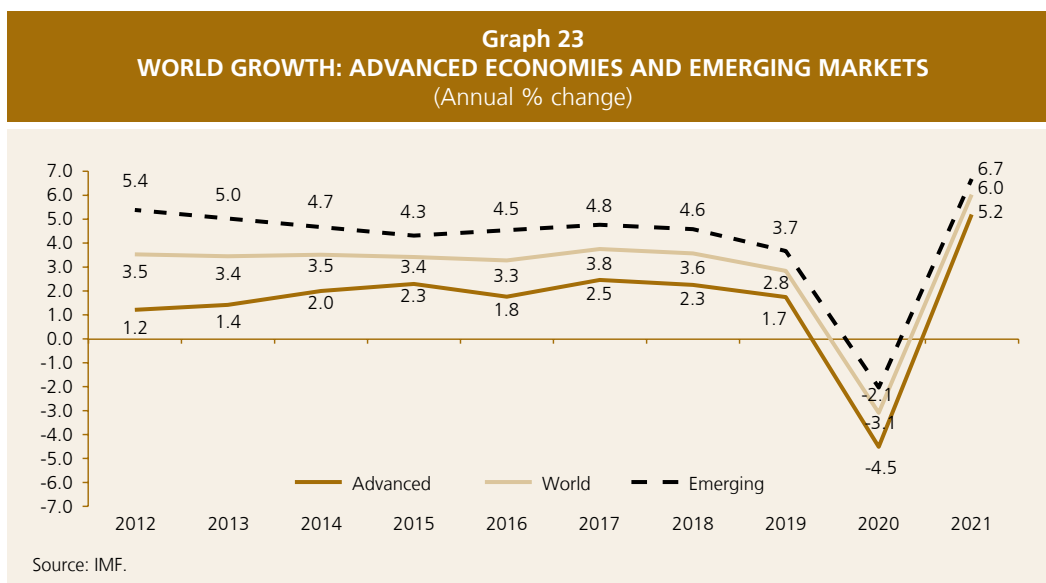


# EXTERNAL SECTOR

## 1. International environment

After the sharp downturn experienced in 2020 because of the COVID-19 pandemic, the global economy recovered significantly in 2021, reflecting the fiscal and monetary policies adopted, the partial reopening of most economies, and the progress achieved in terms of vaccination. However, this recovery has been accompanied by a series of problems on the supply-side, such as higher transportation costs, difficulties in the supply chain and labor shortages in specific sectors, which have generated greater inflationary pressures in both developed and emerging economies.



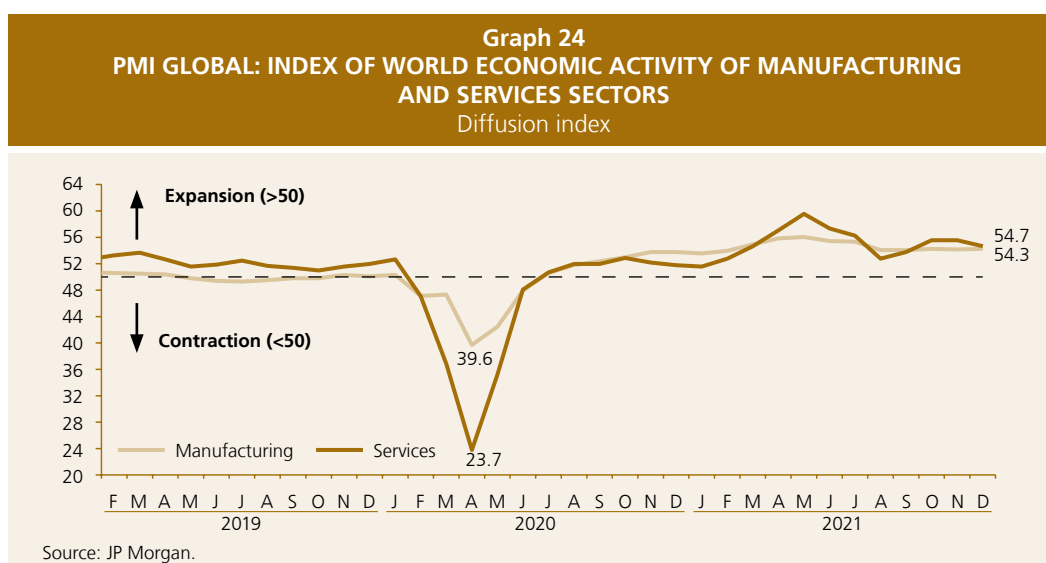
However, this significant economic recovery in 2021 was not uniform throughout the year or at the country level. The pace of growth that had been observed in the world economy since the second half of 2020 was partially affected, at the beginning of 2021, by new cases of COVID-19 associated with the delta variant. The measures implemented to contain its expansion had a temporary impact on the performance of several major economies such as Germany, the United Kingdom and Japan (which even registered negative growth rates in the first quarter). Moreover, towards the end of the year, the appearance of a new, less lethal but more transmissible variant of the virus, called omicron, led to the reimposition of mobility restrictions in several countries, especially in Europe. In comparative terms, the economies of the more developed nations recovered more rapidly than those of other groups.

In the last 10 years, world economic growth has averaged 3.0 percent, with greater dynamism being observed in the countries with the world's largest populations (China and India), while a low performance was seen in Latin America (0.7 percent). With a rate similar to the world average, the Peruvian economy registered one of the highest growth rates in the region (3.1 percent) during the past decade.

Table 20 GLOBAL GROWTH (Annual % change)						
	% PPP 1/	% Peru's trading 2/	2019	2020	2021	Average 2012-2021
<b>Developed countries</b>	<b>42.2</b>	<b>40.9</b>	<b>1.7</b>	<b>-4.5</b>	<b>5.2</b>	<b>1.5</b>
<i>Of which:</i>						
1. USA	15.9	15.5	2.3	-3.4	5.7	2.0
2. Eurozone	12.0	9.4	1.5	-6.4	5.3	0.9
3. Japan	3.9	3.7	0.0	-4.6	1.6	0.5
4. United Kingdom	2.3	1.5	1.4	-9.8	7.4	1.2
5. Canada	1.4	3.5	1.9	-5.3	4.6	1.5
<b>Emerging countries</b>	<b>57.5</b>	<b>59.1</b>	<b>3.7</b>	<b>-2.0</b>	<b>6.7</b>	<b>4.1</b>
<i>Of which:</i>						
1. China	18.7	32.0	6.0	2.3	8.1	6.7
2. India	7.0	3.3	4.0	-7.3	8.9	5.4
3. Russia	3.1	0.7	2.0	-3.0	4.7	1.3
4. Latin America and the Caribbean	7.3	18.9	-0.6	-7.0	4.5	0.7
Brazil	2.4	4.0	1.4	-3.9	4.5	0.4
Chile	0.4	3.0	1.0	-5.8	12.0	2.5
Colombia	0.6	1.9	3.3	-7.0	10.6	2.6
Mexico	1.9	2.3	-0.2	-8.2	4.8	1.5
Argentina	0.7	2.1	-2.1	-9.9	10.0	-0.7
Peru	0.3	--	2.2	-11.0	13.3	3.1
<b>World Economy</b>	<b>100.0</b>	<b>100.0</b>	<b>2.8</b>	<b>-3.1</b>	<b>6.0</b>	<b>3.0</b>
<b>Memo:</b>						
Trading partners 1/			3.3	-2.2	6.4	4.4

1/ Weights correspond to 2021. World GDP is measured in Purchasing Power Parity (PPP) calculated by the IMF. For trading partners, the top 20 in 2021 are considered.  
2/ Participation of each country in the total exports plus imports of Peru.

This dynamic was reflected in monthly activity indicators, such as the Purchasing Manager Index (PMI). After the sluggishness of activity in the first months of 2021, as from March global indicators of manufacturing and services grew steadily, reaching 11-year and 15-year highs in May, respectively, with the developed economies showing the strongest recovery.



However, supply shocks persisted in 2021 and, in many cases, became more pronounced than expected, limiting the economic recovery. First of all, food and energy prices rebounded significantly, growing at rates well above the consumer basket average. Second, there was a significant increase in the cost of maritime cargo transportation, which was accompanied by longer delays in shipments and a longer stay of container ships in ports. Third, the reactivation of activity was limited by the shortage of inputs in some key sectors, including for example semiconductors, fertilizers, and home repair materials, among other inputs. Labor shortages were also registered in a number of activities. At the expenditure component level, these supply shocks had a greater impact on investment.

As a result of the recovery in demand and supply constraints, **inflationary pressures** increased significantly throughout the year. In the United States, inflation rose from 1.4 percent in December 2020 to 7.0 percent in the same month of 2021, a rate not seen in nearly four decades.

A similar trend was seen in the Eurozone, where inflation reached a record level of 5.0 percent in December. Germany's inflation rate rose from negative (-0.3 percent in December 2020) to 5.3 percent, the highest rate since June 1992, reflecting in part the effect of the cut in the general sales tax, effective during the second half of 2020. In the United Kingdom, inflation registered a rate of 5.4 percent at the end of 2021 –the highest inflation rate since March 1992–, this trend being also accompanied by a significant increase in inflation expectations. A similar upward behavior was seen in most emerging economies, particularly in Europe and the Americas.

<b>Table 21</b>				
<b>INFLATION</b>				
(% change last 12 months, end of period)				
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Annual average 2012-2021</b>
<b>Developed countries</b>	<b>1.5</b>	<b>0.5</b>	<b>5.3</b>	<b>1.6</b>
<i>Of which:</i>				
1. USA	2.3	1.4	7.0	2.1
2. Germany	1.5	-0.3	5.3	1.5
3. Japan	0.8	-1.2	0.8	0.6
<b>Emerging countries</b>	<b>5.6</b>	<b>4.5</b>	<b>7.3</b>	<b>5.1</b>
<i>Of which:</i>				
1. China	4.4	0.3	1.4	2.0
2. India	7.4	4.6	4.7	5.9
3. Brazil	4.3	4.5	10.1	6.0
4. Peru	1.9	2.0	6.4	3.0
<b>World economy</b>	<b>3.8</b>	<b>2.8</b>	<b>6.4</b>	<b>3.6</b>

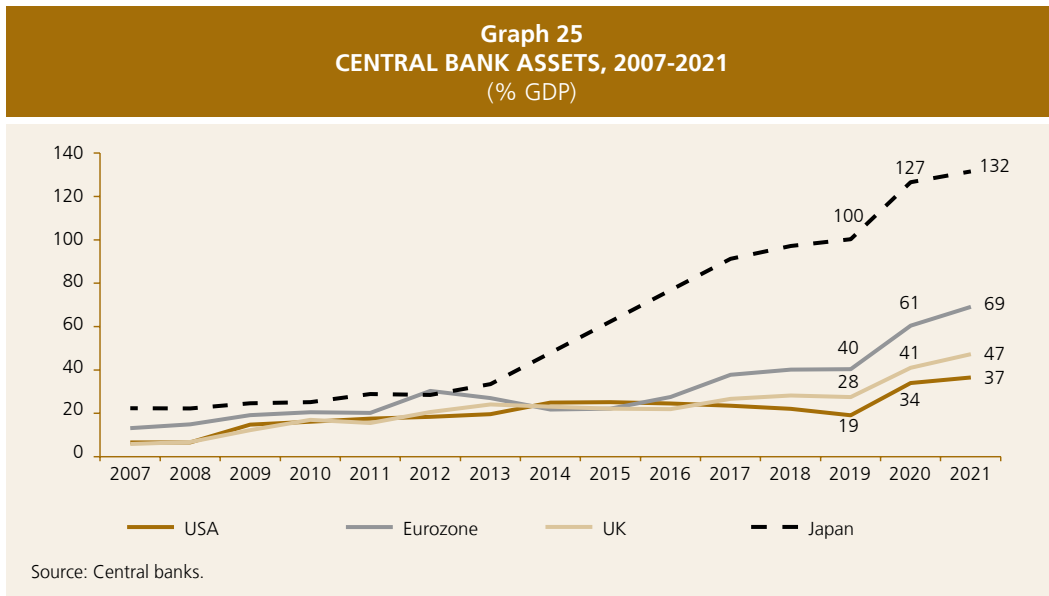
Source: IMF and BCRP.

In this context, several central banks began to withdraw the monetary stimuli that had been introduced in the wake of the pandemic. Of particular note was the interest rate increase carried out by the Bank of England in December (from 0.10 to 0.25 percent), which was the first rate adjustment made by a major central bank. Other central banks in developed economies, which raised their rates during 2021, were Norway, South Korea, and New Zealand.

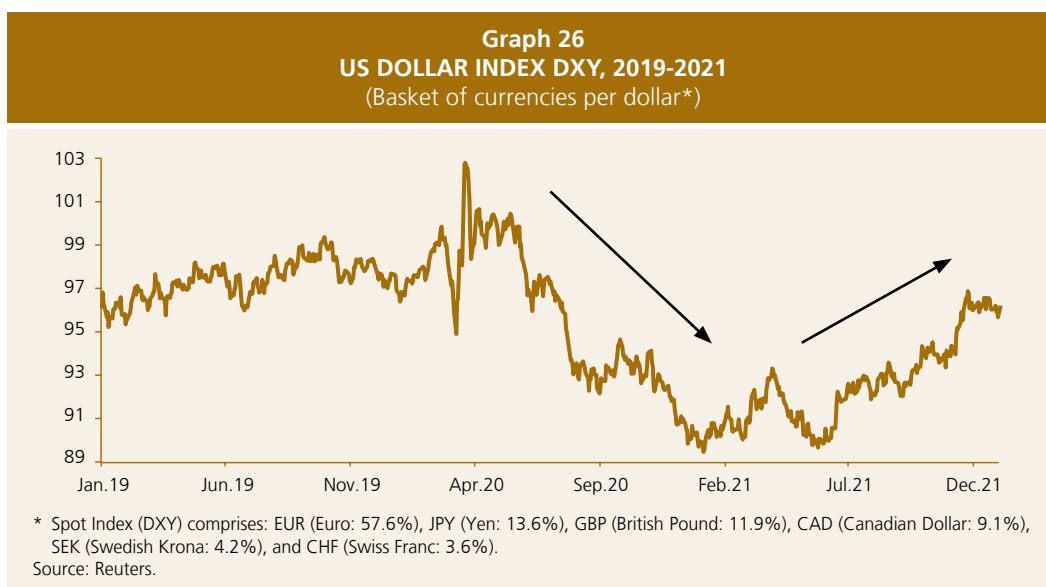
Also noteworthy was the US Federal Reserve's announcement of the reduction of its asset purchase program (both treasury bonds and other assets). For its part, the European Central Bank (ECB)

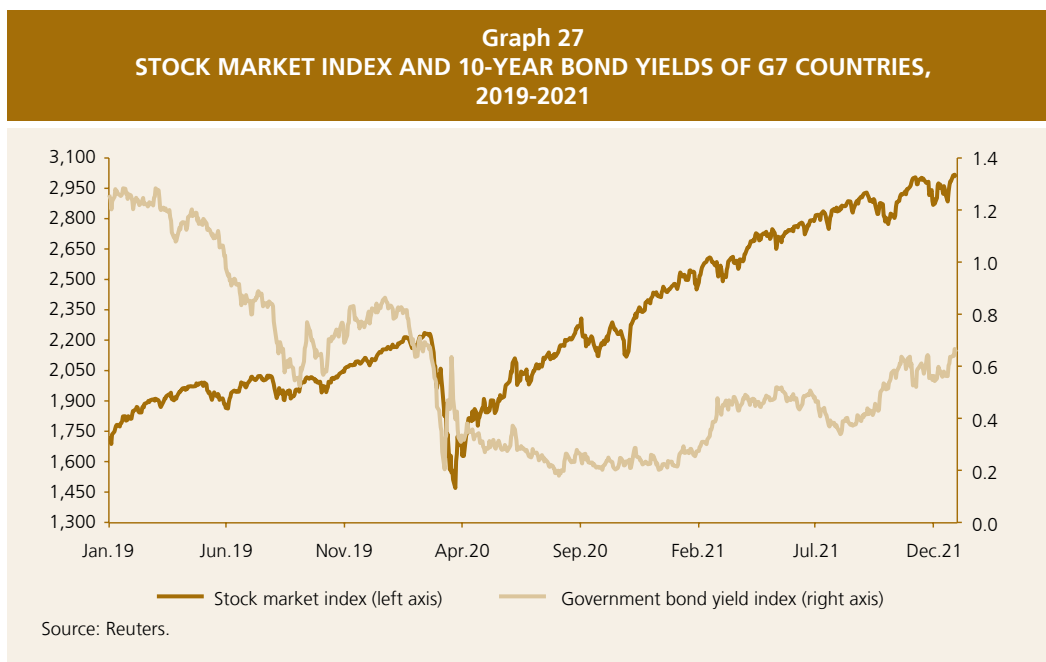
announced the end of the Pandemic Emergency Purchasing Program (PEPP). It is worth pointing out that these measures were adopted in a context of expansionary fiscal policies, mainly in the United States and Europe.

In the group of emerging economies, several central banks began to withdraw monetary stimuli by raising their interest rates, most notably in Russia (425 bps) and Brazil (725 bps).

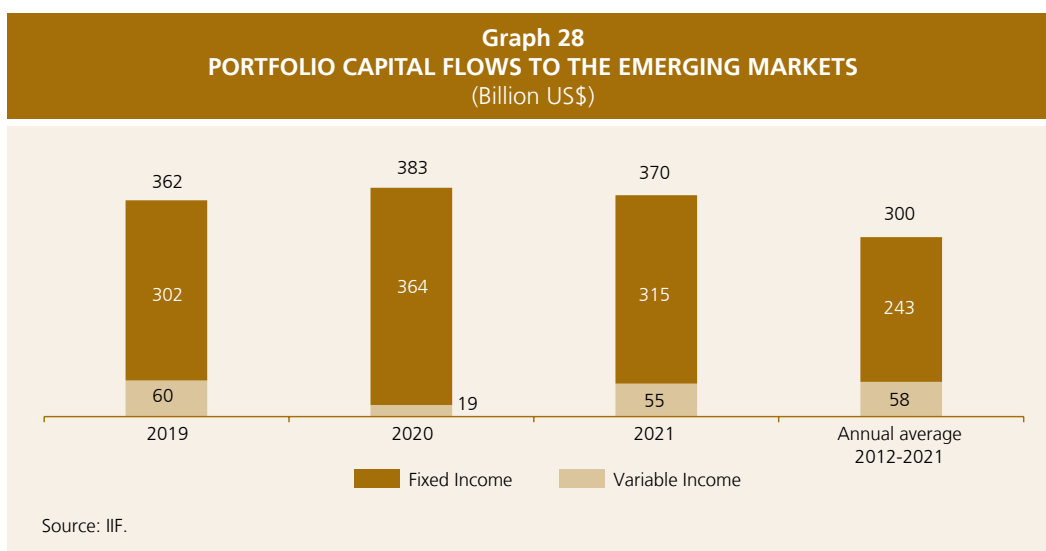


Expectations of a less expansionary monetary policy in the United States, and its subsequent implementation, influenced the appreciation of the dollar against most currencies in 2021. Thus, the DXY index, which reflects the value of the dollar against a basket of major currencies, showed an appreciation of 6.4 percent between December 2020 and December 2021, reversing the depreciatory trend observed in the previous year. In addition, an increase was seen in the yield of 10-year U.S. Treasury bonds, along with a lower dynamism of stock markets in recent months (although this did not completely erase the gains registered in the first quarters of the year).





In this context, capital flows to emerging economies slowed down, especially those oriented to fixed-income markets. This slowdown was observed as from the second half of the year due to greater evidence of inflationary pressures at a global level and, therefore, higher expectations that the main central banks would soon withdraw monetary stimuli.

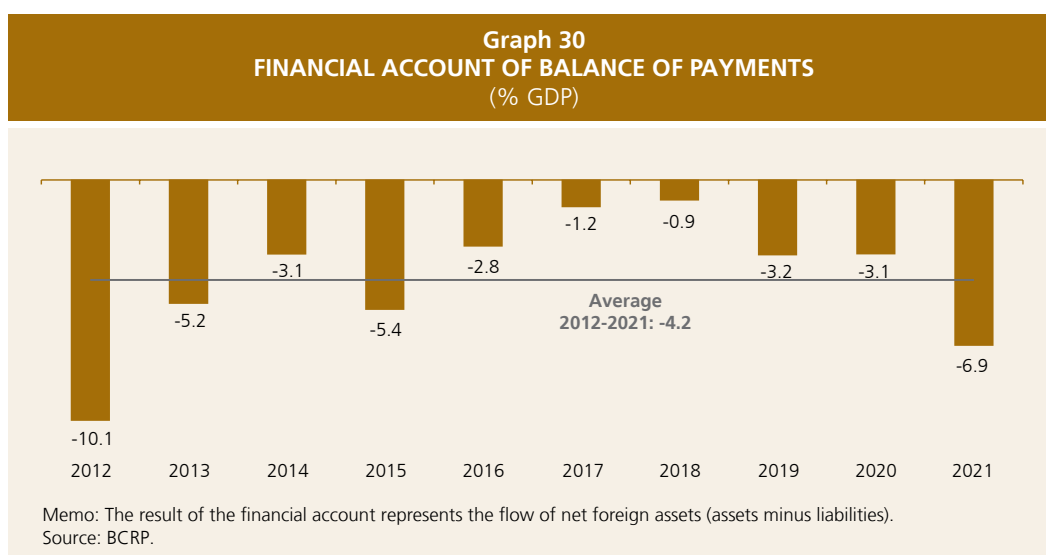
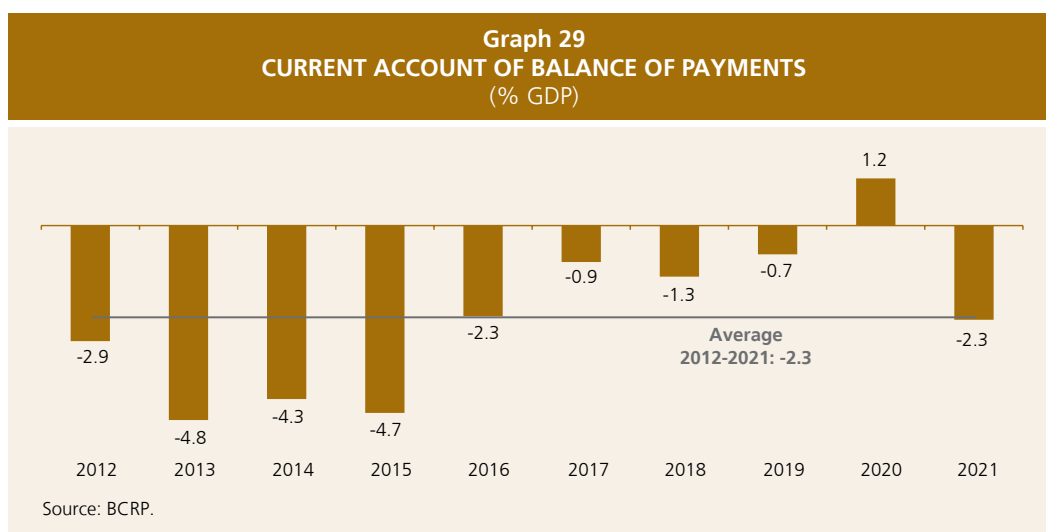


## 2. Balance of Payments

The balance of our external accounts in 2021 reflected the acceleration of domestic demand and the recovery of local activity to pre-pandemic levels, both supported by the relaxation of sanitary measures and the progress achieved in the vaccination process. Although global economic activity

evolved favorably with respect to the previous year, supply shocks related to international trade and labor persisted amid a context of rising energy and food prices.

Thus, the **current account** of the balance of payments went from a surplus of 1.2 percent of GDP in 2020 to a deficit of 2.3 percent of GDP in 2021, a deficit rate equal to the average deficit seen from 2012 to 2021. The widening of the deficit resulted mostly from increased imports, higher profits of companies with foreign direct investment in the country, and the increase in the services account deficit, although these factors were offset in part the robust expansion of the value of exports, which reached 28.0 percent in terms of GDP, a figure significantly above the 2012 - 2021 average of 21.4 percent.



The **financial account** registered higher foreign financing, with the net debtor position showing an increase of US\$ 15,627 million (6.9 percent of GDP). This result reflected: (i) higher sales of net portfolio foreign assets, mainly the AFP's portfolio assets abroad (to meet liquidity requirements); (ii)

higher portfolio investment following the issuance of global government bonds (to face the crisis associated with COVID-19) and Petroperu bonds (to finance the Talara Refinery project); (iii) higher net foreign direct investment (FDI) due to reinvestment of profits, as a result of high commodity prices and the recovery of local activity, and (iv) external loans from multilateral organizations to the General Government. For their part, short-term external capital outflows amounted to 7.4 percent of GDP in 2021, the highest historical level recorded to date.

**Table 22**  
**BALANCE OF PAYMENTS**  
(Million US\$)

	Million US\$			% GDP		
	2019	2020	2021	2020	2021	Avg.12-21
<b>I. CURRENT ACCOUNT BALANCE (1+2+3+4)</b>	<b>-1,680</b>	<b>2,398</b>	<b>-5,273</b>	<b>1.2</b>	<b>-2.3</b>	<b>-2.3</b>
1. Goods (a-b)	6,879	8,196	14,833	4.0	6.6	2.2
a. Exports 1/	47,980	42,905	63,151	20.9	28.0	21.4
b. Imports	41,101	34,709	48,317	16.9	21.4	19.2
2. Services (a-b)	-3,981	-4,666	-7,347	-2.3	-3.3	-1.7
a. Exports	6,696	2,718	2,947	1.3	1.3	2.5
b. Imports	10,677	7,384	10,294	3.6	4.6	4.1
3. Primary income (a+b)	-9,600	-6,131	-18,127	-3.0	-8.0	-5.2
a. Private	-8,731	-5,276	-16,387	-2.6	-7.3	-4.7
b. Public	-869	-855	-1,740	-0.4	-0.8	-0.4
4. Secondary income 2/	5,021	4,998	5,367	2.4	2.4	2.3
Of which: Remittances	3,326	2,939	3,592	1.4	1.6	1.4
<b>II. FINANCIAL ACCOUNT (1+2+3) 3/</b>	<b>-7,346</b>	<b>-6,431</b>	<b>-15,627</b>	<b>-3.1</b>	<b>-6.9</b>	<b>-4.2</b>
Net creditor (+) / Net debtor (-)						
1. Private sector (a-b)	-2,444	2,753	-16,675	1.3	-7.4	-3.3
a. Assets	1,130	893	-8,731	0.4	-3.9	0.7
b. Liabilities	3,573	-1,861	7,944	-0.9	3.5	4.0
2. Public sector (a-b)	-4,399	-9,831	-15,590	-4.8	-6.9	-1.9
a. Assets	-212	287	57	0.1	0.0	0.1
b. Liabilities 4/	4,187	10,118	15,647	4.9	6.9	2.0
3. Short-term capital (a-b)	-504	647	16,638	0.3	7.4	1.0
a. Assets	-1,915	2,526	16,390	1.2	7.3	1.2
b. Liabilities	-1,411	1,879	-248	0.9	-0.1	0.2
<b>III. ERRORS AND NET OMMISIONS</b>	<b>1,243</b>	<b>-3,527</b>	<b>-5,944</b>	<b>-1.7</b>	<b>-2.6</b>	<b>-0.4</b>
<b>IV. BALANCE OF PAYMENT RESULT</b>						
<b>IV = I - II + III = (1-2)</b>	<b>6,909</b>	<b>5,301</b>	<b>4,410</b>	<b>2.6</b>	<b>2.0</b>	<b>1.5</b>
1. Change in the balance of NIRs	8,195	6,391	3,789	3.1	1.7	1.4
2. Valuation effect	1,286	1,090	-622	0.5	-0.3	0.0

1/ Includes estimate of gold exports not registered by Customs.

2/ Includes income tax by non-residents.

3/ The financial account and its components (private sector, public sector and short-term capital) are expressed as assets net of liabilities.

4/ Considers the sale and purchase between residents and non-residents of government bonds issued abroad or in the market local.

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.

**Box 2****MAIN METHODOLOGICAL CHANGES FOR THE NEW BALANCE OF PAYMENTS STATISTICS  
PRESENTATION UNDER THE SIXTH EDITION OF THE BALANCE OF PAYMENTS AND  
INTERNATIONAL INVESTMENT POSITION MANUAL (BPM6)**

Since February 2022, the Balance of Payments (BP) and International Investment Position (IIP) statistical tables are published in the BCRP's Weekly Note following the methodological recommendations of the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6). This methodological migration does not imply structural changes compared to the previous version, but rather considers the advances associated with globalization, technological development, and their impact on a country's economic relations with the rest of the world. It also seeks greater consistency in the terminology and classification of items, financial instruments, and sectors with the National Accounts, and gives greater relevance to the balance sheet of the economy reflected in the International Investment Position (IIP).

The main changes in the two main accounts of the Balance of Payments and the International Investment Position are detailed below.

**Current Account**

The current account result does not change in value, although internally it presents new descriptions for some accounts, reclassifications, and new estimates, which are detailed in the following points:

1. Both credits and debits are expressed with a positive sign. In the previous presentation, imports had a negative sign. With this change, the current account result equals the difference between credits and debits.
2. The components of the current account are renamed goods, services, primary income, and secondary income. In the previous presentation, they were called trade balance, services, factor income and current transfers, respectively.
3. Maintenance and repairs is reclassified to services. In the previous presentation, it was included in goods.
4. Services related to insurance and reinsurance are reclassified. Indemnities are reclassified internally between debits and credits, although this does not affect the net result of the services item, nor that of the current account.
5. Two new items are estimated: the supplementary premium and financial intermediation services, measured indirectly (FISIM), with their corresponding adjustments to primary income that do not affect the current account result.

The supplementary premium is registered under insurance and reinsurance. This premium is the yield imputed to the technical reserves (accumulated balance of the difference between premiums paid and earned) related to insurance and reinsurance abroad. It has a counterpart in primary income, so that the current account result is not affected.

FISIM are reclassified and registered under other services. FISIM are estimates of the charges implicit in interest rates on loans and deposits, charges that should not be considered as investment income, but as a service. Following this breakdown and reclassification, the primary income reflects only pure interest, excluding those implicit FISIM charges that are now reclassified to services; therefore, the current account result is not altered.



### Financial Account

The financial account is expressed in terms of net assets. Thus, a positive financial account indicates that the country has been a net creditor in a period. Conversely, the economy has been a net debtor when the sign is negative. In the fifth version of the manual, the financial account was expressed as net liabilities.

6. Both assets and liabilities are expressed with their natural sign. When assets have a positive (*negative*) sign, this means that residents have grown (*decreased*) their assets acquired abroad. For its part, when liabilities have a positive (*negative*) sign, this means that, on net, residents have grown (*decreased*) their liabilities incurred abroad. The result of the financial account is the difference of assets minus liabilities.
7. The presentation of direct investment debt instruments (FDI) follows the principle of global assets and liabilities instead of the directional principle. This causes changes in presentation, although the net result of the financial account is not affected. First, the terms 'FDI abroad' and 'FDI in the country' are replaced by 'FDI assets' and 'FDI liabilities', respectively. Secondly, the debts of the foreign parent companies with their Peruvian branches, which were previously subtracted from the FDI in the country (producing a net liability), are now reclassified as assets, in line with the idea of representing a gross concept in the movement of assets and liabilities, respectively.
8. The structure of the public sector financial account has changed in its presentation. It is now harmonized with the structure of the private financial account. These reclassifications do not affect the net income.

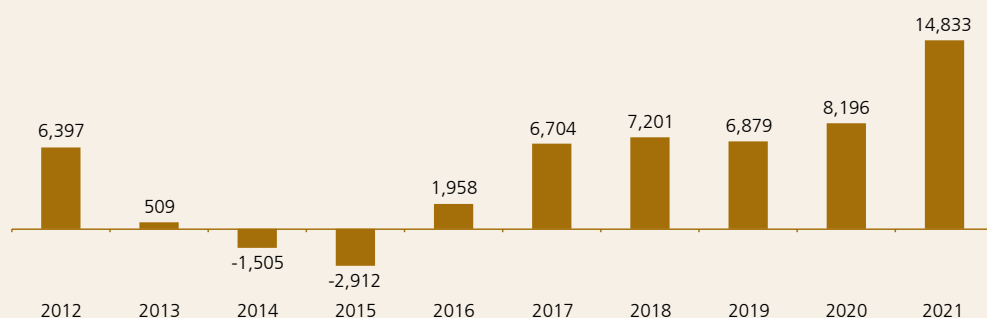
### International Investment Position (IIP)

9. The liability balance of the FDI debt, which was in net terms (liabilities minus assets), is opened, and the asset portion is reclassified to assets. In line with the reclassification in the financial account, the debts of foreign parent companies with their Peruvian branches are no longer subtracted from liabilities, and are now assets, according to the principle of global assets and liabilities. This change does not affect the overall net balance of FDI, and therefore does not affect the overall net balance of IIP.
10. The BCRP now has its own breakdown in liabilities. The BCRP item is now separated from the rest of the items and is subdivided into short and long term.

## 2.1 Goods Trade Balance

Peru registered a positive trade balance of US\$ 14,833 million in 2021, driven by the growth of export and import volumes by 12.9 and 19.4 percent, respectively, as a result of the recovery of activity and domestic demand. Moreover, in terms of prices, exports grew by 30.3 percent, favored by the significant increase seen in international prices for commodities such as copper, zinc, gold, coffee, natural gas, among other goods, which set historical records for some products. For its part, the price of imports increased 16.6 percent, mainly due to higher values for food, oil and industrial inputs. International prices have risen, supported by the rapid global economic recovery and supply restrictions associated with supply chain problems (such as transportation bottlenecks in international shipping).

**Graph 31**  
**TRADE BALANCE**  
(Million US\$)



Memo: Exports of copper, zinc and molybdenum in 2021 have been estimated based on exports reported to the MINEM in the cases of companies that, having made shipments, are not included in the export registry yet.  
Source: BCRP and SUNAT.

Peru's two main trading partners continued to be China and the United States. Transactions with these countries accounted for 45.5 percent of total trade in 2021.

**Table 23**  
**TRADE BY MAIN COUNTRIES AND REGIONS**  
(Million US\$)

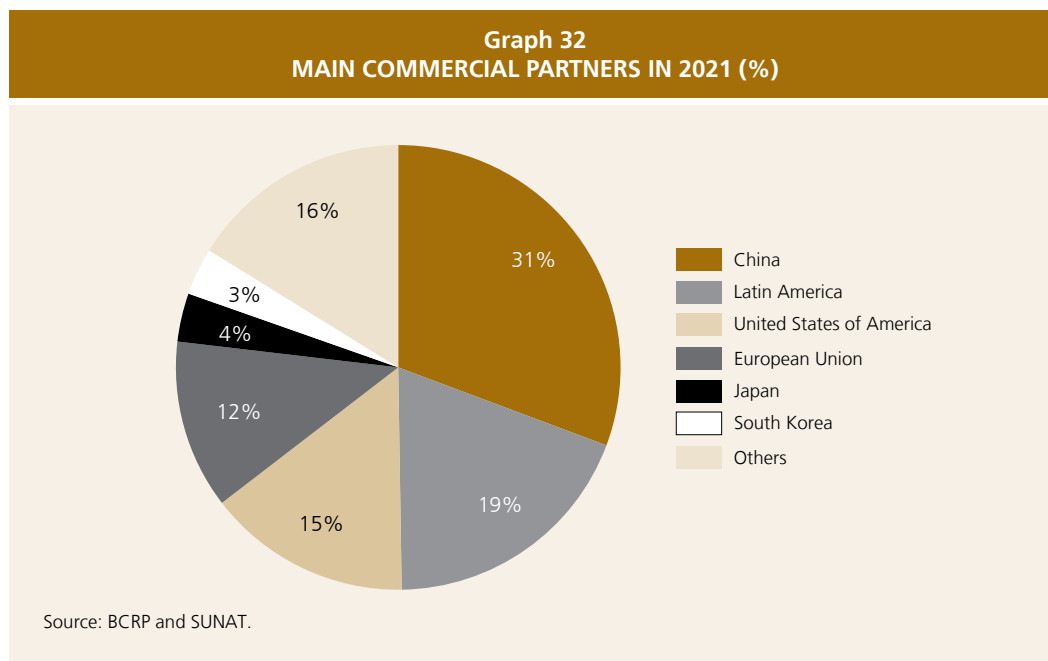
	Exports 1/			Imports 2/			X + M		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
China	13,585	12,537	21,010	9,953	9,814	13,212	23,538	22,350	34,222
USA	5,873	6,262	7,256	8,465	6,388	9,263	14,338	12,651	16,519
Brazil	1,442	801	1,108	2,308	1,873	3,207	3,751	2,674	4,315
Japan	1,976	1,995	2,971	1,023	691	957	2,999	2,687	3,928
Bolivia	2,230	1,666	2,992	386	475	839	2,616	2,141	3,831
South Korea	2,280	2,450	2,985	911	606	851	3,191	3,057	3,835
Canada	2,456	2,567	2,785	633	738	917	3,090	3,305	3,701
India	1,787	1,159	2,510	839	774	989	2,626	1,933	3,499
Chile	1,312	1,137	1,838	1,503	1,241	1,374	2,815	2,378	3,212
Germany	1,039	908	1,360	1,099	970	1,514	2,138	1,878	2,874
Mexico	478	444	582	1,803	1,475	1,831	2,281	1,919	2,412
Spain	1,209	1,121	1,549	850	636	794	2,059	1,757	2,343
Argentina	138	108	165	1,617	1,515	2,071	1,755	1,623	2,237
Colombia	792	676	872	1,298	954	1,141	2,090	1,631	2,013
Ecuador	797	652	937	1,256	435	667	2,053	1,088	1,604
Italy	613	492	659	718	546	722	1,331	1,038	1,381
Vietnam	141	83	69	502	469	814	642	553	884
Russia	212	134	195	319	238	545	530	373	740
Taiwan	202	199	297	324	273	360	525	472	656
Thailand	192	126	125	404	339	447	596	465	572
Rest	9,227	7,388	10,886	4,891	4,257	5,803	14,118	11,645	16,688
<b>Total</b>	<b>47,980</b>	<b>42,905</b>	<b>63,151</b>	<b>41,101</b>	<b>34,709</b>	<b>48,317</b>	<b>89,082</b>	<b>77,614</b>	<b>111,468</b>
China	13,585	12,537	21,010	9,953	9,814	13,212	23,538	22,350	34,222
Latin America	8,143	5,978	9,491	10,601	8,411	11,743	18,745	14,389	21,233
USA	5,873	6,262	7,256	8,465	6,388	9,263	14,338	12,651	16,519
Asia (less China)	8,231	7,502	10,742	5,226	4,309	6,360	13,457	11,811	17,102
European Union	6,185	5,636	8,621	4,584	3,820	5,076	10,769	9,456	13,696
Others	5,964	4,991	6,031	2,270	1,966	2,664	8,235	6,957	8,695

X: Exports. M: Imports.

1/ Exports exclude other goods sold. Besides, exports of copper, zinc and molybdenum in 2021 have been estimated based on the exports reported by MINEM, in cases of companies that, having made shipments, are not yet listed in the export log.

2/ Imports exclude defense material, other purchased goods and repair of national ships and aircraft abroad. Imports were grouped by country of origin. Preliminary data.

Source: SUNAT.



## Exports

Exports in 2021 totaled US\$ 63,151 million, a sum US\$ 20,246 million higher than the amount registered the previous year. This performance is explained by both the price and the volume components, depending on the sector analyzed (traditional and non-traditional exports). During the year, the price of traditional export products increased by 40.5 percent due to high commodity prices, which reached new record highs. Copper and zinc, the main exports, stand out, with variation rates of 51.5 and 53.7 percent, respectively, compared to 2020. It is also worth highlighting that the price of natural gas increased by 355.8 percent as a result of supply and demand shocks that affected the natural gas market. On the other hand, the volume of exports of non-traditional products increased 20.2 percent, with exports of agricultural, textile and chemical goods standing out, in line with greater output in the respective sectors. This was driven by the recovery of global demand, the context of trade restrictions between the United States and China (due to transportation bottlenecks, among other factors), and the new trade conditions associated with the pandemic.

### Classification of exports according to economic activity groups

Agricultural exports, which totaled US\$ 7,949 million in 2021, were US\$ 1,166 million higher than in 2020. On the other hand, exports of fishery products amounted to US\$ 3,863 million, while mining and hydrocarbons exports totaled US\$ 44,684 million and non-primary manufacturing exports amounted to US\$ 6,462 million.

Moreover, exports of agricultural products standing out included not only exports of canned fruits and vegetables (US\$ 1,035 million, but also exports of grapes (US\$ 1,256 million) and blueberries (US\$ 1,206 million), our country being among the world's leading exporters of these products. In the fisheries sector, exports of fishmeal (US\$ 1,807 million), squid (US\$ 619 million), and fish oil (US\$ 533 million) were outstanding, while in the mining and hydrocarbons sector, sales of copper (US\$ 20,698 million) and gold (US\$ 10,121 million) stood out. Finally, in the non-primary manufacturing group, exports of paper and chemical products (US\$ 2,128 million) stood out.

**Table 24**  
**EXPORTS BY GROUP OF ECONOMIC ACTIVITY**  
(Million US\$)

Sector	2019	2020	2021	Part. % 2021 (In %)	% chg. 2021/2020
<b>1. Agriculture and livestock</b>	<b>6,337</b>	<b>6,783</b>	<b>7,949</b>	<b>12.6</b>	<b>17.2</b>
Grapes	878	1,034	1,256	15.8	21.5
Fruit, legumes, and canned vegetables	837	934	1,035	13.0	10.8
Blueberries	815	983	1,206	15.2	22.6
Avocados	757	756	1,049	13.2	38.8
Coffee	637	646	657	8.3	1.6
Fresh asparagus	400	384	404	5.1	5.1
Cereals, leguminous, and oil seed	307	282	313	3.9	10.9
Mangoes	260	282	325	4.1	15.1
Rest	1,446	1,481	1,705	21.4	15.1
<b>2. Fishing</b>	<b>3,543</b>	<b>2,858</b>	<b>3,863</b>	<b>6.1</b>	<b>35.2</b>
Fishmeal	1,509	1,180	1,807	46.8	53.2
Giant Squid	884	616	619	16.0	0.4
Fish oil	420	363	533	13.8	46.7
Canned or frozen products	224	228	331	8.6	44.8
Prawns	139	139	153	4.0	9.8
Rest	367	331	421	10.9	27.1
<b>3. Mining</b>	<b>29,304</b>	<b>26,745</b>	<b>40,973</b>	<b>64.9</b>	<b>53.2</b>
Copper 1/	14,001	13,039	20,698	50.5	58.7
Gold	8,555	7,868	10,121	24.7	28.6
Zinc 1/	2,114	1,705	2,625	6.4	54.0
Lead	1,567	1,461	1,940	4.7	32.8
Iron	978	1,126	2,228	5.4	97.9
Molybdenum 1/	656	478	1,076	2.6	125.0
Zinc products	315	228	337	0.8	47.6
Tin	382	370	873	2.1	135.8
Calcium phosphates	242	199	304	0.7	52.5
Silver refined	81	94	117	0.3	25.1
Rest	413	177	656	1.6	270.6
<b>4. Hydrocarbons</b>	<b>2,975</b>	<b>1,593</b>	<b>3,711</b>	<b>5.9</b>	<b>133.0</b>
Oil and oil products	2,352	1,008	2,008	54.1	99.2
Natural gas	623	585	1,703	45.9	191.4
<b>5. Manufacturing</b>	<b>5,668</b>	<b>4,806</b>	<b>6,462</b>	<b>10.2</b>	<b>34.4</b>
Papel and chemicals	1,803	1,672	2,128	32.9	27.3
Textiles	1,355	1,016	1,648	25.5	62.2
Copper products	326	326	636	9.8	95.1
Milling and Bakery	216	221	227	3.5	2.5
Prepared animal food	211	148	207	3.2	39.6
Iron products	173	128	228	3.5	78.4
Jewelry	118	74	121	1.9	64.4
Glasses and glass products	97	76	100	1.6	31.1
Tile floors	98	73	91	1.4	25.9
Dairy products	93	80	31	0.5	-60.7
Manufacturing and metals	81	65	102	1.6	57.4
Rest	1,096	926	941	14.6	1.5
<b>6. Others 2/</b>	<b>154</b>	<b>121</b>	<b>193</b>	<b>0.3</b>	<b>58.9</b>
<b>Total</b>	<b>47,980</b>	<b>42,905</b>	<b>63,151</b>	<b>100.0</b>	<b>47.2</b>

1/Exports exclude other goods sold. Besides, exports of copper, zinc and molybdenum in 2021 have been estimated based on the exports reported by MINEM, in cases of companies that, having made shipments, are not yet listed in the export log.

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

Memo: The sectoral classification is not completely consistent with the classification between traditional and non traditional products.

Source: BCRP and SUNAT.

## Traditional exports

Traditional exports totaled US\$ 46,585 million, a sum 55.2 percent higher than the amount registered in 2020 (US\$ 30,013 million), mainly as a result of increased shipments of mining and hydrocarbon products to other countries. Although the volume of these exports increased (10.5 percent), they did not recover pre-pandemic levels. On the other hand, their prices increased by 40.5 percent, this being particularly noteworthy in the prices of copper, zinc, and natural gas.



**Table 25**  
**EXPORTS BY GROUP OF PRODUCTS**  
(Million US\$)

	2019	2020	2021	% change			% chg. Average 2012-2021
				2019	2020	2021	
<b>1. Traditional exports</b>	<b>34,014</b>	<b>30,013</b>	<b>46,585</b>	<b>-4.6</b>	<b>-11.8</b>	<b>55.2</b>	<b>2.6</b>
Fishing	1,929	1,543	2,339	-0.5	-20.0	51.6	1.0
Agricultural	774	732	854	1.5	-5.4	16.7	-6.6
Mining 1/	28,336	26,146	39,680	-1.9	-7.7	51.8	3.7
Oil and natural gas	2,975	1,593	3,711	-26.3	-46.5	133.0	-2.1
<b>2. Non-Traditional exports</b>	<b>13,812</b>	<b>12,770</b>	<b>16,373</b>	<b>4.3</b>	<b>-7.5</b>	<b>28.2</b>	<b>4.9</b>
Agricultural products	6,299	6,742	7,955	7.4	7.0	18.0	10.9
Fishing products	1,614	1,315	1,523	17.4	-18.5	15.8	3.6
Textiles	1,355	1,016	1,648	-3.4	-25.0	62.2	-1.9
Wood and paper, and its manufacturing	322	239	281	-5.1	-25.8	17.8	-3.5
Chemicals	1,607	1,527	1,970	2.8	-5.0	29.0	1.8
Non-metallic minerals	607	447	676	-3.5	-26.4	51.3	3.2
Iron & steel, and jewelry	1,310	929	1,619	-1.1	-29.1	74.3	3.7
Metal mechanic products	567	462	551	-3.9	-18.5	19.1	1.5
Others 2/	131	93	150	-12.7	-28.8	60.1	0.2
<b>3. Others 3/</b>	<b>154</b>	<b>121</b>	<b>193</b>	<b>-18.5</b>	<b>-21.0</b>	<b>58.9</b>	<b>-4.4</b>
<b>4. TOTAL</b>	<b>47,980</b>	<b>42,905</b>	<b>63,151</b>	<b>-2.2</b>	<b>-10.6</b>	<b>47.2</b>	<b>3.1</b>

1/ Exports exclude other goods sold. Besides, exports of copper, zinc and molybdenum in 2021 have been estimated based on the exports reported by MINEM, in cases of companies that, having made shipments, are not yet listed in the export log.

2/ Includes furs, leather, and handicrafts, mainly.

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

Source: BCRP and SUNAT.

**Table 26**  
**EXPORTS**  
(% change)

	Volume			Price		
	2019	2020	2021	2019	2020	2021
<b>Traditional exports</b>	<b>-0.5</b>	<b>-17.4</b>	<b>10.5</b>	<b>-4.1</b>	<b>6.8</b>	<b>40.5</b>
<i>Of which:</i>						
Fish meal	-0.1	-19.7	41.1	-3.4	-2.6	8.6
Coffee	-10.9	-7.6	-9.7	4.8	9.8	31.4
Copper	3.1	-12.8	4.8	-9.1	6.7	51.5
Gold	-5.6	-27.6	26.5	9.7	27.1	1.7
Zinc	0.2	1.1	0.2	-18.0	-20.3	53.7
Crude oil and derivatives	-14.9	-42.9	22.1	-7.8	-24.9	63.1
Natural gas	6.6	-0.6	-36.1	-43.9	-5.6	355.8
<b>Non-Traditional exports</b>	<b>5.9</b>	<b>-3.5</b>	<b>20.2</b>	<b>-1.5</b>	<b>-4.2</b>	<b>6.7</b>
<i>Of which:</i>						
Agriculture and livestock	6.7	11.5	14.8	0.6	-4.0	2.8
Textiles	-5.9	-21.8	59.8	2.7	-4.1	1.5
Fishing	29.2	-13.8	15.4	-9.1	-5.5	0.4
Chemicals	3.1	3.6	11.4	-0.3	-8.3	15.8
Iron & steel, and jewelry	5.9	-27.8	29.2	-6.6	-1.8	34.9
<b>TOTAL</b>	<b>1.2</b>	<b>-13.7</b>	<b>12.9</b>	<b>-3.4</b>	<b>3.7</b>	<b>30.3</b>

Source: BCRP and SUNAT.

Mining exports, which amounted to US\$ 39,680 million, were 51.8 percent higher than in 2020. In terms of prices, an increase was observed in the prices of copper (51.5 percent), zinc (53.7 percent), coffee (31.4 percent), and natural gas (355.8 percent). In terms of volumes, it is worth mentioning that 2,332 thousand fine metric tons (FMT) of copper, 5,627 thousand ounces of gold, and 1,210 thousand metric tons of zinc were exported. With these results, Peru continues to maintain a leading position in world mining production, with its exports of copper, silver and zinc standing out.

**Table 27**  
**MINING PRODUCTION 2021**

Item	World ranking
Copper	2
Silver	3
Zinc	2
Lead	4
Molybdenum	4
Tin	3
Gold	10

Source: Mineral Commodity Summaries 2022 - US Geological Survey.

Showing an increase of 133.0 percent in comparison to the previous year, Peru's sales of oil and natural gas to other countries totaled US\$ 3,711 million in 2021. This result is a reflection of higher oil and natural gas prices (63.1 and 355.8 percent, respectively). In the case of natural gas, it is worth mentioning that the volume exported was 36.1 percent lower than in 2020 as a result of a three-month stoppage of the liquefaction plant at Pampa Melchorita due to technical problems and maintenance, with this event explaining the zero exports of natural gas registered in the month of May. In addition to this, no natural gas shipments could be made between the months of May and June because the port was closed due to bad weather.

The value of fishery exports amounted to US\$ 2,339 million in 2021, a figure 51.6 percent higher than that recorded in the previous year, mainly due to higher fishmeal prices and volumes (8.6 and 41.1 percent, respectively).

### **Non-traditional exports**

Exports of non-traditional products reached US\$ 16,373 million, 28.2 percent higher than in 2020, as a result of higher volumes (20.2 percent) and higher prices (6.7 percent). The growth of exports of agricultural products (14.8 percent), textiles (59.8 percent), and chemicals (11.4 percent) in terms of volume stands out.

The main destination markets for non-traditional products were the United States, with US\$ 4,866 million, and the Netherlands, with US\$ 1,503 million, where these exports increased by 25.3 and 19.7 percent, respectively, compared to 2020. An increase was also observed in exports of non-traditional products to the rest of the main export destinations.

In the case of the United States –the main destination for Peru's non-traditional products–, exports of agricultural and textile products continued to be the most important, accounting for 74.3 percent of total non-traditional exports to the U.S. market in 2021. The most sold products were blueberries (US\$ 647 million), fresh grapes (US\$ 512 million), fresh asparagus (US\$ 261 million), and fresh avocados (US\$ 185 million).

**Table 28**  
**MAIN DESTINATION: NON-TRADITIONAL EXPORTS**  
(Million US\$)

	2019	2020	2021	% chg. 2021/2020	% chg. Average 2012-2021
United States	3,914	3,882	4,866	25.3	7.6
Netherlands	1,163	1,256	1,503	19.7	13.3
Chile	802	715	1,156	61.6	6.8
Ecuador	716	594	821	38.1	2.9
Colombia	669	583	755	29.5	4.5
Spain	684	673	726	7.8	-1.3
China	612	440	656	49.1	6.9
Bolivia	561	463	559	20.6	2.5
Mexico	311	318	447	40.3	2.4
United Kingdom	393	383	436	13.8	9.8
Brazil	410	306	406	32.9	15.5
South Korea	309	299	339	13.4	13.7
Canada	364	246	315	28.2	3.7
Germany	245	216	265	22.5	4.0
Italy	217	158	217	36.9	1.5
Rest	2,442	2,237	2,907	30.0	0.4
<b>Total</b>	<b>13,812</b>	<b>12,770</b>	<b>16,373</b>	<b>28.2</b>	<b>4.9</b>
<b>Memo:</b>					
Latin America	4,002	3,452	4,822	39.7	0.9
United States	3,914	3,882	4,866	25.3	7.6
European Union	3,229	3,150	3,689	17.1	6.4
Asia (less China)	1,027	979	1,245	27.2	8.8
China	612	440	656	49.1	6.9
Others	1,029	868	1,096	26.2	6.3

Source: SUNAT and BCRP.

Sales of agricultural **products** totaled US\$ 7,955 million, with shipments of fresh grapes, blueberries, fresh avocados, and asparagus standing out. With these results, Peru remains one of the world's leading exporters of blueberries and grapes. Over the last ten years, sales of agricultural products have grown at an average annual rate of 10.9 percent, bringing the value of exports in 2021 to approximately three times that of 2011. This growth in the agroexport sector reflects higher yields and crop areas for products in high international demand.

**Table 29**  
**MAIN NON-TRADITIONAL AGRICULTURAL PRODUCTS**  
(Million US\$)

<b>Most popular products</b>	<b>2012</b>	<b>2021</b>	<b>Average % Change 2012-2021</b>
Fresh grapes	288	1,256	15.9
Blueberries 2/	0	1,206	69.9
Fresh avocados	161	1,049	20.6
Fresh asparagus	294	404	3.2
Fresh mangoes	115	325	10.9
Shrimp and prawn feed	94	188	7.2
Organic bananas	65	146	8.5
Cocoa and other uses	63	151	9.2
Quinoa	25	106	15.3
Asparagus prepared	144	100	-3.6
Canned artichokes	129	102	-2.3
Fresh onions	43	101	8.9
Frozen food	16	117	21.9
Vegetables prepared in vinegar	51	84	5.1
Prepared or in canned mangoes	25	128	17.8
Subtotal	1,513	5,464	13.7
<b>Total</b>	<b>2,819</b>	<b>7,955</b>	<b>10.9</b>

1/ Average percentage change 2014-2021.

Source: BCRP and SUNAT.

Exports of **fishery products** totaled US\$ 1,523 million, 15.8 percent higher than in 2020, reflecting mostly higher sales of frozen and canned squid. As a result, the average export volume grew 15.4 percent, while prices registered a 0.4 percent increase. The main destination markets were China, the United States, and Spain, with the increase in shipments to China representing a growth rate of 112.4 percent compared to 2020. Over the last ten years, fishery exports have grown at an average annual rate of 3.6 percent.

**Textile exports** reached a value of US\$ 1,648 million, 62.2 percent higher than the value registered in 2020. The volume of these exports registered an increase of 59.8 percent, while prices registered an increase of 1.5 percent. Accounting for 53.7 percent of sales, the United States is the main destination for textile products. The country's textile sector, which has recovered significantly this year, has benefited from the trade restrictions between the United States and China resulting from transportation bottlenecks. Also noteworthy have been the increased shipments of t-shirts, nonwoven textiles, synthetic fibers and nylon nets to Chile (120.0 percent).

**Chemical** exports totaled US\$ 1,970 million in 2021, a figure 29.0 percent higher than the amount registered in 2020, as a result of both the higher volumes of these products (11.4 percent) and higher prices (15.8 percent). The main markets for chemical products were Chile, Bolivia, Ecuador and Colombia, which together with the United States acquired 56.3 percent of total exports. Exports of chemical goods standing out included polypropylene film, ethyl alcohol and polyethylene sheeting, which are products that have benefited from changes in world consumption associated with the new conditions caused by the pandemic.

## Imports

**Imports** amounted to US\$ 48,317 million, a sum US\$ 13,608 million higher than in 2020. This increase, which is mainly due to higher imports of inputs (55.3 percent), is in line with the recovery of domestic demand and higher international prices of inputs, which in turn was the result of supply restrictions associated with problems in the supply chain.

**Table 30**  
**FOB IMPORTS BY USE OR DESTINATION**  
(Million US\$)

	Fob Value: Million US\$			% change			Average % chg. 2012-2021
	2019	2020	2021	2019	2020	2021	
<b>TOTAL IMPORTS</b>	<b>41,101</b>	<b>34,709</b>	<b>48,317</b>	<b>-1.8</b>	<b>-15.6</b>	<b>39.2</b>	<b>2.7</b>
<b>1. CONSUMER GOODS</b>	<b>9,588</b>	<b>8,733</b>	<b>10,182</b>	<b>0.0</b>	<b>-8.9</b>	<b>16.6</b>	<b>4.2</b>
Non-durable goods	5,421	5,443	5,869	2.2	0.4	7.8	5.3
Main food products	450	554	543	-13.1	22.9	-2.0	2.9
Rest	4,971	4,889	5,326	3.9	-1.6	8.9	5.6
Durable goods	4,166	3,290	4,313	-2.8	-21.0	31.1	2.9
<b>2. INPUTS</b>	<b>19,110</b>	<b>15,435</b>	<b>23,967</b>	<b>-6.8</b>	<b>-19.2</b>	<b>55.3</b>	<b>2.7</b>
Fuel, oils, and related	5,652	2,980	6,064	-14.3	-47.3	103.5	0.5
Raw materials for agriculture	1,449	1,525	1,902	-0.7	5.2	24.7	5.7
Raw materials for industry	12,009	10,930	16,001	-3.6	-9.0	46.4	3.4
<b>3. CAPITAL GOODS</b>	<b>12,305</b>	<b>10,455</b>	<b>14,035</b>	<b>5.7</b>	<b>-15.0</b>	<b>34.2</b>	<b>1.8</b>
Construction materials	1,304	1,081	1,538	9.3	-17.1	42.3	0.6
For agriculture	152	153	185	1.4	1.0	21.0	5.3
For industry	7,813	7,117	9,011	6.0	-8.9	26.6	2.1
Transportation equipment	3,036	2,104	3,301	3.8	-30.7	56.9	1.6
<b>4. OTHERS GOODS</b>	<b>98</b>	<b>86</b>	<b>134</b>	<b>-20.4</b>	<b>-12.1</b>	<b>55.8</b>	<b>-9.3</b>

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



The volume of total imports increased 19.4 percent, mainly due to higher imports of capital goods (31.7 percent). For its part, the import price index grew by 16.6 percent over the year, with higher costs of industrial inputs, oil and food being observed. As for industrial input prices, there was a generalized increase in all products.

<b>Table 31</b>						
<b>IMPORTS</b>						
<b>(% change)</b>						
	<b>Volume</b>			<b>Price</b>		
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>TOTAL IMPORTS</b>	<b>-0.2</b>	<b>-11.1</b>	<b>19.4</b>	<b>-1.7</b>	<b>-5.0</b>	<b>16.6</b>
<b>1. Consumer Goods</b>	<b>-1.0</b>	<b>-9.3</b>	<b>14.3</b>	<b>1.0</b>	<b>0.4</b>	<b>2.0</b>
Non durable	1.4	0.0	5.1	0.8	0.4	2.5
Durable	-4.0	-21.3	29.6	1.3	0.4	1.1
<b>2. Inputs</b>	<b>-2.3</b>	<b>-8.9</b>	<b>14.8</b>	<b>-4.6</b>	<b>-11.3</b>	<b>35.3</b>
Main Foods	3.8	-0.3	-1.4	-5.0	3.0	39.4
Oil and derivatives	-8.4	-24.1	25.9	-6.8	-31.7	61.7
Industrial supplies	-0.2	-5.3	14.5	-3.4	-4.0	27.0
Plastics	0.7	0.4	8.6	-13.9	-12.3	52.7
Iron & Steel	-9.3	3.6	26.0	-7.8	-8.2	39.6
Textiles	4.2	-6.6	22.6	-8.4	-11.6	13.4
Papers	-10.6	-20.8	8.7	-2.0	-12.3	10.5
Chemical products	1.6	4.2	0.6	0.3	-0.7	15.7
Organic chemicals	0.9	-3.9	16.3	-10.2	-6.8	34.2
Rest	1.4	-8.0	15.3	1.1	0.3	23.6
<b>3. Capital goods</b>	<b>4.4</b>	<b>-15.6</b>	<b>31.7</b>	<b>1.3</b>	<b>0.6</b>	<b>1.9</b>
Construction materials	8.0	-17.7	39.6	1.3	0.6	1.9
Rest of capital goods	4.0	-15.3	30.8	1.3	0.6	1.9

Source: SUNAT, ZofraTacna, and MEF.

Imports of non-durable consumer goods increased by US\$ 426 million (7.8 percent) in 2021, with the most purchased products being footwear, perfumery products and cosmetics, edible products and preparations, toys, among other goods.

Imports of consumer durables rose by US\$ 1,023 million (31.1 percent), mainly due to higher imports of automobiles, motorcycles and bicycles, television sets and household appliances.

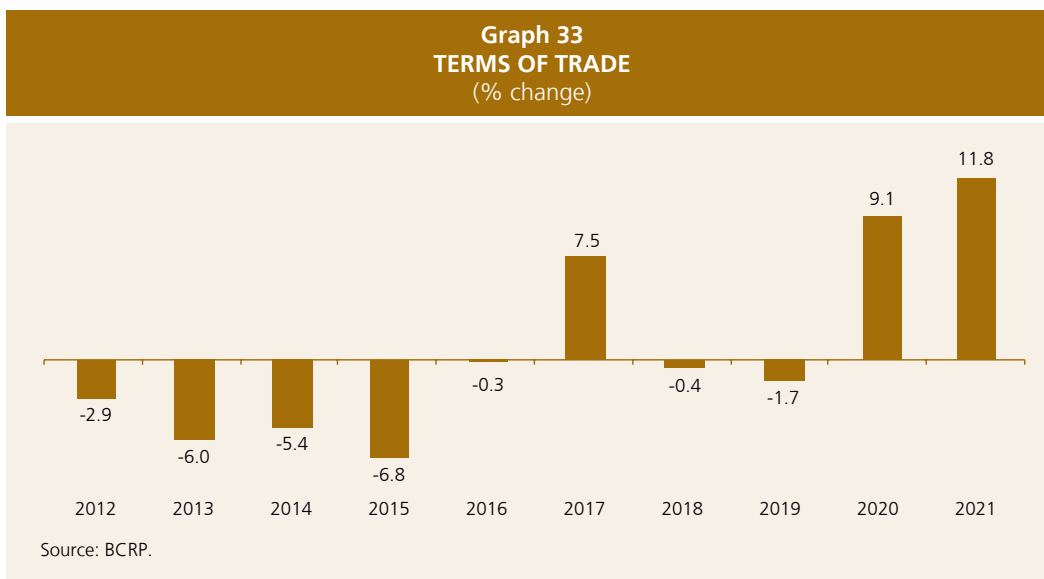
However, the most significant increase was observed in imports of inputs (US\$ 8,531 million), mainly due to higher purchases of raw materials for industry (US\$ 5,070 million) and fuels, lubricants and related products (US\$ 3,084 million), reflecting the sharp rise in the prices of these imports and, to a lesser extent, higher volumes.

The value of imports of oil and derivatives rose by US\$ 2,984 million (103.7 percent), since the oil price rose 49.9 percent, while the volume imported increased by 35.8 percent.

The value of imports of capital goods grew by 34.2 percent, mainly due to higher purchases of machinery and equipment (US\$ 1,894 million) and transportation equipment (US\$ 1,197 million). The imported volumes grew by 31.7 percent, while prices increased by 1.9 percent.

## 2.2 Terms of trade

The annual growth in the prices of the main export commodities, such as copper (51.5 percent), zinc (53.7 percent) and natural gas (355.8 percent), caused average export prices to increase by 30.3 percent compared to 2020. On the other hand, the rise in the price of food (39.4 percent), oil (61.7 percent) and industrial inputs (27.0 percent) led to a 16.6 percent increase in import prices. As a result, the **terms of trade** in 2021 registered one of the highest increases in the last ten years.



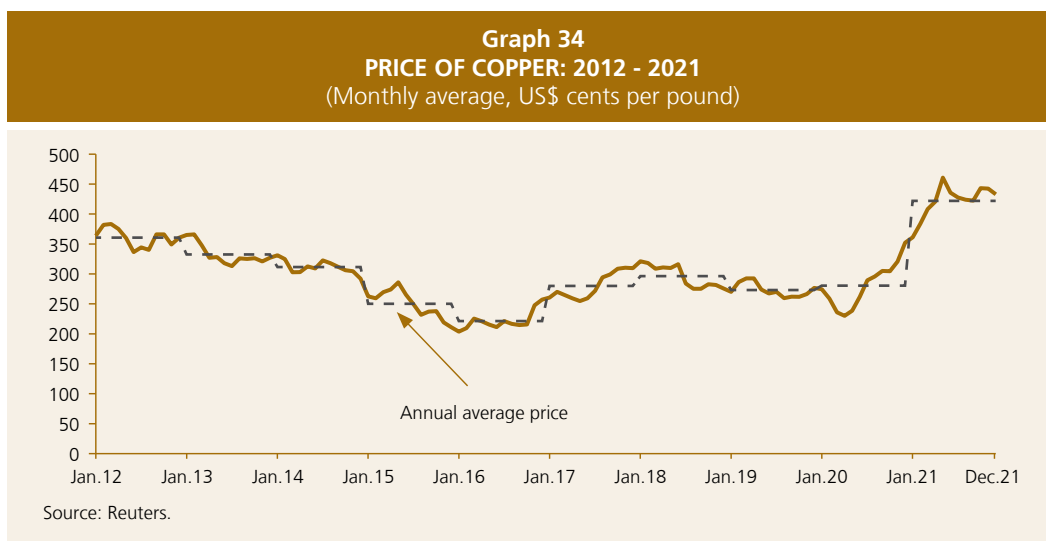
**Table 32**  
**TERMS OF TRADE**  
(Annual % change)

Years	Price of exports	Price of Imports	Terms of trade
2019	-3.4	-1.7	-1.7
2020	3.7	-5.0	9.1
2021	30.3	16.6	11.8
<b>Average % Chg. 2012-2021</b>	<b>0.9</b>	<b>0.6</b>	<b>0.3</b>

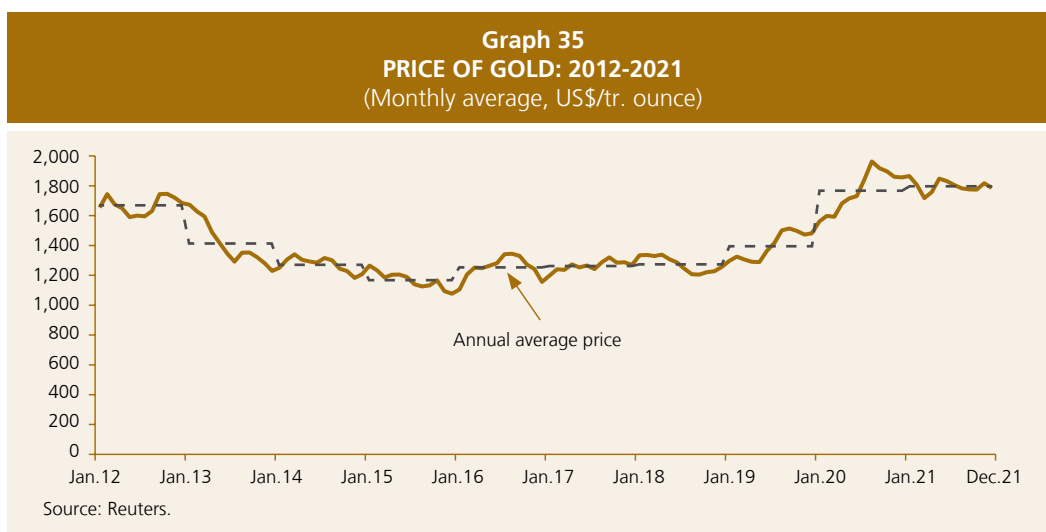
Source: BCRP.

Global economic recovery, coupled with supply restrictions for some products, led to a significant increase in the price of most commodities, including basic metals and oil.

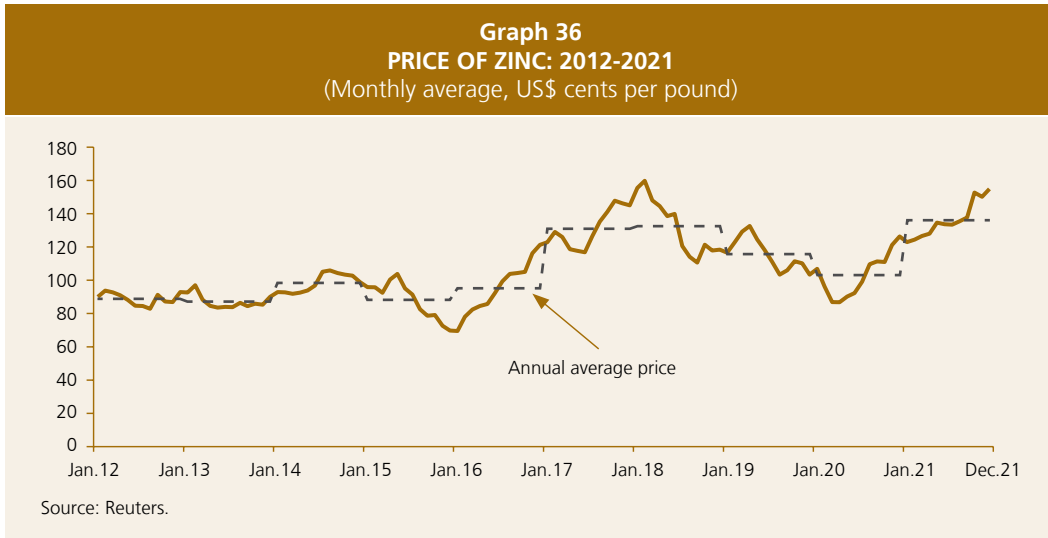
The average price of **copper** grew 51 percent in 2021 (from US\$/lb 2.80 to US\$/lb 4.22), reaching a peak value of US\$/lb 4.61 in May, driven by the recovery of developed economies in a context of an increasingly tight global market. In terms of consumption, world copper inventories fell to multi-year lows, reflecting the scarcity of the metal associated with the COVID-19 containment measures, as well as the increase in energy prices in the last quarter of the year. Thus, the copper price reached US\$/lb 4.33 in December 2021, a level 23 percent higher than that observed in the previous year-end. It should also be noted that there was an increase in non-commercial net short positions during 2021.



The average price of **gold** rose 2 percent and reached US\$ 1,799 per troy ounce in 2021. The price of this metal grew due to its demand as a safe haven asset during a period of heightened global risk aversion (as was the case with the outbreaks of the COVID-19 cases) and a sustained increase in inflation. Higher physical purchases by the jewelry industry and central banks also contributed to the rise. The price peaked at US\$ 1,868 per troy ounce in January.

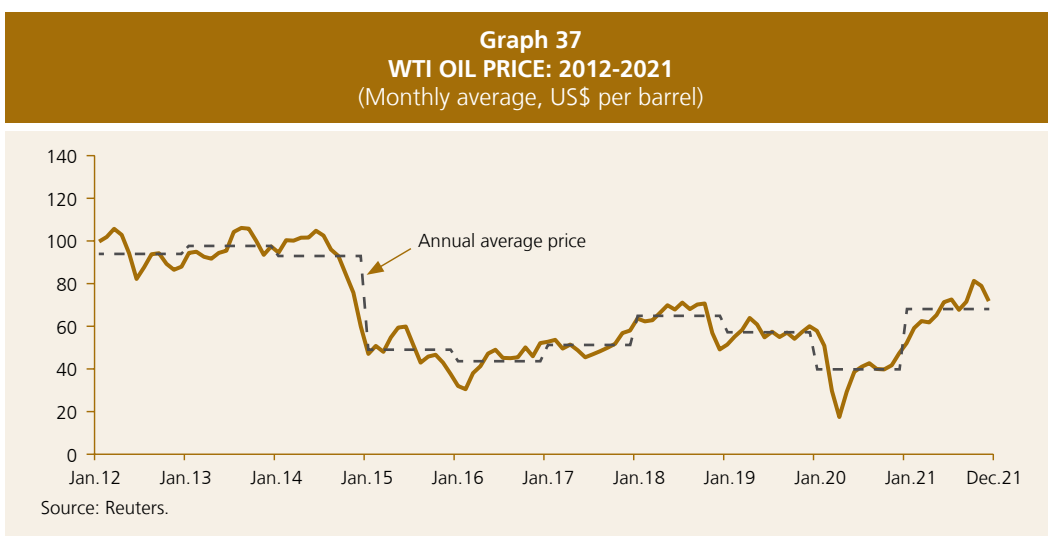


On its side, the average price of **zinc** grew 33 percent in 2021 (from US\$/lb 1.03 to US\$/lb 1.36). The price of zinc reached three-year highs due to supply constraints, in particular in China and Europe (associated with environmental restrictions and flooding in production areas). In addition, there was also a sharp increase in the cost of energy in the last quarter of the year, which led a number of companies to announce the temporary closure of several refineries. The delay in the entry of new production also contributed to the rise in prices. On the other hand, a rapid recovery was registered on the demand side, especially in the developed economies (in line with the lifting of mobility restrictions as of the second quarter).



The average price of **WTI oil** rose 73 percent in 2021 (from US\$39 per barrel to US\$68 per barrel), driven by a recovery in global demand, in particular due to reduced cross-border restrictions, as well as to increased international travel. The higher demand also came from power generation companies in Asia and Europe, due to the increase in the prices of substitute products, such as gas and coal. It should be noted that the price reached a high of US\$ 81 per barrel in October due to the energy crisis in Europe.

The evolution of supply also generated upward pressure on prices: OPEC+ agreed to increase its production gradually and below market expectations. The monthly increase of 400,000 barrels per day –established for the August-December period– meant an accumulated increase of 2 million barrels per day, this amount representing only 35 percent of the cut in force until August 2021. Moreover, many producing countries have faced difficulties in meeting their commitments, so that the actual increase in production has been even lower than what was agreed. A similar situation was observed in the US supply, where shale oil production has not responded to the improvement in international prices.



## 2.3 Services

The deficit in **services** amounted to US\$ 7,347 million, this figure being equivalent to 3.3 percent of GDP (above the 1.7 percent average deficit of the last 10 years). This result is due to the slow recovery in the rate of inflows of nonresident travelers associated with the evolution of the pandemic and to higher international maritime transportation costs. It is worth mentioning that this services deficit is US\$ 2,681 million higher than in 2020, reflecting mainly higher freight rates following the crisis in maritime transport due to supply chain problems (port congestion and lack of containers), in a context of rapidly recovering global demand.

	2019	2020	2021	% change		
				2019	2020	21/19
<b>I. TRANSPORTATION (a-b) 1/</b>	<b>-1,524</b>	<b>-1,782</b>	<b>-3,724</b>	<b>17.0</b>	<b>108.9</b>	<b>144.4</b>
a. Credit	1,707	799	1,086	-53.2	35.9	-36.4
b. Debit	3,231	2,581	4,809	-20.1	86.3	48.9
<b>II. TRAVEL (a-b)</b>	<b>963</b>	<b>43</b>	<b>-462</b>	<b>-95.6</b>	<b>-1,179.3</b>	<b>-147.9</b>
a. Credit	3,738	776	688	-79.2	-11.4	-81.6
b. Debit	2,775	733	1,149	-73.6	56.8	-58.6
<b>III. COMMUNICATIONS (a-b)</b>	<b>-280</b>	<b>-283</b>	<b>-300</b>	<b>1.2</b>	<b>6.2</b>	<b>7.4</b>
a. Credit	55	53	60	-3.4	13.4	9.6
b. Debit	335	336	361	0.4	7.3	7.8
<b>IV. INSURANCE AND REINSURANCE (a-b)</b>	<b>-481</b>	<b>-487</b>	<b>-612</b>	<b>1.3</b>	<b>25.8</b>	<b>27.5</b>
a. Credit	54	94	103	75.1	9.7	92.0
b. Debit	534	581	716	8.7	23.2	34.0
<b>V. OTHERS (a-b) 2/</b>	<b>-2,661</b>	<b>-2,156</b>	<b>-2,249</b>	<b>-19.0</b>	<b>4.3</b>	<b>-15.5</b>
a. Credit	1,142	996	1,010	-12.8	1.4	-11.6
b. Debit	3,802	3,153	3,259	-17.1	3.4	-14.3
<b>VI. TOTAL (a-b)</b>	<b>-3,981</b>	<b>-4,666</b>	<b>-7,347</b>	<b>17.2</b>	<b>57.5</b>	<b>84.6</b>
a. Credit	6,696	2,718	2,947	-59.4	8.4	-56.0
b. Debit	10,677	7,384	10,294	-30.8	39.4	-3.6

1/ Includes courier and postal services, port expenses of ships and aircraft and transport commissions, mainly.  
2/ Includes government services, financial services (including financial intermediation services measured indirectly-SIFMI), and information technology services, royalties, leasing of equipment, and business services.  
Source: BCRP, SUNAT, SBS, Mincetur, PROMPERU, Ministry of Trade Affairs and businesses.

The deficit in **transportation** services, which amounted to US\$ 3,724 million, was US\$ 1,941 million higher than that registered in 2020. Debits increased by US\$ 2,228 million, mainly due to higher freight costs (92.2 percent) and, to a lesser extent, to higher sales of international tickets by foreign airlines in the country (81.1 percent). Credits grew by US\$ 287 million (35.9 percent) as a result of higher ticket sales abroad by domestic airlines (56.7 percent).

**Travel** recorded a deficit of US\$ 462 million. Debits totaled US\$ 1,149 million (56.8 percent) and credits totaled US\$ 688 million (-11.4 percent). The increase in debits is explained by the higher number of residents who traveled abroad through Jorge Chávez International Airport (110.7 percent) compared to 2020. This is explained, in part, by the departure of Peruvians seeking vaccination against COVID-19 in the first half of the year, by the progress registered in vaccination rates, and by the partial opening of the world economy in the second half of the year. However, this number of resident travelers is still 44.0 percent lower than that observed before the pandemic. On the other hand, while travel credits declined by 11.4 percent, the number of non-resident travelers arriving by

air increased 8.9 percent compared to 2020, although it is still 77.5 percent below pre-pandemic levels. This slow recovery in the arrival of non-resident travelers has taken place in a context with new cases of COVID-19, associated with the delta variant and the new late-year variant omicron (less lethal, but more transmissible), as well as with the measures implemented to contain its expansion (such as the reintroduction of travel restrictions in several destinations). It should be pointed out that land borders remained closed throughout the year.

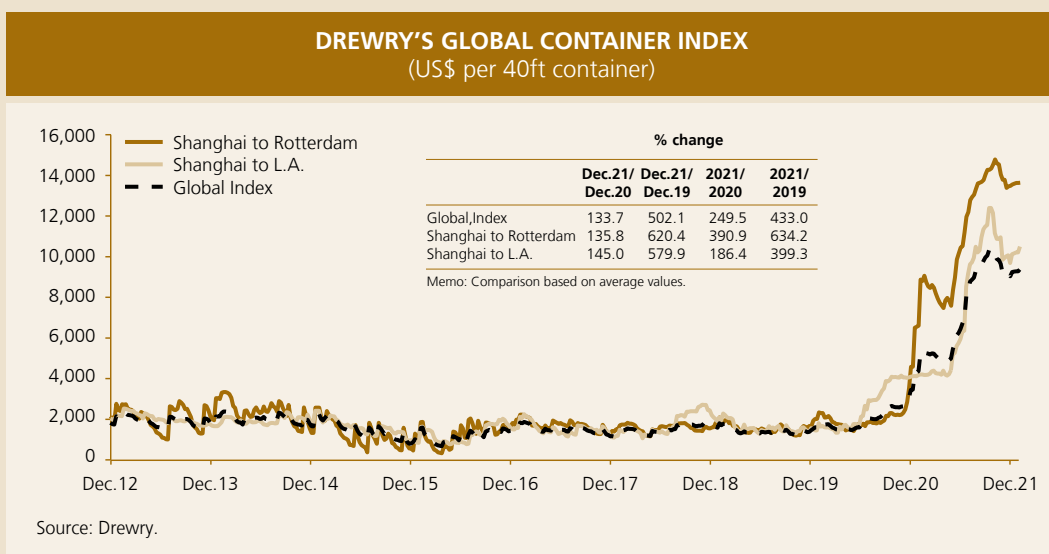
The **insurance and reinsurance** account showed a deficit of US\$ 612 million in 2021, US\$ 126 million higher than that registered in 2020. Debits grew by US\$ 135 million (23.2 percent) due to the increase in premiums paid for reinsured risk abroad, while credits were US\$ 9 million (9.7 percent) higher.

**Other services** showed a deficit of US\$ 2,249 million, US\$ 92 million higher than in 2020. Debits increased by US\$ 106 million (3.4 percent) and loans by US\$ 14 million (1.4 percent), in both cases mainly due to higher business services.

**Box 3**  
**EVOLUTION OF GLOBAL SHIPPING COSTS 2021**

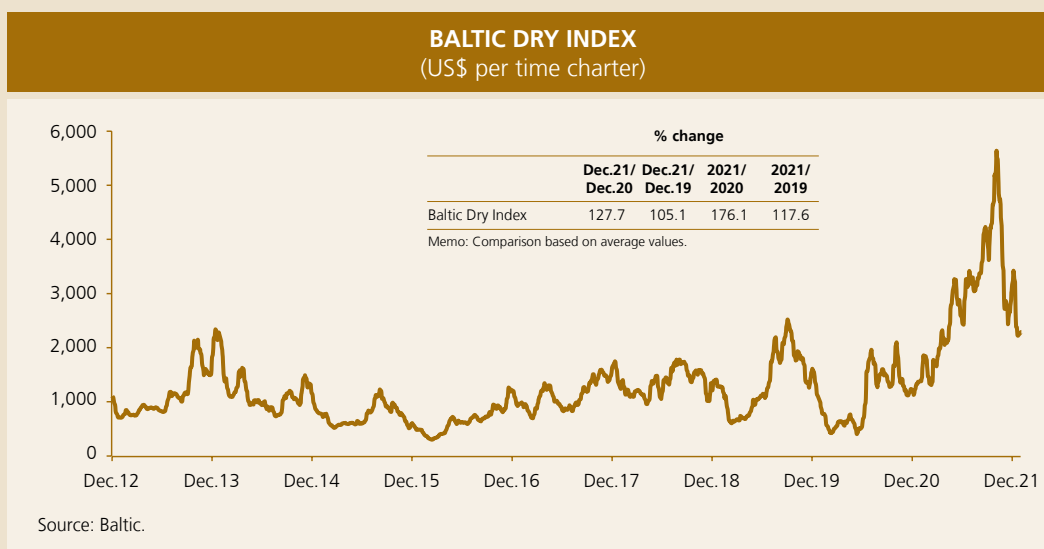
Since the second half of 2020, international shipping rates have grown globally, due to a series of logistical problems in the world’s main ports. Throughout 2021, various indices showed significant and sustained increases in ocean freight rates, whose maximum levels were reached between the third and fourth quarters of the previous year.

Thus, for example, the average international shipping rate for a 40-foot container exceeded US\$ 10,000 in September 2021, and had an average annual value 5.3 and 3.5 times the value registered in 2019 and 2020. The increase in costs was seen most strongly on those routes whose point of origin is China: voyages to Europe and North America ended 2021 with rates approximately seven times higher than those registered before the pandemic.

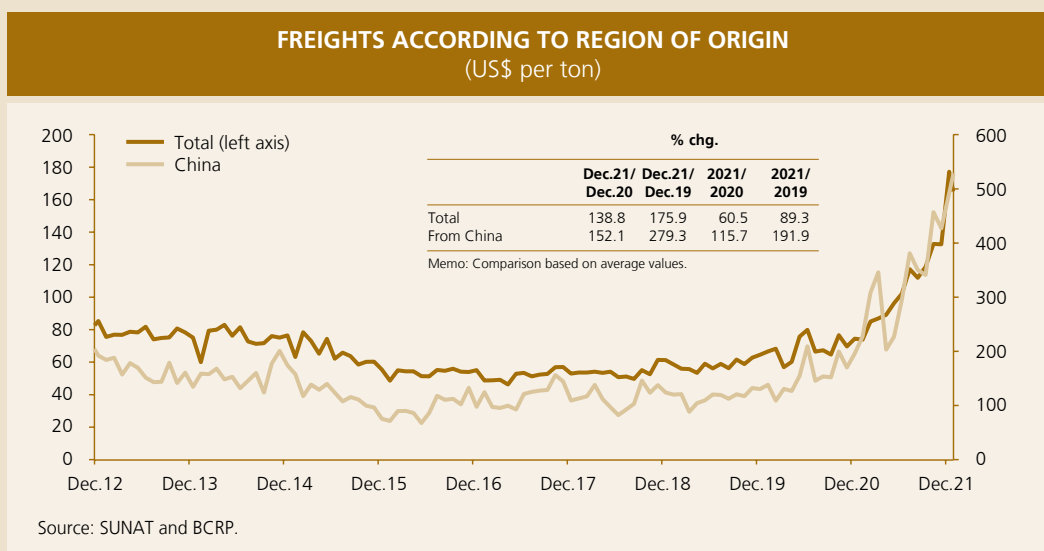


Likewise, the increase in freight rates was also observed in the transportation of bulk cargo (e.g. iron ore, coal and grain). The *Baltic Dry Index*, an index reflecting dry bulk sea freight rates for up to 20 key maritime

routes, reached a more than 10-year high in the first week of October 2021, while the annual average value for 2021 more than doubled what was registered in 2019 and 2020.



In the Peruvian case, the average annual freight for 2021 reached the value of US\$ 110 per MT, which represents an increase of 89.3 and 60.5 percent, with respect to the amounts registered in 2019 and 2020, respectively, mainly explained by those imports from China. By the end of the year, the freight value reached a maximum of US\$ 177 per MT, more than double that registered in the pre-pandemic scenario. In that sense, the freight cost has grown its share in the CIF value of imports, from 5 and 6 percent in 2019 and 2020, respectively, to 8 percent in 2021 (10 percent approximately in the fourth quarter).



#### Factors explaining this trend

Factors directly linked to the pandemic and structural problems prior to COVID-19 explain this increase:

- a. Rapid recovery of global trade, after the major contraction due to the health crisis, coupled with changes in consumption patterns, from services to goods.

- b. Short-term shocks that affected port operations (COVID-19 outbreaks with “zero tolerance” and climatic factors).
- c. Inadequate development of logistics and port infrastructure, misaligned with the steady growth in the size of container ships.
- d. Shortage of containers and new container ships, and with the prospect that this will continue in the coming years.
- e. Congestion in transport networks outside the port (rail networks, shortage of trucks, drivers and warehouse workers).
- f. Oligopolistic market: 85 percent of the world’s maritime fleet capacity is concentrated in just 10 companies (less than 10 percent of the world’s total).

The above factors and the grew costs of maritime transportation further disrupted the crisis in the global supply chain, which had as its main cause the pandemic and its measures to curb the spread of the virus. In addition to this, the price rise in energy prices, at the end of 2021, as a result of shortages and the increase in gas, oil and coal prices, along with other *commodities*, has led to the highest inflation levels ever observed.

## 2.4 Primary Income

**Primary income** had a deficit of US\$ 18,127 million in 2021, US\$ 11,996 million (195.7 percent) higher than the previous year, mainly due to the increase in the profits of foreign direct investment companies, driven, in turn, by high *commodity* prices and the recovery of domestic activity after the pandemic crisis.

**Table 34**  
**PRIMARY INCOME 1/**  
(Million US\$)

	2019	2020	2021	% change	
				2020	2021
<b>I. REVENUE</b>	<b>2,591</b>	<b>1,997</b>	<b>1,318</b>	<b>-22.9</b>	<b>-34.0</b>
<b>Private sector</b>	<b>1,308</b>	<b>628</b>	<b>708</b>	<b>-52.0</b>	<b>12.7</b>
<b>Public sector</b>	<b>1,283</b>	<b>1,368</b>	<b>610</b>	<b>6.7</b>	<b>-55.4</b>
<b>II. EXPENDITURE</b>	<b>12,191</b>	<b>8,127</b>	<b>19,445</b>	<b>-33.3</b>	<b>139.3</b>
<b>Private sector</b>	<b>10,039</b>	<b>5,904</b>	<b>17,095</b>	<b>-41.2</b>	<b>189.6</b>
Profits 2/	8,211	4,313	15,702	-47.5	264.1
Interests	1,828	1,591	1,393	-12.9	-12.5
Bonds	688	737	781	7.1	6.1
Loans	1,140	854	611	-25.1	-28.5
- Long-term	886	650	452	-26.7	-30.4
- Short-term 3/	254	205	159	-19.4	-22.2
<b>Public sector 4/</b>	<b>2,152</b>	<b>2,223</b>	<b>2,350</b>	<b>3.3</b>	<b>5.7</b>
Interests on long-term loans	231	176	152	-23.8	-14.1
Interests on bonds	1,920	2,015	2,165	4.9	7.5
Others	1	32	33	n.a.	3.5
<b>III. TOTAL (I-II)</b>	<b>-9,600</b>	<b>-6,131</b>	<b>-18,127</b>	<b>-36.1</b>	<b>195.7</b>
Private sector	-8,731	-5,276	-16,387	-39.6	210.6
Public sector	-869	-855	-1,740	-1.7	103.5

1/ Excludes financial intermediation services indirectly measured (FISIM).

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

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

4/ Includes commissions

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



Foreign direct investment earnings were US\$ 15,702 million, US\$ 11,389 million higher than in the previous year. There was a general recovery in all economic sectors, especially mining, hydrocarbons and services. For its part, interest on private external debt decreased by US\$ 199 million, associated with the lower balance owed.

Revenues amounted to US\$ 1,318 million, US\$ 679 million lower than in the previous year. This amount includes interest on deposits and the return on external investments from the private and public sectors (companies and financial and non-financial institutions), in a context of low international interest rates.

## 2.5 Secondary Income

**Secondary income** amounted to US\$ 5,367 million in 2021, growing US\$ 369 million compared to 2020, due to higher remittance income from Peruvians abroad. On the contrary, lower income from non-resident income tax payments (for US\$ 316 million) was registered. It should be noted that, in 2020, extraordinary revenues were registered (for US\$ 705 million), which corresponded to non-resident income tax on the sale of Luz del Sur shares to China *Three Gorges Corporation*. Remittances abroad totaled US\$ 173 million (mainly to Venezuela).

**Table 35**  
**FOREIGN REMITTANCES**

Years	Million US\$	% change	% GDP
2019	3,326	3.1	1.4
2020	2,939	-11.6	1.4
2021	3,592	22.2	1.6

Source: SBS, banks and companies.

**Table 36**  
**FOREIGN REMITTANCES BY COUNTRIES**

	Annual Remittance (% share)			Average Annual Remittance (US\$)			Number of shippings (Thousand)		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
USA	37.7	44.0	42.6	265	266	281	4,784	4,857	5,443
Chile	11.2	11.8	15.3	186	227	261	1,874	1,525	2,114
Spain	9.0	10.4	10.6	271	266	276	1,154	1,150	1,379
Italy	7.3	8.1	8.4	238	243	247	1,031	991	1,213
Japan	6.9	6.7	5.6	518	503	513	438	392	392
Argentina	3.1	1.8	1.6	175	168	160	554	313	359
Rest of countries 1/	24.8	17.2	15.9	270	278	295	1,497	1,308	1,323
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>256</b>	<b>266</b>	<b>279</b>	<b>11,332</b>	<b>10,537</b>	<b>12,224</b>

1/ Includes estimates of remittances by informal means not classified by country, except in cases of Annual Average Remittance and Number of Shipments, for which such estimate is excluded.

Source: SBS, banks and companies.

Remittance receipts from Peruvian workers abroad reached US\$ 3,592 million, 22.2 percent (US\$ 653 million) above 2020 levels, and 8.0 percent above 2019 (pre-pandemic year). With this, remittances accounted for 1.6 percent of GDP in 2021. The increase in remittances from Peruvians abroad is explained by the opening of activities and the recovery of employment in the main countries from which remittances originate. According to countries, remittances grew from: United States (18.4 percent), Chile (54.8 percent), Spain (24.6 percent), Italy (25.3 percent), Japan (2.0 percent) and Argentina (9.5 percent). Remittances received from the United States, Chile, Spain, and Italy accounted for 76.9 percent of total remittances to the country in 2021 (65.2 percent in 2019).

The main mode of remittance transfers was through money transfer companies (MTOs) and other means, which intermediated 53.5 percent of total remittances. For its part, banks participated with 41.5 percent, 3.5 percentage points less than what was registered in 2020.

**Table 37**  
**FOREIGN REMITTANCES BY SOURCES**  
(% share)

	2018	2019	2020	2021
ETFs - Other 1/	47	47	50	53
Banks	40	41	45	42
Informal	12	12	5	5
<b>Remittances from abroad</b>	<b>100</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

Long-term External financing to the private sector totaled US\$ 16,675 million in 2021. This result is attributed, on the assets side, to lower portfolio investment abroad, particularly by AFP's, in order to meet the retirement needs of their members, and, on the liabilities side, to higher foreign direct investment, as well as higher net long-term loans. This has occurred at a time of recovery of local economic activity and high terms of trade.

External assets decreased by US\$ 8,731 million, after having grown by US\$ 893 million in 2020. Pension Funds' portfolio investments, which had decreased by US\$ 2,488 million in 2020, decreased by US\$ 9,606 million in 2021, given the liquidity requirements and the need to meet the withdrawals of their members. Similarly, the foreign portfolio of mutual funds decreased by US\$ 1,356 million, which contrasts with the increase of US\$ 581 million in 2020.

Liabilities grew by US\$ 7,944 million in 2021. Foreign direct investment in the country grew by US\$ 7,455 million, well above the US\$ 732 million in 2020, as a result of the recovery of the economy, following the vaccination process that reduced the number of infections and deaths due to COVID-19. At the internal component level, the reinvestment of profits (despite the high dividends paid in 2021: more than double the previous year), associated with high *commodity* prices, and investment in debt instruments explained the increase in direct investment this year. At the sectoral level, this

flow was oriented to the mining (US\$ 3,696 million), services (US\$ 2,052 million) and hydrocarbons (US\$ 1,010 million) sectors.

<b>Table 38</b>					
<b>FOREIGN DIRECT INVESTMENT (LIABILITIES) ACCORDING TO SECTOR</b>					
<b>(Million US\$)</b>					
<b>Sector</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Absolute change</b>	
				<b>2020</b>	<b>2021</b>
Hydrocarbons	-65	-28	1,010	37	1,038
Mining	238	1,293	3,696	1,055	2,404
Financial sector	1,018	79	112	-939	33
Non-financial services	1,530	-1,027	2,052	-2,557	3,080
Manufacturing	538	146	127	-393	-19
Energy and others	1,501	270	458	-1,232	188
<b>TOTAL</b>	<b>4,760</b>	<b>732</b>	<b>7,455</b>	<b>-4,029</b>	<b>6,724</b>

Source: Businesses.

The positive evolution of portfolio investment in the country was supported by the placement of bonds in foreign markets, which totaled US\$ 3,353 million, including bonds issued by both financial and non-financial companies. In the case of non-financial companies, the bonds offered were almost entirely used to amortize other obligations. These operations were driven by low interest rates in international markets.

<b>Table 39</b>					
<b>PRIVATE SECTOR FINANCIAL ACCOUNT 1/</b>					
<b>(Million US\$)</b>					
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Absolute change</b>	
				<b>2020</b>	<b>2021</b>
<b>I. Assets</b>	<b>1,130</b>	<b>893</b>	<b>-8,731</b>	<b>-237</b>	<b>-9,624</b>
<b>1. Direct investment abroad</b>	<b>-435</b>	<b>1,631</b>	<b>1,735</b>	<b>2,066</b>	<b>104</b>
<b>2. Portfolio investment 2/</b>	<b>1,565</b>	<b>-739</b>	<b>-10,466</b>	<b>-2,303</b>	<b>-9,728</b>
<b>II. Liabilities</b>	<b>3,573</b>	<b>-1,861</b>	<b>7,944</b>	<b>-5,434</b>	<b>9,804</b>
<b>1. Foreign direct investment (a+b)</b>	<b>4,760</b>	<b>732</b>	<b>7,455</b>	<b>-4,029</b>	<b>6,724</b>
a. Equity	3,356	561	6,890	-2,795	6,329
Reinvestment	392	75	6,975	-317	6,900
Contributions and other capital operations	2,965	486	-84	-2,478	-571
b. Debt instruments	1,404	170	565	-1,234	394
<b>2. Portfolio investment</b>	<b>1,096</b>	<b>697</b>	<b>1,097</b>	<b>-399</b>	<b>400</b>
Equity securities 3/	-511	-209	-154	303	54
Fixed-rate income 4/	1,608	906	1,251	-702	345
<b>3. Loans</b>	<b>-2,283</b>	<b>-3,289</b>	<b>-608</b>	<b>-1,006</b>	<b>2,681</b>
Disbursements	3,570	1,570	2,775	-2,000	1,206
Amortization	-5,853	-4,859	-3,384	994	1,476
<b>III. TOTAL (I-II)</b>	<b>-2,444</b>	<b>2,753</b>	<b>-16,675</b>	<b>5,197</b>	<b>-19,428</b>
<i>Memo:</i>					
Foreign Direct Investment in the country, old methodology 5/	6,179	-871	5,908	-7,049	6,779

1/ Expressed in terms of assets net of liabilities.  
2/ Includes stocks and other foreign assets of the financial and non-financial sector. Includes financial derivatives.  
3/ Considers the net purchase of shares by non-residents through the LSE, recorded by CAVALI SA ICLV.  
4/ Includes bonds and alike.  
5/ FDI liabilities with the directional principle (Balance of Payments Manual, 5th edition).  
Source: BCRP, Cavali S.A. ICLV, Proinversion, and businesses.

The net flow of long-term loans was negative US\$ 608 million, due to repayments of US\$ 3,384 million by both the financial and non-financial sectors, which, although lower than in 2020, exceeded disbursements made during the year. With this evolution, the *deleveraging* of the corporate sector continues.

## 2.7 Short-term capital

Net **short-term capital** outflows in 2021 were US\$ 16,638 million, compared to outflows of US\$ 647 million the previous year, which was equivalent to 7.4 percent of GDP, a record level since records have been kept (1950), in the context of political and electoral uncertainty.

Short-term capital outflows corresponded mainly to an increase in the non-financial sector's foreign assets (for US\$ 17.17 billion). On the other hand, a reduction was registered in the external assets of the banking sector (by US\$ 989 million) and in the liabilities of the non-financial sector (by US\$ 339 million).

<b>Table 40</b>					
<b>SHORT-TERM CAPITAL FINANCIAL ACCOUNT 1/</b>					
(Million US\$)					
	2019	2020	2021	Absolute change	
				2020	2021
<b>1. BANKS (a-b)</b>	<b>2</b>	<b>984</b>	<b>-1,053</b>	<b>982</b>	<b>-2,037</b>
a. Assets	-504	839	-989	1,343	-1,828
b. Liabilities	-506	-145	64	361	209
<b>2. BCRP</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>3. BANCO DE LA NACIÓN (a-b)</b>	<b>22</b>	<b>-9</b>	<b>0</b>	<b>-31</b>	<b>9</b>
a. Assets	22	-9	0	-31	9
b. Liabilities	0	0	0	0	0
<b>4. NON FINANCIAL BANKS (a-b)</b>	<b>35</b>	<b>-109</b>	<b>182</b>	<b>-143</b>	<b>291</b>
a. Assets	-9	-34	209	-24	242
b. Liabilities	-44	75	27	119	-48
<b>5. NON-FINANCIAL SECTOR (a-b)</b>	<b>-562</b>	<b>-219</b>	<b>17,509</b>	<b>343</b>	<b>17,729</b>
a. Assets	-1,424	1,730	17,170	3,153	15,440
b. Liabilities	-861	1,949	-339	2,810	-2,288
<b>6. TOTAL SHORT-TERM CAPITALS</b>	<b>-504</b>	<b>647</b>	<b>16,638</b>	<b>1,151</b>	<b>15,991</b>
a. Assets	-1,915	2,526	16,390	4,442	13,863
b. Liabilities	-1,411	1,879	-248	3,291	-2,127

1/ Expressed in terms of assets net of liabilities  
Source: BCRP, Bank for International Settlements (BIS), and companies.

## 2.8 Public sector financial account

**External financing of the public sector** in 2021 amounted to US\$ 15,590 million, as a result of higher external debt (global bond issuance for US\$ 10,172 million), credits from international organizations (US\$ 2,789 million), the allocation of Special Drawing Rights (SDR) by the IMF (US\$ 1,811 million) and the reopening of Petroperu's corporate bond maturing in 2047 (US\$ 1 billion). This financing trend was limited by the sale of sovereign bonds held by non-residents for US\$ 316 million, in contrast to purchases in 2020 of US\$ 1,565 million. The higher public indebtedness was

associated with financing requirements, aimed at reversing the impact of the COVID-19 crisis in the country.

**Table 41**  
**PUBLIC SECTOR FINANCIAL ACCOUNT 1/ 2/**  
(Million US\$)

	2019	2020	2021	Absolute change	
				2020	2021
<b>I. ASSETS</b>	<b>-212</b>	<b>287</b>	<b>57</b>	<b>498</b>	<b>-230</b>
<b>II. LIABILITIES</b>	<b>4,187</b>	<b>10,118</b>	<b>15,647</b>	<b>5,930</b>	<b>5,529</b>
<b>1. Portfolio investment 3/</b>	<b>3,766</b>	<b>7,970</b>	<b>11,481</b>	<b>4,203</b>	<b>3,512</b>
Issues	750	7,500	11,172	6,750	3,672
General Government	750	7,000	10,172	6,250	3,172
Financial public enterprises	0	500	0	500	-500
Non-financial public enterprises	0	0	1,000	0	1,000
Amortization	-1,513	-606	0	907	606
General Government	-713	-54	0	659	54
Financial public enterprises	-800	-552	0	248	552
Other transactions involving treasury bonds (a-b) 4/	4,530	1,076	310	-3,454	-766
a. Sovereign Bonds held by non-residents	4,190	1,565	-316	-2,625	-1,881
b. Global Bonds held by residents	-340	489	-626	829	-1,115
<b>2. Loans</b>	<b>421</b>	<b>2,148</b>	<b>2,354</b>	<b>1,727</b>	<b>206</b>
Disbursements	1,113	2,477	2,789	1,364	312
General Government	1,064	2,400	2,779	1,336	380
Non-financial public enterprises	49	78	10	29	-68
Amortization	-692	-330	-435	362	-105
General Government	-623	-217	-363	406	-147
Financial public enterprises	-47	-92	-37	-44	55
Non-financial public enterprises	-22	-21	-35	1	-14
<b>3. Central Reserve Bank of Peru: other transactions 5/</b>	<b>0</b>	<b>0</b>	<b>1,811</b>	<b>0</b>	<b>1,811</b>
<b>III. TOTAL (I-II)</b>	<b>-4,399</b>	<b>-9,831</b>	<b>-15,590</b>	<b>-5,432</b>	<b>-5,759</b>

1/ Medium- and long-term debt.

2/ Expressed in terms of assets net of liabilities.

3/ Bonds are classified according to the market where they are issued. Global bonds, issued in foreign markets, are part of external debt including those purchased by residents. For public financial companies, since 2012 the Corporate Bonds of COFIDE and since 2013 the Corporate Bonds of the Fondo Mivienda are included. For non-financial public businesses, since 2017 Petroperú Corporate Bonds are included.

4/ For the purchase and sale between residents and non-residents of government bonds issued abroad or in the market local.

5/ Includes allocations of Special Drawing Rights (SDR).

Source: MEF.BCRP.

## 2.9 Position of external assets and liabilities

**External assets** totaled US\$ 159,505 million as of December 2021, equivalent to 70.8 percent of GDP, 1.4 percentage points lower than in the previous year. Almost half of these assets are BCRP reserves (34.8 percent of GDP). Financial sector assets decreased (by US\$ 11,008 million, equivalent to 6.6 percentage points of GDP), and non-financial sector assets increased (by US\$ 18,527 million, equivalent to 6.8 percentage points of GDP).

**Table 42**  
**NET INTERNATIONAL INVESTMENT POSITION 1/**  
(Million US\$)

	2019	2020	2021	% GDP	
				2020	2021
<b>I. Assets</b>	<b>137,112</b>	<b>148,356</b>	<b>159,505</b>	<b>72.1</b>	<b>70.8</b>
1. Reserve assets	68,370	74,909	78,539	36.4	34.8
2. Financial system 2/	38,503	39,880	28,872	19.4	12.8
3. Other assets	30,239	33,567	52,093	16.3	23.1
<b>II. Liabilities</b>	<b>218,770</b>	<b>225,812</b>	<b>246,637</b>	<b>109.8</b>	<b>109.4</b>
1. Direct investment	116,054	116,786	124,241	56.8	55.1
2. Equity securities (portfolio)	21,804	17,867	17,712	8.7	7.9
3. Loans, bonds and other debts	80,857	90,958	101,996	44.2	45.2
<b>Medium and long-term</b>	<b>72,988</b>	<b>81,209</b>	<b>92,496</b>	<b>39.5</b>	<b>41.0</b>
Private sector 2/	33,724	31,324	31,957	15.2	14.2
Public sector (i+ii-iii) 3/ 4/	39,264	49,885	60,538	24.3	26.9
i. Public external debt	22,554	32,469	45,533	15.8	20.2
ii. Securities debt of the domestic secondary market held by non-residents	17,724	18,919	15,882	9.2	7.0
iii. Securities debt of the external secondary market held by residents	1,013	1,503	877	0.7	0.4
<b>Short-term</b>	<b>7,869</b>	<b>9,748</b>	<b>9,500</b>	<b>4.7</b>	<b>4.2</b>
Financial system 5/	3,824	3,754	3,845	1.8	1.7
Others	4,045	5,994	5,655	2.9	2.5
4. Central Reserve Bank of Peru	54	202	2,688	0.1	1.2
Short-term	54	202	44	0.1	0.0
Long-term 6/	0	0	2,644	0.0	1.2
<b>III. TOTAL (I-II)</b>	<b>-81,657</b>	<b>-77,456</b>	<b>-87,132</b>	<b>-37.7</b>	<b>-38.7</b>

1/ Expressed in terms of assets net of liabilities.

2/ Includes assets in domestic currency against non-residents. Excludes BCRP.

3/ Includes the debt of the General Government and public enterprises.

4/ Government bonds issued abroad and held by residents are excluded from external liabilities of the public sector. Locally issued government bonds held by non-residents are included in the external liabilities of this same sector.

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

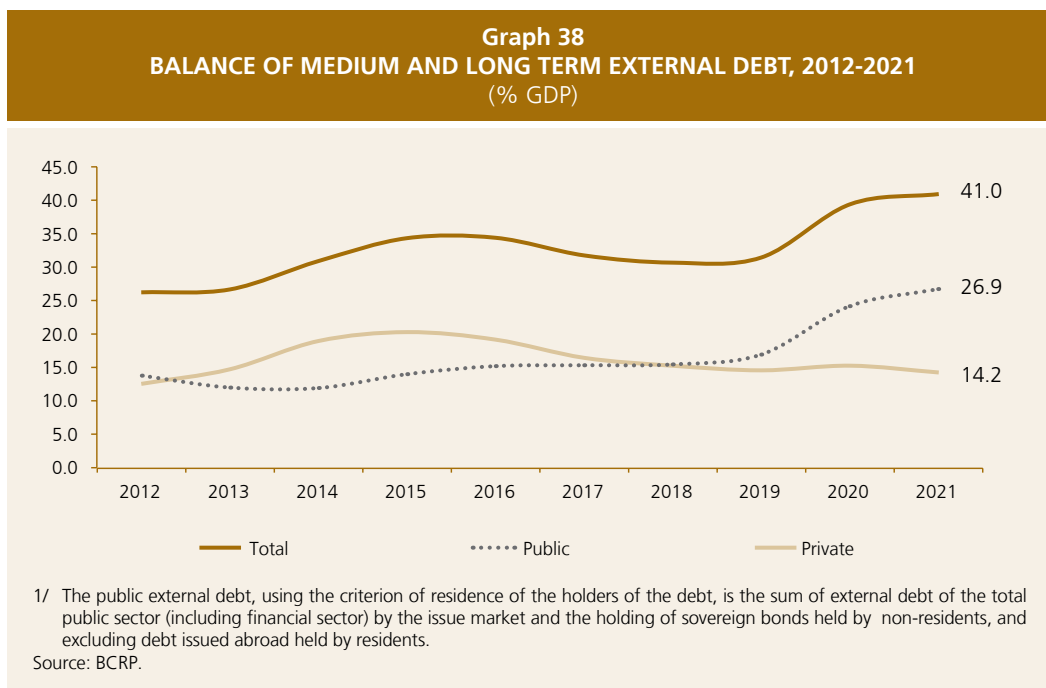
6/ Includes allocations of Special Drawing Rights (SDR).

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

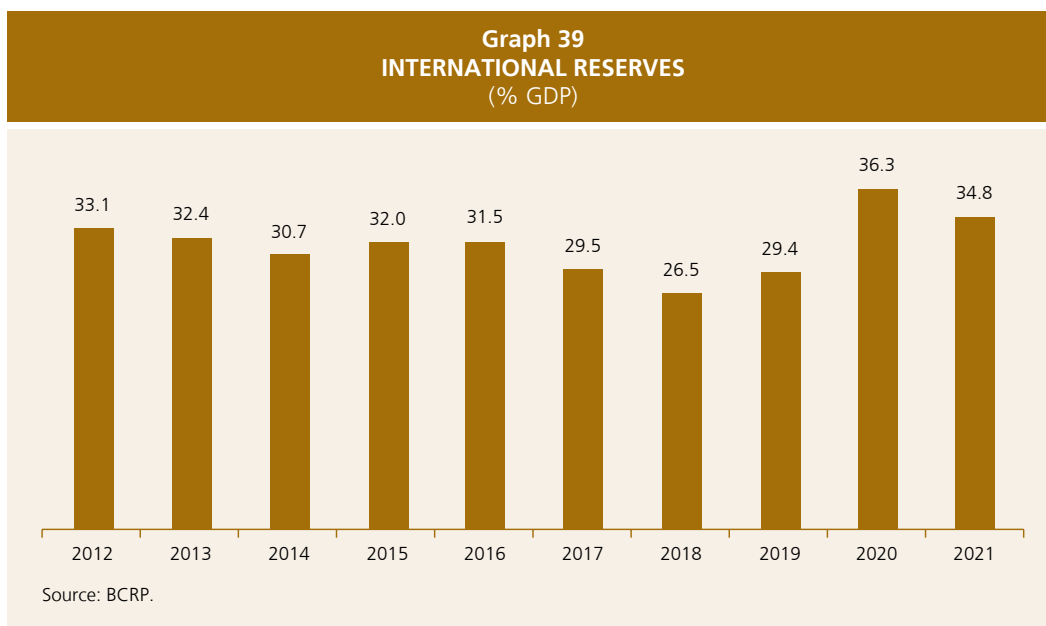
Total **external liabilities** fell slightly to 109.4 percentage points of GDP at the end of 2021. This is mainly explained by the fact that higher medium and long-term public sector indebtedness was offset by lower private debt and foreign direct investment.

The medium- and long-term public sector debt balance in 2021 represented 26.9 percent of GDP, higher by 2.6 percentage points from the previous year's balance, due to higher global bond issuances, and medium- and long-term loans to address the COVID-19 pandemic crisis.

On the contrary, medium and long-term private debt fell to 14.2 percent of GDP as of December 2021, 1.1 percentage points lower than in the previous year. With this result, debt, measured in ratios of GDP, resumes the downward trend that had been observed since 2016, and which was interrupted in 2020 (in the face of the sharp contraction of GDP). For its part, the balance of direct investment in the country fell by 1.7 percentage points to 55 percent of GDP by the end of 2021. It is worth mentioning that in nominal terms, direct investment recovered by US\$ 7,455 million, as a result of the reinvestment of profits.



The soundness of the balance of payments, in the face of negative external events, can be evaluated by considering the amount of international reserves as a percentage of the gross domestic product, the balance of short-term external debt or the sum of these liabilities with the current account deficit. In addition to the high levels of support, thanks to the preventive accumulation of reserves, Peru has an automatic freely available credit line (FCL), from the IMF, for approximately US\$ 11.2 billion<sup>8</sup> to face eventual contingencies.



<sup>8</sup> Calculation considering the latest available data for 2021 (December 23).

**Table 43**  
**NIR INDICATORS**

As a % of:	2019	2020	2021
a. GDP	29.4	36.3	34.8
b. Short-term external debt 1/	498	543	523
c. Short-term external debt plus Current account deficit	444	657	387

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

## 2.10 Administration of international reserves

At the end of 2021, 73 percent of the international reserves investment portfolio was invested in high credit quality liquid securities, 24 percent in deposits in first class foreign banks, and the remaining 3 percent in gold. The securities portfolio is mainly composed of sovereign debt securities and issues of supranational organizations and foreign public entities: with long-term credit ratings equal to or higher than A+.

International reserve assets generated a return of S/. 1,985 million in fiscal year 2021, 35.6 percent lower than the previous year, due to low international interest rates.

**Table 44**  
**COMPOSITION OF LIQUID INTERNATIONAL ASSETS**  
(% structure)

Item	December 2019	December 2020	December 2021	December 2012-2021
Deposits abroad	28	26	24	27
Securities	69	71	73	71
Gold	3	3	3	2
<b>TOTAL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: BCRP.

**Table 45**  
**MATURITY AND RATING OF LIQUID INTERNATIONAL ASSETS**  
(% structure)

	December 2019	December 2020	December 2021	Average 2012-2021
<b>By maturity term</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
0-3 months	55	46	46	47
3-12 months	8	12	15	17
> 1 year	37	42	39	36
<b>By long-term rating</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
AAA	42	58	56	53
AA+/AA/AA-	25	23	25	27
A+/A/A-	33	19	19	20

Source: BCRP.



Regarding portfolio quality, 56 percent was held in entities with a long-term credit rating of AAA; and the rest was invested in entities with a rating between AA+ and A. For its part, the average duration of the investment portfolio was 0.90 years in 2021.

The effective exposure of the BCRP's foreign exchange position to the U.S. dollar stood at 89 percent, and to other currencies and gold at 11 percent.

Table 46 INTERNATIONAL POSITION: EFFECTIVE EXPOSURE (% structure)				
	December 2019	December 2020	December 2021	Average 2012-2021
US\$	85	87	89	82
Other currencies	11	9	7	14
Gold	4	4	4	4
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: BCRP.

During 2021, the issuance of socially responsible bonds or bonds that follow environmental and social protection guidelines (ESG) continued to grow, given the increased demand from investors for this asset class. Thus, as part of the investment of international reserves during the year, US\$ 976 million of these bonds were purchased, of which US\$ 369 million were green bonds, US\$ 307 million were sustainable bonds, and US\$ 300 million were social bonds. As a result, the balance of ESG bonds, which include the three categories mentioned above, amounted to US\$ 1.25 billion as of December 31, 2021.