20,1	-1,0	24,7
Chemicals, rubber and plastics	7,5	4,1	4,9
Non-metal mining	-1,4	-1,7	10,1
Iron and steel	7,0	0,9	-5,5
Metal products, machinery and equipment	9,1	-1,4	-2,8
Miscellaneous manufacturing	-6,3	4,2	-1,2

Source: Ministry of Production, INEI.

textiles, experienced significant increases as a consequence of ATPDEA agreement.

Industries making the largest contribution to growth were paper and printing (1,8

percent points); chemicals, rubber and plastics (0,8 percent points); textiles, leather and footwear (0,7 percent points) and non-metal minerals (0,7 percent points).



Construction

The **construction** sector grew 8,3 percent after falling for 3 consecutive years, mainly due to increased activity in the own-account construction, explained by the growth in employment and personal income. Also interest rates and Mivivienda housing program contributed to the recovery of the construction sector.

The Mivivienda program approved loans for S/. 254,3 million in 2002, compared to S/. 87,5 million in 2001. The number of loans totaled 3 611 in 2002 compared to 1 422 a year before. At year end 2002,

the Lima and Callao departments captured 78,8 percent of loans followed by Arequipa with 5,5 percent and La Libertad with 4,2 percent.

3. Employment

In 2002, the labor force for Metropolitan Lima reached 4 million persons, 4,2 percent more than a year before. Labor force growth in Metropolitan Lima is principally linked to increase in the labor share coefficient of working-age population (14 years and over), actually working or looking for a job, and the total number of Working-age Population which rose from

BOX 3

MIVIENDA FUND

In January 1998, Law 26912 created the Housing Promotion Mortgage Fund (Mivivienda fund) to promote people's access to private property, especially in its lower income segments. Mivivienda funds come from the National Housing Fund. Initially total resources reached S/. 1,5 billion and, to December 2002, fund resources had reached S/. 2 207,5 million.

Mi Vivienda finances building and purchase for new homes built by private industry. Likewise the fund may create securities either issued or managed by the financial system or securitization companies for housing projects. In addition, Mi Vivienda can improve security issues based on loans granted within the scope of the Mi Vivienda program.

In October 2000, the «Good Payer Award» program was introduced. This award distinguishes two credit trenches to be provided by Medium Financial Institutions: (a) «non-concession», equivalent to 80 percent of the loan and paid in monthly installments and (b) a «concession» trench amounting the 20 percent of the loan on half-yearly installments and subject to the same financial conditions as the non-concession trench. Through this award punctual monthly payments are given the option to pay the principal and interest of the concession trench installments.

In 2002, Mivivienda financed a larger number of mortgage credits compared to previous years, so the Mivivienda fund provided 3 611 mortgage credits or 154 percent more than in 2001 (1 422). To December 2002, 5 581 loans had been awarded for a total S/. 377 million.

MIVIVIENDA FUND CREDITS AND DISBURSEMENTS				
	Number of loans by type of currency			Total Disbursements 1/ (Millions of S/.)
	Soles	Dollars	Total	
<u>1999</u>	88	55	143	9,1
<u>2000</u>	273	132	405	26,1
<u>2001</u>	462	960	1 422	87,5
<u>2002</u>	377	3 234	3 611	254,3
January	25	101	126	8,3
February	22	153	175	11,3
March	17	159	176	12,1
April	33	188	221	14,0
May	45	169	214	15,6
June	29	192	221	17,0
July	29	298	327	21,7
August	27	308	335	23,6
September	34	282	316	24,0
October	56	319	375	28,9
November	31	487	518	35,3
December	29	578	607	42,5
<u>Total loans</u>	<u>1 200</u>	<u>4 381</u>	<u>5 581</u>	<u>377,0</u>

1/ Disbursements against the Mivivienda fund.

66,9 to 68,5. The employed labor force rose 4,4 percent (or 156 thousand persons) to a total 3,7 million.

Growth of the employed labor force was basically in the non-wage earners (independent, household, non-remunerated family workers and others) that grew 7,4 percent. Meanwhile, wage earners (white and blue collar workers) grew 1,7 percent during the period under review. Likewise, by economic sector, employment improved mostly in manufacturing, construction and commerce. By size of employer, employment grew, in absolute terms mostly among companies hiring under ten workers. The number of workers employed over 20 hours a week grew 3,1 percent

compared to 2001, while wage earners grew 1,4 percent.

The unemployed population in 2002 was estimated at 347 thousand persons, with an increase of 6 thousand workers to a year before. Likewise the unemployment rate fell from 8,9 to 8,7 percent during the period under review. By gender, unemployment fell among men (from 8,1 to 7,5 percent) while female unemployment rate increased marginally (from 9,9 to 10 percent). By age bracket, unemployment fell mainly for the 25-44 year group, while unemployment among younger workers (14-24 years) increased 1,3 percent points from 13,9 to 15,2 percent. The 45 and over age



TABLE 21
LABOR FORCE: METROPOLITAN LIMA 1/
(thousands of people)

	2001	2002	Variation 2002/2001	
			In thousands	In percent
LABOR FORCE	3 850	4 012	162	4,2
EMPLOYED LABOR FORCE	3 509	3 665	156	4,4
<u>By economic activity</u>				
Manufacturing	549	586	37	6,8
Construction	170	193	22	13,2
Commerce	865	943	78	9,0
Services	1 871	1 887	16	0,9
Others	53	55	2	3,4
<u>By occupational category</u>				
Wage earners	1 823	1 854	32	1,7
Non-wage earners	1 686	1 810	124	7,4
<u>By size of employer</u>				
1 to 9 workers	2 341	2 431	90	3,9
10 and more	1 168	1 233	65	5,6
<u>By hours work in a week</u>				
Workers employed over 20 hours a week	3 071	3 168	96	3,1
Wage earners employed over 20 hours a week	1 672	1 695	23	1,4
UNEMPLOYED LABOR FORCE	341	347	6	1,8
INACTIVE POPULATION	1 908	1 847	- 61	-3,2
POPULATION IN WORKING AGE	5 758	5 859	101	1,8
RATES (in percentage)				
Activity rate	66,9	68,5		
Rate labor force employed/population	60,9	62,5		
Unemployment rate	8,9	8,7		
Underemployment rate by hours	17,1	18,4		

1/ Fourth quarter every year.
Source: INEI - Permanent Employment Survey.

group remained stagnant at 6,7 percent.

Seasonally adjusted urban employment estimated through the monthly employment changes by the Employment Variations Survey for firms with 10 or more workers has been increasing throughout 2002.

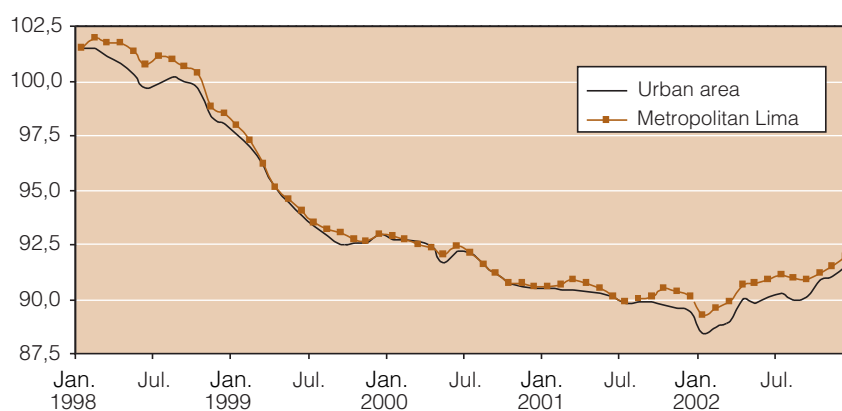
Urban employment in companies hiring 10 or more workers grew 1,7 percent. Job growth in the main cities was principally in Ica, Huancayo, Metropolitan Lima and Trujillo, while the greatest falls came in Iquitos, Cusco, Puno and Chimbote.

TABLE 22
OPEN UNEMPLOYMENT RATE FOR METROPOLITAN LIMA 1/
(In percents)

	2001	2002
TOTAL	8,9	8,7
Aspirant	0,2	0,4
Retirees	8,6	8,3
By gender		
Male	8,1	7,5
Female	9,9	10,0
By age		
14-24 years	13,9	15,2
25-44 years	7,4	6,3
45 and over	6,7	6,7

1/ Fourth quarter every year.
Source: INEI - Permanent Employment Survey.

GRAPH 16
URBAN EMPLOYMENT IN COMPANIES WITH 10 AND MORE WORKERS: 1998-2002
 (Seasonally adjusted index. October 1997 = 100)



Source: MTPE.

TABLE 23

URBAN EMPLOYMENT IN COMPANIES WITH 10 AND MORE WORKERS

	Indexes (October 1997 = 100) 1/			Var. % 2002/2001
	2000	2001	2002	
TOTAL	90,8	89,8	91,3	1,7
Arequipa	86,6	81,6	83,6	2,4
Chimbote	81,0	76,6	75,0	-2,2
Chiclayo	84,8	80,4	83,1	3,4
Cusco	86,7	87,7	80,8	-7,9
Huancayo	91,1	91,5	95,9	4,8
Ica	103,6	103,3	120,6	16,8
Iquitos	84,4	82,6	74,0	-10,5
Lima Metropolitana	90,8	90,5	91,7	1,4
Piura	85,2	82,1	83,7	1,9
Pucallpa	86,2	84,6	85,2	0,7
Puno	90,4	90,5	86,9	-4,0
Trujillo	100,2	95,4	104,3	9,3

1/ Fourth quarter every year.

Source: Urban employment variation survey for firms with 10 and more workers.