



# ANNUAL REPORT 2023

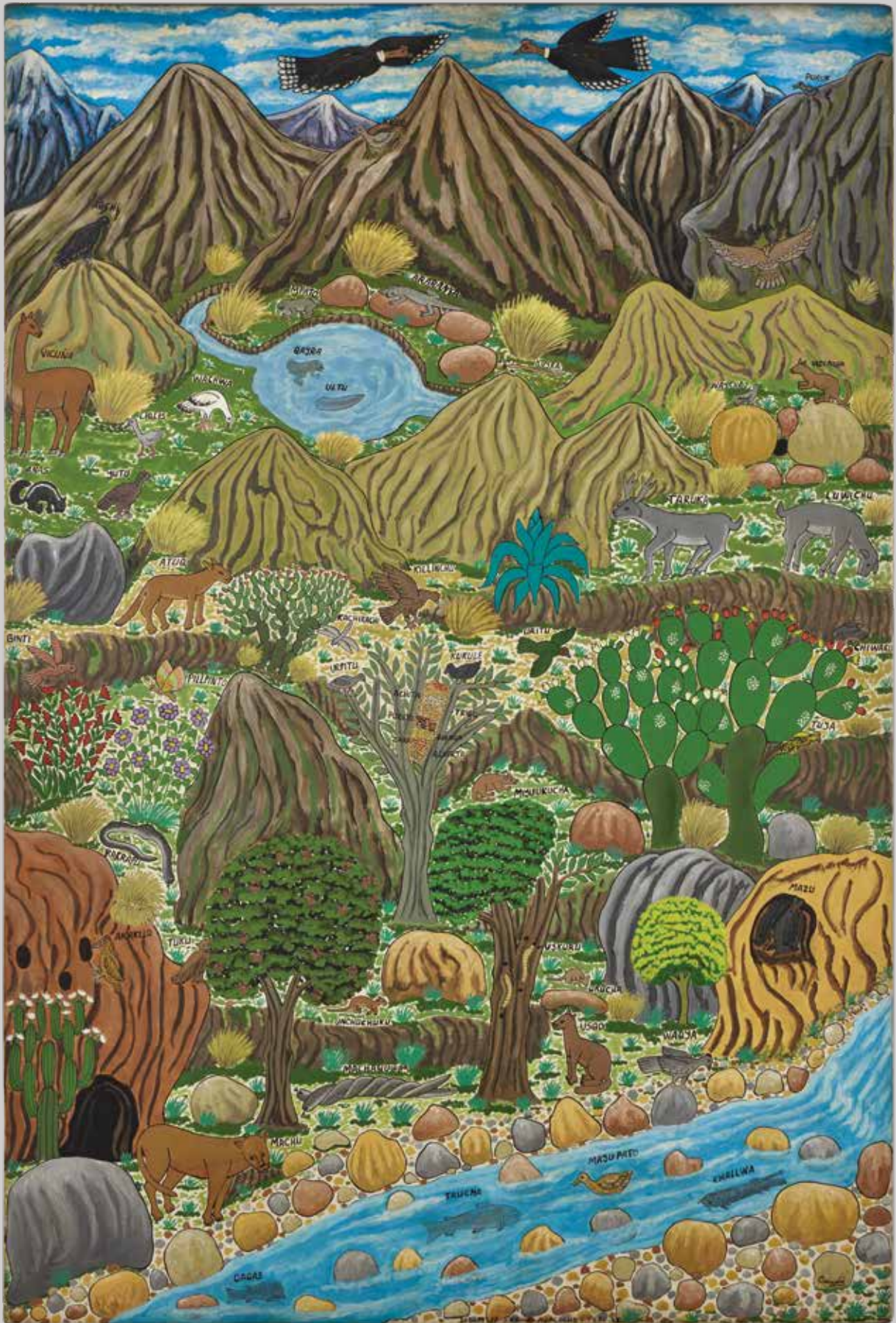


BANCO CENTRAL DE RESERVA DEL PERÚ



# ANNUAL REPORT 2023





**Flora y fauna de Sarhua (1995)**

Carmelón Berrocal

BCRP Collection

# **CENTRAL RESERVE BANK OF PERU**

## **BOARD OF DIRECTORS**

As of December 31, 2023

Julio Velarde Flores

**Governor**

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**Vice Chairman**

Germán Alarco Tosoni

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**Members of the Board**





**Vicuñas (1996)**  
Carmelón Berrocal  
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# CENTRAL RESERVE BANK OF PERU

Senior officers as of December 31, 2023

**Eduardo Torres Llosa Villacorta**  
General Manager

**Adrián Armas Rivas**  
Central Manager of Economic Studies

Central Operations Management

**Teresa Lamas Pérez** *Information Manager  
and Economic Analysis*

**Paul Castillo Bardalez** *Monetary Operations Manager  
and Financial Stability*

**Carlos Montoro Llamosas** *Monetary Policy  
Manager*

**Jorge Patrón Worm** *Worm Operations Manager  
International*

**Fernando Vásquez Sanabria** *Economic Policy  
Manager (i)*

**Javier Gutiérrez González** *Management Manager  
of currency in circulation*

**Javier Olivera Vega**  
Central Administration Manager

**Arturo Pastor Porras** *Purchasing and Services Manager*

**Silvia Medina Moreno** *Information Technology Manager*

**José Mariátegui Riglos** *Human Resources Manager*

**José Rocca Espinoza**  
*Communications Manager*

**Héctor Herrera Soares**  
*Legal Manager*

**Mónica Medina Triveño**  
*Risk Manager*

**Guillermo Powzén Reaño**  
*Accounting and Supervision Manager*

**Oscar Solís de la Rosa**  
*Audit Manager*

**Carmen Carranza Paredes**  
*General Secretary*



**Shirt covered with feathers forming a checkerboard (Late Horizon)**  
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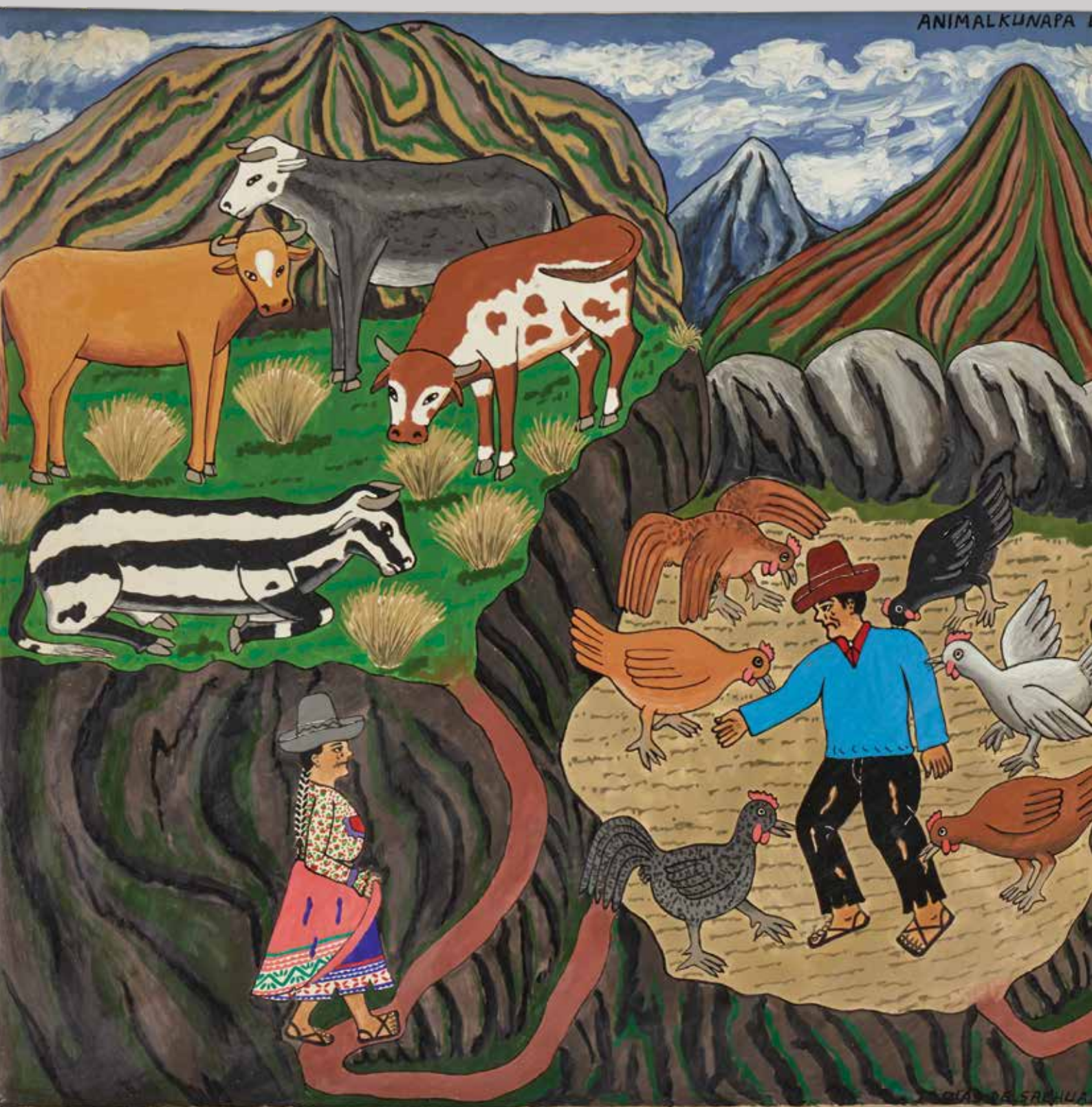
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Yacumama with palomita (20th century)  
BCRP Collection





Los pueblos de los animales (1995)  
Carmelón Berrocal  
BCRP Collection



LLAGTANKUNA PASAY

# ECONOMIC REPORT

AYACUCHO - PERU 95

Gonzalez

# INTRODUCTION

The **global economy** slowed its pace of expansion from 3.5 to 3.1 percent between 2022 and 2023. The international outlook reflected some factors that continued to affect growth, such as the global monetary tightening cycle, the reduction of private savings surpluses generated in the pandemic, and the weak dynamism of international trade. In addition, new shocks emerged in 2023, including market volatility following the failure of some financial institutions, problems related to the management of public debt in the United States, and geopolitical tensions.

The slowdown in global economic activity was accompanied by a decrease in inflationary pressures. Nevertheless, in most countries, inflation rates remained above the targets set by the respective central banks at the end of 2023. Likewise, international prices of oil, industrial inputs and metals declined in a context of lower global dynamism, together with better weather conditions for food production and a greater oil supply towards the end of the year. Thus, the **terms of trade** for 2023 recorded an increase of 4.8 percent, as a result of a greater drop in import prices (6.9 percent) compared to export prices (-2.4 percent).

The **current account of the balance of payments**, in terms of GDP, went from a deficit of 4.0 percent in 2022 to a surplus of 0.8 percent in 2023. This result was mainly due to an increase in the trade surplus as a result of the recovery of the terms of trade and the

contraction of imported volumes, and to a lesser extent to lower profits of foreign direct investment companies and higher interest income. The financial account recorded a **net capital outflow** of USD 1 309 million (0.5 percent of GDP), as opposed to a net inflow of USD 8 809 million in 2022, due to the resumption of net foreign asset purchases by AFPs and a slower pace of accumulation of direct investment liabilities. **Net International Reserves** decreased by USD 850 million and accumulated a balance of USD 71 033 million at the end of 2023, equivalent to 26.5 percent of GDP.

The **Peruvian economy** contracted by 0.6 percent in 2023, affected by different supply shocks, including weather anomalies related to the coastal El Niño, the drought in the south, the avian flu outbreak, and social conflicts in the first half of the year, which involved mobilizations and road blockades. These shocks had a direct impact on primary activities such as agriculture, fishing and poultry production, as well as on non-primary sectors such as manufacturing, commerce and construction. On the demand side, these unanticipated events had second round impacts on business and household income and confidence, which in turn led to a weakening of private consumption and a decline in private investment for the second consecutive year.

Likewise, three cyclical factors also reduced the momentum of GDP in 2023: (i) the decline



in demand for non-traditional products, especially textiles, by the United States; (ii) the fall in public investment by Local Governments, as usually occurs in the first year of the mandate of regional and municipal authorities; and (iii) the reduction of inventories, resulting from an adjustment after the build-up of inventories at the end of 2022 and the beginning of 2023.

The downturn in economic activity, the fall in the value of imports and lower export prices had a negative impact on tax collection, leading to an increase in the **fiscal deficit** from 1.7 percent of GDP in 2022 to 2.8 percent of GDP in 2023. The **gross debt of the Non-Financial Public Sector** increased from S/ 317,305 million in 2022 to S/ 329,234 million at the end of 2023 due to the financing of the fiscal deficit, mitigated by the debt management operation and the use of deposits. Despite the increase in nominal terms, debt as a percentage of GDP decreased from 33.9 to 32.9 percent.

**Inflation** during 2023 showed a downward trend and declined from 8.46 percent in 2022 to 3.24 percent at year-end. Inflation without food and energy entered the target range at the end of the year for the first time since November 2021. Food and energy prices rose 3.6 percent, compared with 12.0 percent in 2022. Climate disruptions caused by the El Niño phenomenon, the drought at the end of 2022 and the avian flu caused, in the first half of the year, an increase in food prices, which was partially reversed in the second half of the

year. Energy prices declined in line with the evolution of international oil prices.

The BCRP, in response to rising inflation and its post-pandemic expectations, continued in January 2023 with the **withdrawal of monetary stimulus** by raising the benchmark rate by 25 basis points to 7.75 percent. Subsequently, between February and August, the Board decided to keep the benchmark rate unchanged, and then between September and December reduced it by 25 basis points each time, bringing the benchmark rate from 7.75 to 6.75 percent (i.e., a cumulative cut of 100 basis points). The **change in the monetary policy stance** was due to the convergence of inflation and its expectations towards the BCRP's target range, as well as a negative output gap. The real interest rate, which discounts inflation expectations from the nominal interest rate, stood at 3.60 percent in December 2023.

The balance of liquidity injection operations in domestic currency decreased from S/ 39,288 million at the end of 2022 to S/ 33,052 million at December 31, 2023. This flow is mainly explained by the amortization of government-secured repos of credit portfolio repos under the Reactiva Perú program (S/ 13,884 million). For its part, the annual growth rate of total credit to the private sector slowed down from 4.5 percent in 2022 to 1.3 percent in 2023. As a percentage of GDP, the balance of credit to the private sector represented 41.9 percent, down from 44.4 percent in 2022.



Vicus sculptural bottle representing an anthropomorphic character with headdress (Early Intermediate)  
BCRP Collection

# 01. PRODUCTION AND EMPLOYMENT

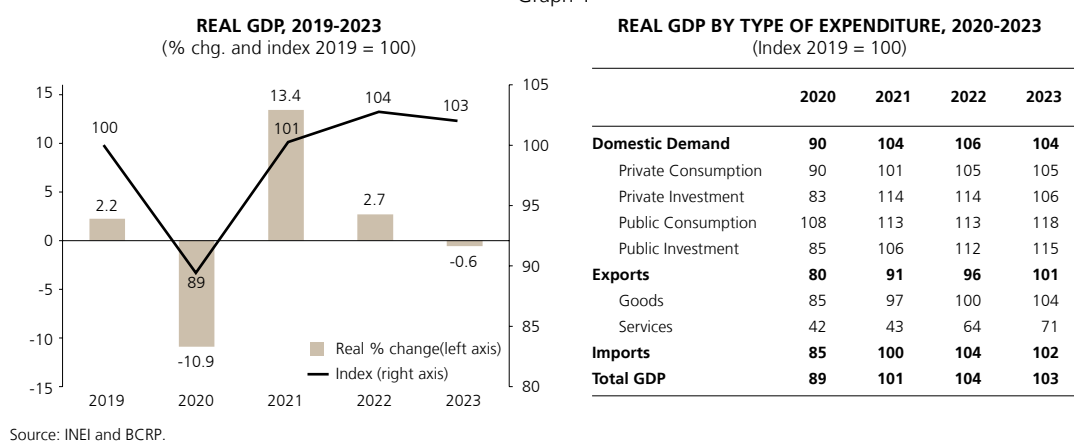
Production activity in 2023 was affected by various supply shocks, including: (i) socio-political conflicts in the first half of the year, characterized by road blockades and mobilizations that directly affected both the primary (mining) and non-primary (commerce, construction and transportation) sectors; (ii) adverse weather events, including the El Niño phenomenon, droughts in the south and cyclone Yaku, whose negative effects were observed throughout the year and affected the primary sectors (agricultural activities, fishing and associated manufacturing); and the negative effects of the El Niño phenomenon, droughts in the south and cyclone Yaku, whose negative effects were observed throughout the year and affected the primary sectors (agricultural activities, fishing and associated manufacturing); and (iii) the avian flu outbreak at the end of 2022, which delayed poultry production for the first half of 2023.

On the demand side, several of these unanticipated shocks had negative second-round impacts on household and business income and confidence, which significantly slowed the growth rate of private consumption and led to a drop in private investment for the second consecutive year. Other factors that contributed to the decline in economic activity were the drop in Local Government investment which usually occurs in the first year of the new subnational authorities' mandate-, the reduction of inventories, following the build-up of inventories at the end of 2022 and beginning of 2023, and the drop in external demand for non-traditional products, especially textiles by the United States.

The unfavorable trend caused by the supply shocks was counterbalanced by public consumption, since a recovery in spending was recorded, not associated to the health emergency or to higher disbursements due to reactivation in programs such as Con Punche Perú and Emergencia-FEN. He also highlighted the increase in public investment from the National and Regional Governments, the increase in the volume of minerals shipped and the gradual recovery of inbound tourism.

All of this determined a 0.6 percent drop in GDP in 2023, which was 3 percent above its prepandemic level. Total exports managed this year to recover their 2019 level due to the growth of goods shipments; however, exports of services (mainly inbound tourism) are still 29 percent below.

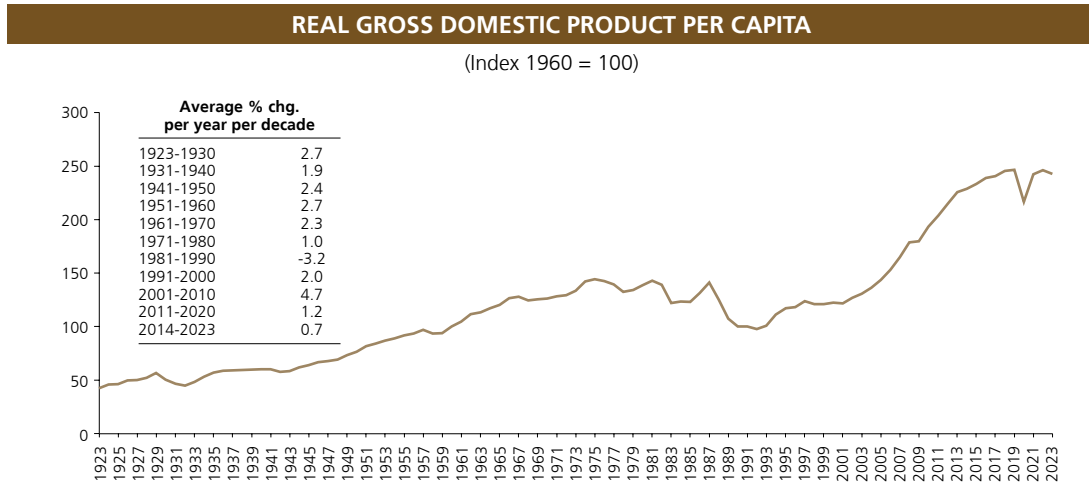
Graph 1





The contraction of national economic activity and estimated population growth caused GDP per capita to fall 1.5 percent year-on-year in 2023, 1.7 percent below the level reached in 2019. As a result, the average annual growth rate of GDP per capita over the last 10 years stood at 0.7 percent, lower than that recorded between 2001-2010 (4.7 percent).

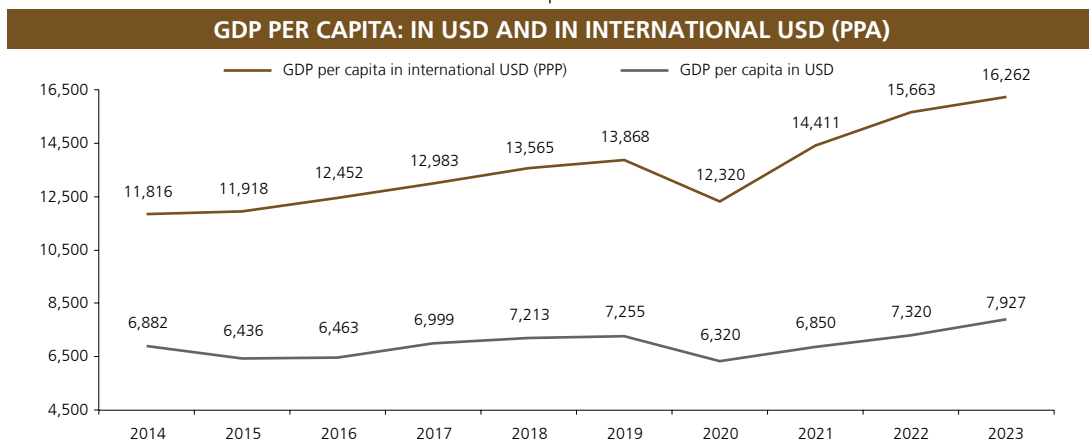
Graph 2



Source: INEI and BCRP.

GDP measured in nominal terms increased by 6.7 percent and, due to the appreciation of the Sol, GDP in current dollar terms advanced by 9.4 percent. GDP per capita in dollar terms amounted to USD 7,927 in 2023, representing a year-on-year increase of 8.3 percent over 2022.

Graph 3



Source: International Monetary Fund and BCRP.

For its part, GDP measured in terms of purchasing power parity (PPP) - an indicator that takes into account the same basket of goods and is used to make international comparisons - increased by 3.8 percent year-on-year to USD 16,262 PPP.

## 1. DOMESTIC DEMAND

Domestic demand declined 2.1 percent in 2023, the first drop since 2009 (-2.7 percent) excluding 2020. This result was associated with the contraction of private investment, in a year characterized by the

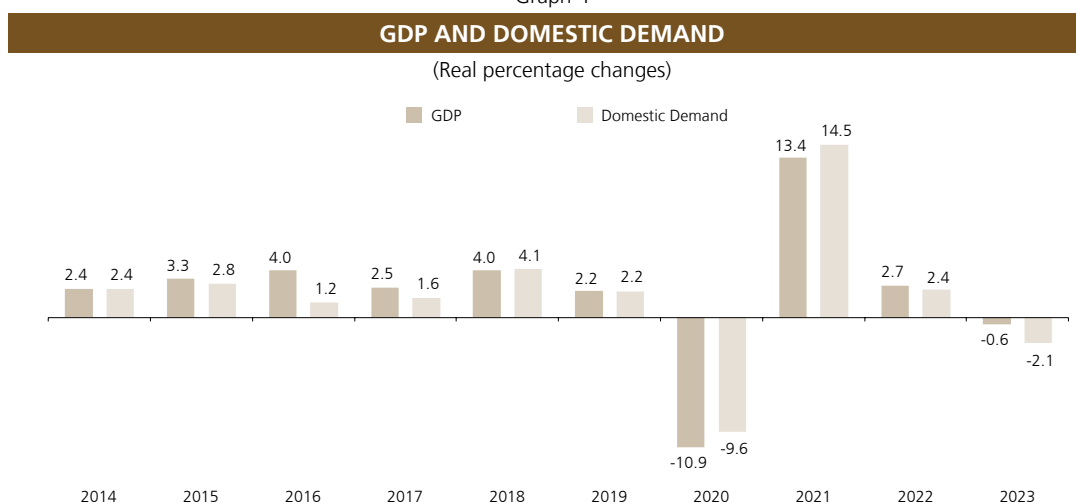
deterioration of business confidence following the social conflicts of the first half of the year and adverse weather events. The reduction of inventories also contributed, following the buildup of inventories at the end of 2022 and beginning of 2023 by mining and manufacturing companies.

Table 1

GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE					
(Real percentage changes)					
	2021	2022	2023	Average 2014-2023	Average 2019-2023
<b>Domestic Demand</b>	<b>14.5</b>	<b>2.4</b>	<b>-2.1</b>	<b>1.8</b>	<b>1.2</b>
a. Private Consumption	12.4	3.6	0.1	2.6	1.7
b. Public Consumption	4.8	-0.2	4.6	4.5	4.2
c. Gross fixed investment	34.6	0.7	-5.4	0.3	2.1
- Private	37.0	-0.5	-7.3	0.2	2.0
- Public	24.7	6.0	2.8	0.6	2.6
Exports	13.3	5.2	4.9	2.2	0.3
Less:					
Imports	17.9	3.9	-1.4	0.9	0.6
<b>Gross Domestic Product</b>	<b>13.4</b>	<b>2.7</b>	<b>-0.6</b>	<b>2.1</b>	<b>1.1</b>
Note:					
Total public spending	9.1	1.4	4.1	3.3	3.8

Source: INEI and BCRP.

Graph 4



Source: INEI and BCRP.

## 1.1 PRIVATE CONSUMPTION

Private consumption slowed its growth rate from 3.6 percent in 2022 to 0.1 percent in 2023. This loss of dynamism is consistent with the slowdown in the labor market and low consumer confidence, and was reflected in the lower volume of imported consumer goods and an increase in the savings rate.

Formal employment in the private sector grew 3.4 percent year-on-year in 2023 (7.9 percent in 2022), adding 134 950 jobs on average (292 759 jobs in 2022). Thus, the formal wage bill grew 6.4 percent in nominal terms over the same period (11.6 percent in 2022). The slower pace of hiring in the private sector,

adverse weather events, the lagged effect of higher food prices and tighter financial conditions kept the consumer confidence index in the pessimistic range for the year.

Other consumer indicators reaffirm the low dynamism shown during the year. Consumer credit grew 3.8 percent in real terms (12.3 percent in 2022), the slow down corresponded mainly to the lower use of credit cards in a context of low formal employment growth rates.

Table 2

**INDICATORS OF PRIVATE CONSUMPTION**

(Percentage change)

	2021	2022	2023
National employment (formal private sector)	4.2	7.9	3.4
Wage mass (private and public formal sector)	10.6	11.6	6.4
Supporting Consumer Confidence Index 1/	39	36	39
Future Family Situation Subindex 1/	54	47	53
Real consumer credit	-3.1	12.3	3.8
Chicken sales (tons, daily average)	0.9	0.5	-6.5
Retail sales	12.2	2.4	2.8
Volume of imports of consumer goods	14.6	4.6	-0.2
Nondurables, excluding food	8.3	11.4	-1.7
Durable	30.1	-2.7	1.8

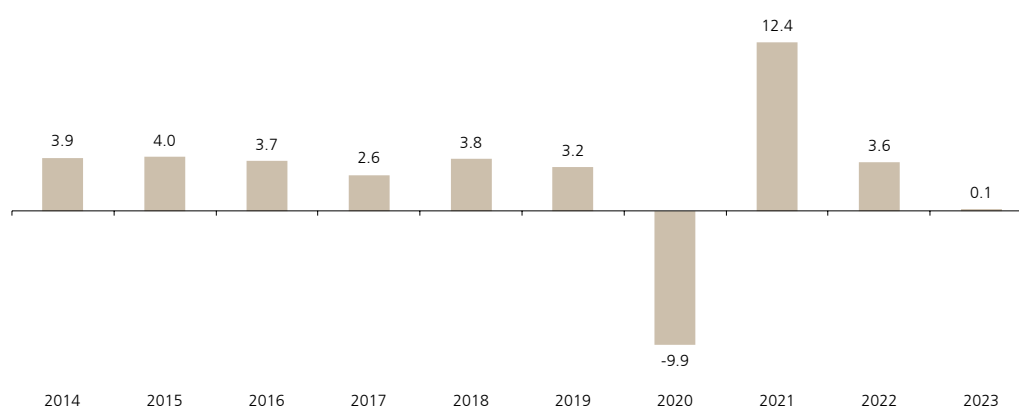
1/ Diffusion index. to value greater than 50 indicates growth.

Source: BCRP, INEI, Sunat, Apoyo, MINAGRI.

Graph 5

**PRIVATE CONSUMPTION**

(Real percentage changes)



Source: INEI and BCRP.

## 1.2 PRIVATE INVESTMENT

Private investment in 2023 contracted 7.3 percent, recording two consecutive years of decline (-0.5 percent in 2022). The year saw business confidence stagnate in pessimistic territory, an absence of new mining investment megaprojects and a drop in self-construction after growing in 2021 and 2022. Mining investment fell 13.7 percent after the conclusion of the Quellaveco construction phase. Non-mining sectors invested 6.5 percent less than in 2022, a result that is in line with the contraction in the volume of imports of capital goods and the drop in self-construction.



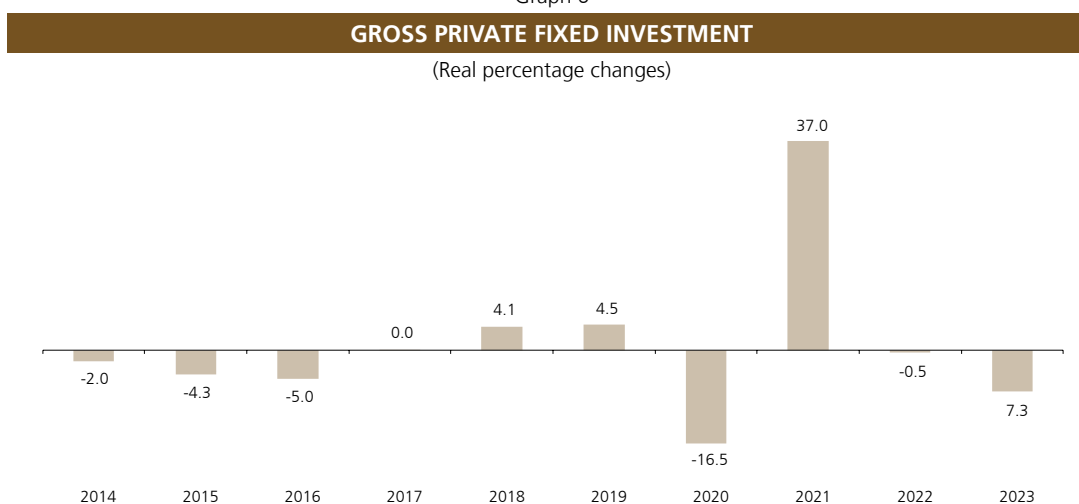
The investment projects that stood out due to the magnitude of the executed projects are: Jorge Chávez Airport Terminal Expansion, Chancay Port Terminal Phase 1, Callao Port South Pier Expansion (Phase 2) and San Gabán III Hydroelectric Plant.

Table 3

MINING AND NON-MINING INVESTMENT					
(Real percentage change)					
	2020	2021	2022	2023	Average 2014-2023
Total Private Investment	-16.5	37.0	-0.5	-7.3	0.2
Mining sector	-25.4	23.7	-7.8	-13.7	-7.1
Non-mining sectors	-15.1	38.9	0.5	-6.5	1.5

Source: INEI and BCRP.

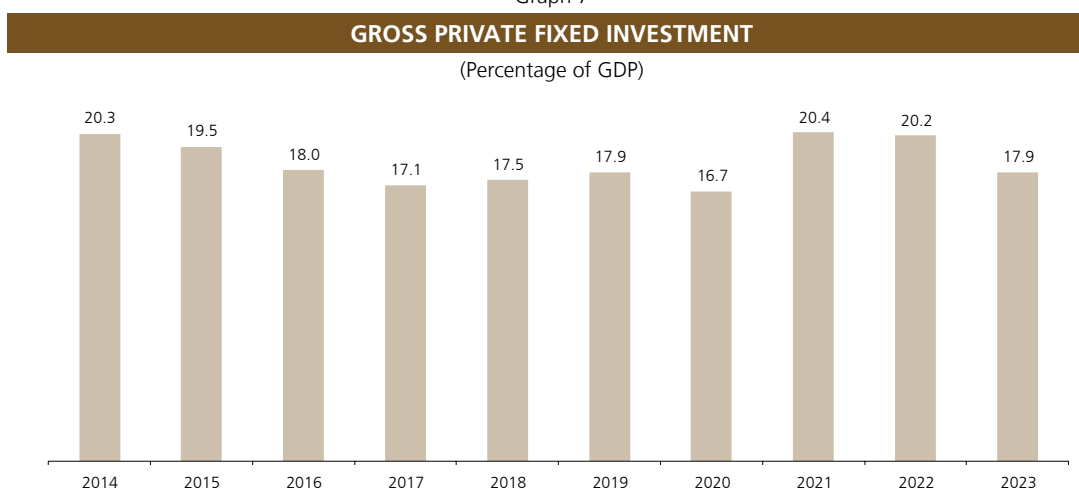
Graph 6



Source: INEI and BCRP.

The private investment to GDP ratio decreased from 20.2 to 17.9 percent between 2022 and 2023, and is similar to that achieved in 2019.

Graph 7



Source: INEI and BCRP.

In nominal terms, **mining investment** contracted from USD 5,235 million in 2022 to USD 4,715 million in 2023, explained by lower investment in Quellaveco and Yanacocha. However, better figures were recorded at Antamina, Shougang and Cerro Verde.

In the energy sector, Luz del Sur made investments of USD 101 million (USD 75 million in 2022), mainly for the improvement and expansion of the electricity system. For its part, Enel Distribución invested USD 16 million less due to the lower execution of expansion works due to the rescheduling of activities, and the completion of digitalization projects associated with systems development.

In the hydrocarbons sector, La Pampilla Refinery allocated USD 57 million to investments, USD 8 million higher than in 2022; the largest disbursements were oriented to its Gasolinas Block Units Revamping project and major plant maintenance. In the fishing sector, Pesquera Exalmar reduced its investment by USD 23 million (USD 35 million in 2022), due to lower expenditures on vessels and Indirect Human Consumption plants.

In the manufacturing sector, Aceros Arequipa invested USD 121 million (USD 100 million in 2022) in property, plant and equipment and intangibles, of which USD 45 million was allocated to its new rolling mill, USD 16 million to the distribution center in Lurín and USD 16 million to its annealed wire and nails plant. Meanwhile, Unión de Cervecerías Peruanas Backus y Johnston disbursed USD 92 million (USD 110 million in 2022) in investments to increase production and marketing capacity.

### 1.3 PUBLIC SPENDING

Public spending in 2023 increased by 4.1 percent. The higher spending is explained by both the increase in public consumption (4.6 percent) and the expansion of public investment (2.8 percent).

The higher public consumption is explained by the recovery of spending not associated with the health emergency or reactivation programs, particularly Con Punche Perú and Emergencia-FEN. The increase in public consumption occurred at all three levels of government.

Meanwhile, public investment grew 2.8 percent in 2023, although, by level of government, it showed heterogeneous behavior: investment by the National and Regional Governments increased by 18.5 and 14.5 percent, respectively. For its part, Local Government investment contracted in its first year of administration (-14.1 percent).

Among the projects that stand out for their magnitude at the National Government level are the Metro Line 2, Bicentennial Schools and Reconstruction projects under the Government to Government Agreement with the United Kingdom. The increase in the Regional Governments' accruals, despite being in their first year of management, is partly due to the earlier availability of resources and the support and training actions carried out by the MEF.

## 2. EXPORTS AND IMPORTS

**Total exports** increased by 4.9 percent in 2023, recording an increase of 4.4 percent in goods and 11.4 percent in services.

The increase in shipments of goods corresponds to the higher shipment of traditional products (7.4 percent), including mining products such as copper and zinc and fuels such as petroleum

and natural gas derivatives. Shipments of non-traditional products fell by 2.0 percent, mainly agricultural, textile, chemical and iron and steel products, an evolution explained by adverse weather conditions and lower demand from our main trading partners. Exports of services recovered, although they continued below the levels reached in 2019. The recovery of inbound tourism stood out, consistent with the increase in the number of foreigners arriving at Jorge Chávez International Airport.

**Total imports** decreased 1.4 percent, due to lower purchases of goods from abroad (-4.3 percent). This result corresponds to lower volumes purchased of industrial inputs, capital goods and non-durable consumer goods, in line with the fall in domestic demand and lower manufacturing production. Among the lower purchases of industrial inputs were iron and steel, textiles, plastics, paper and chemicals. Lower purchases of construction materials, laptops, tires and tractors explain the contraction in capital goods. In contrast, imports of services rose 11.3 percent, related to the increase in the outflow of nationals abroad and the greater demand for IT services from abroad.

### 3. ECONOMIC SECTORS

During the year, GDP contracted by 0.6 percent, the largest decline since 1990 (-5.0 percent), excluding the pandemic period. Excluding 2020 (affected by COVID-19), the Peruvian economy has not experienced a contraction since 1998, the year affected by El Niño and the international financial crisis. Like that year, 2023 was also affected by a series of shocks that dampened economic growth, such as the coastal El Niño, the droughts at the end of 2022, social conflicts and the avian flu.

In 2023, non-primary GDP recorded a fall, mainly in manufacturing and construction, and primary GDP growth, driven by mining. For its part, the agricultural sector, fisheries and manufacturing contracted as a result of adverse weather factors.

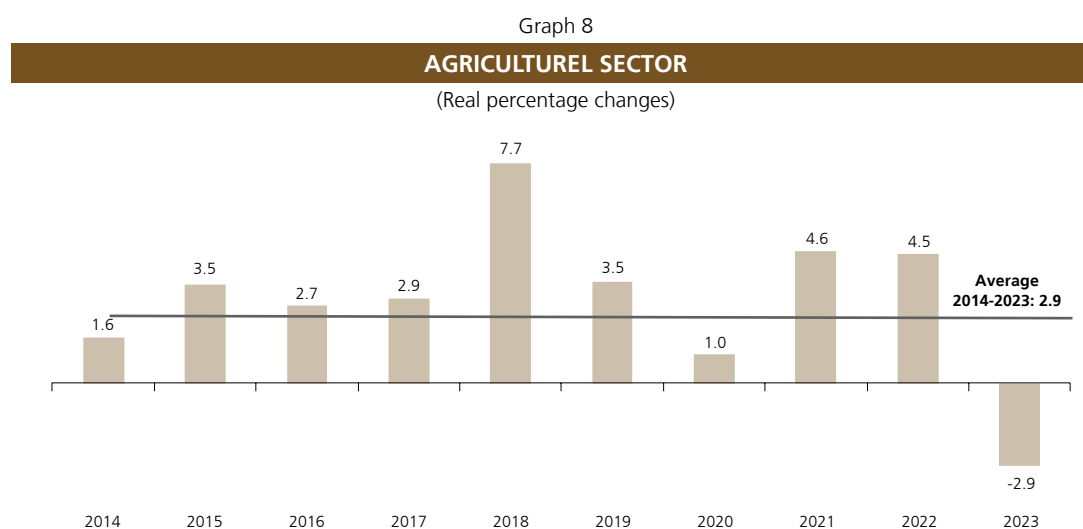
Table 4

GROSS DOMESTIC PRODUCT, BY SECTOR					
(Real percentage changes)					
	2021	2022	2023	Average 2014-2023	Average 2019-2023
<b>Primary GDP</b>	<b>6.4</b>	<b>0.9</b>	<b>2.8</b>	<b>2.1</b>	<b>0.2</b>
Agriculture sector	4.6	4.5	-2.9	2.9	2.1
Agriculture <sup>1</sup>	6.3	5.8	-4.1	3.0	2.7
Livestock	2.0	2.4	-0.9	2.7	1.1
Fishing	9.9	-11.4	-19.7	-2.4	-7.6
Metallic mining	10.5	0.0	9.5	3.8	0.6
Hydrocarbons	-4.6	4.0	0.7	-2.3	-1.5
Manufacturing	3.2	-2.5	-2.6	-0.8	-2.5
<b>Non-Primary GDP</b>	<b>15.5</b>	<b>3.2</b>	<b>-1.4</b>	<b>2.2</b>	<b>1.3</b>
Manufacturing	25.2	2.2	-8.2	-0.4	-0.1
Electricity and water	8.5	3.9	3.7	3.7	2.7
Construction	34.9	3.1	-7.9	1.2	2.4
Trade	17.8	3.3	2.4	2.1	1.5
Services	11.5	3.3	-0.3	2.8	1.4
<b>GDP</b>	<b>13.4</b>	<b>2.7</b>	<b>-0.6</b>	<b>2.1</b>	<b>1.1</b>

Source: INEI, BCRP.

### 3.1 AGRICULTURE SECTOR AGRICULTURE SECTOR

In 2023, the agriculture sector was affected by the climatic impacts of coastal El Niño, the water deficit in the Andes, and avian flu. This resulted in a 2.9 percent reduction in the sector, the largest since 1992 (-7.7 percent).



Source: INEI and MIDAGRI.

The coastal El Niño of 2023-2024 determined an adverse context for crop development, as it affected phytosanitary conditions, particularly on the northern coast, due to the intensity of rainfall, warm anomalies and the high contribution of moisture to the soils.

The water deficit in the Andes (September-December 2022) occurred in a context of frosts until January 2023. This was unfavorable both for the beginning of the productive cycle of plantings, especially those with an advanced calendar in Puno and Cusco, and for the following productive phases of harvesting.

Table 5  
**RAINFALL INDICATOR IN THE SIERRA REGION  
IN THE AUGUST-DECEMBER 2022 CROP YEAR 1/**  
(In percentage changes with respect to its historical average)

	Aug	Sep	Oct	Nov	Dec 2/	Accumulate Aug - Dec
North	47.5	11.6	-21.0	-69.8	-10.5	-22.2
Center	3.5	-1.1	-50.5	-57.8	-1.6	-25.9
South	-46.5	-43.7	-78.0	-76.9	-13.2	-45.6

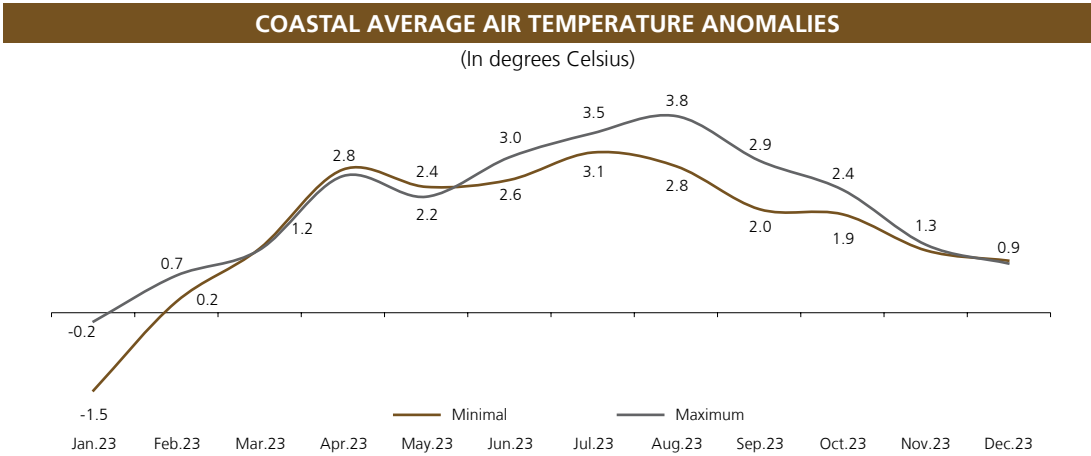
1/ Sample of 262 SENAMHI weather stations, with to 30-year historical average (1981-2010). 2/ As of December 31, 2022  
Source: SENAMHI.

During the first half of the year, at the height of the crops season in the highland and coastal regions, the impact of climate shocks was immediate on crops with a short growing season<sup>1</sup>. In addition, the persistence of high maximum and minimum temperatures on the coast meant that the shocks had a prolonged effect during the second half of the year, as the flowering of fruit trees was reduced and delayed.

<sup>1</sup> About 5 months of vegetative period.

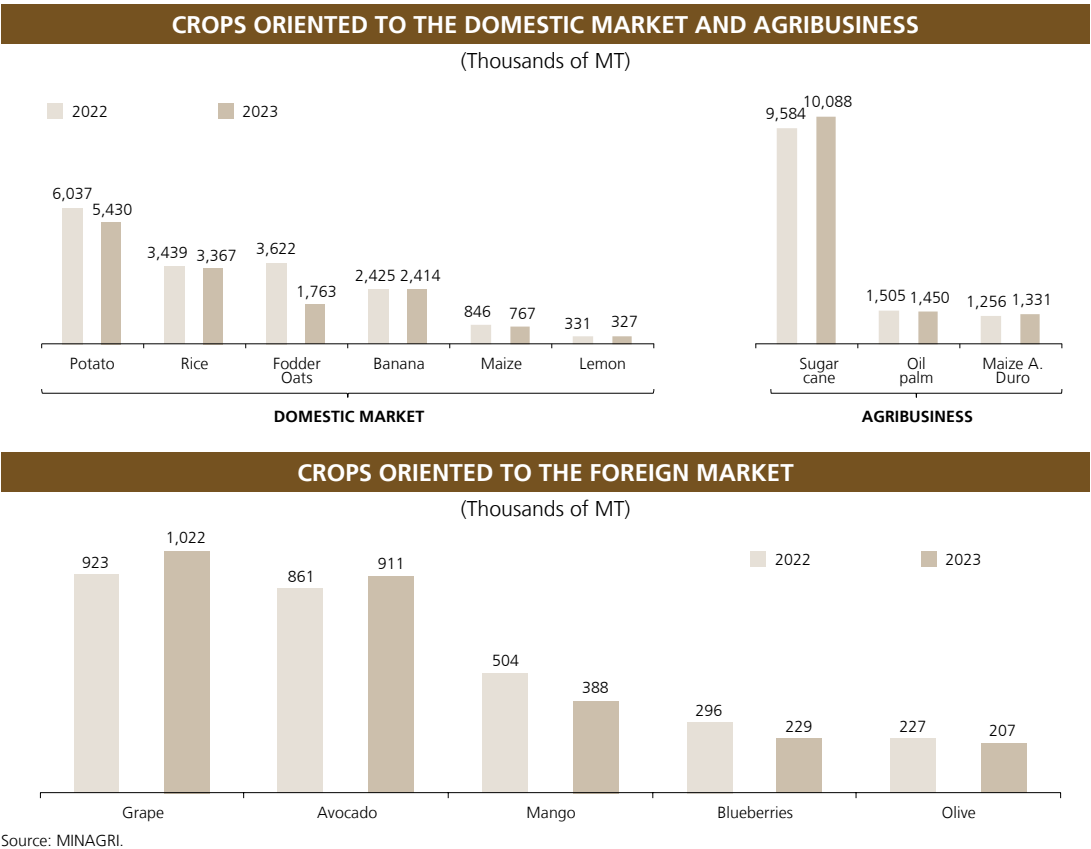


Graph 9



In the first half of the year, production was reduced in the northern coast (rice and bananas) due to excess soil moisture and phytosanitary problems; and in the highlands (potato, quinoa, starchy maize and forage), due to the severe drought <sup>2</sup>. In the second half of the year, the harvest of export fruits from the northern coast, such as mango, avocado, and blueberries, was reduced.

Graph 10



<sup>2</sup> According to SENAMHI, there is an agro-climatic risk based on an accumulated deficit of 25 percent of rainfall, and a deficit of 45.6 percent was recorded in Aug-Dec 2022 in the southern highlands. This drought is comparable to the 1982-1983 drought with a rainfall deficit of 50 percent in the southern highlands, according to the 1st Agricultural Statistical Compendium 1950-1991 of the Ministry of Agriculture

This evolution determined the drop in annual production, destined both for the domestic market (-4.5 percent), due to the impact of climatic events on a wide agricultural supply with high weight in the structure of the sector; and for the foreign market (-4.8 percent), due to the impact of El Niño in areas producing exportable supply on the coast. In addition, livestock activity also contracted (-0.9 percent), due to the impact of avian flu on poultry and egg production, which has been observed since late 2022. In contrast, agroindustrial activity grew 3.1 percent due to higher plantings of hard yellow maize and higher sugarcane crops, with favorable weather for these crops.

In the last ten years, the sector grew 2.9 percent on average. This result was influenced by the agroexport drive (7.4 percent) with the explosive double-digit growth of blueberries, which occurred prior to 2023. Livestock production also contributed (2.7 percent), with the continued dynamism of poultry activity in the pre-pandemic years. Likewise, production oriented to the domestic market (1.1 percent) contributed with notable favorable years in terms of water and weather conditions, such as 2018, 2021 and 2022; counterbalanced by less favorable years with drought in the Andes and El Niño on the coast, such as 2023.

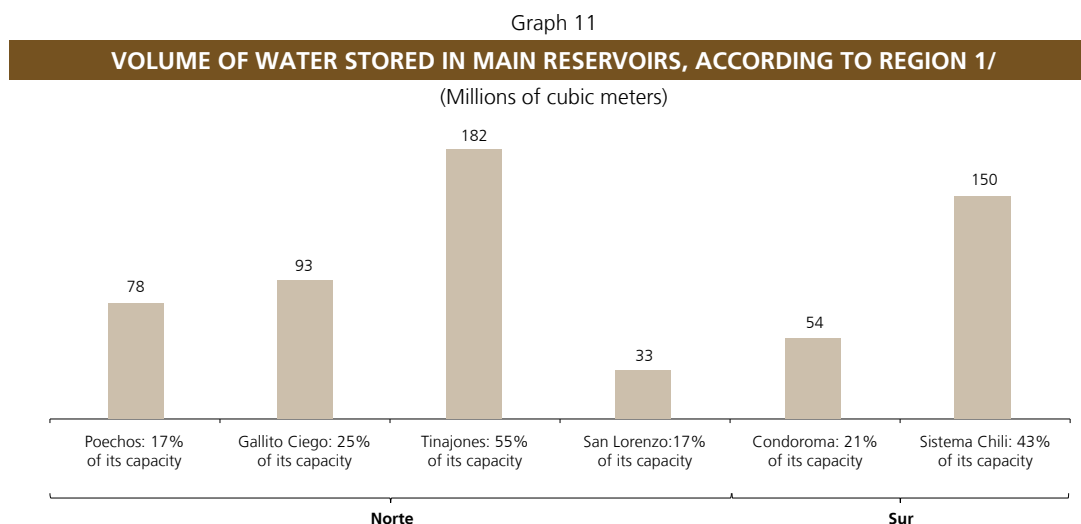
Table 6

AGRICULTURE SECTOR PRODUCTION					
(Real percentage changes)					
	2021	2021	2023	Average 2014-2023	Average 2019-2023
<b>A. Agricultural production</b>	<b>6.3</b>	<b>5.8</b>	<b>-4.1</b>	<b>3.0</b>	<b>2.7</b>
<b>Oriented to the domestic market</b>	<b>4.5</b>	<b>1.8</b>	<b>-4.5</b>	<b>1.1</b>	<b>0.7</b>
Potato	3.4	5.9	-10.0	1.7	1.1
Paddy Rice	3.0	-2.8	-2.1	1.0	-1.1
Onion	-0.4	-14.4	4.2	-3.3	-3.6
Mandarin	11.8	8.6	4.1	7.8	6.7
Tomato	19.5	-13.4	6.7	-1.2	-2.3
Banana	0.5	3.8	-0.5	1.3	1.9
Yucca	-0.1	4.2	7.9	2.4	4.0
Starchy Maize	-3.1	13.4	-10.3	0.3	0.3
Garlic	20.8	3.8	-14.9	1.7	-1.6
Lemon	7.1	1.5	-1.2	3.6	4.8
<b>Oriented to agribusiness</b>	<b>10.5</b>	<b>5.1</b>	<b>3.1</b>	<b>0.4</b>	<b>1.9</b>
Hard yellow maize	12.8	-1.2	6.0	-0.2	1.0
Cotton Rama	-22.1	160.0	-1.8	-7.4	-2.8
Oil Palm	46.6	14.2	-3.6	9.9	9.5
Sugar cane	-6.1	-2.5	5.3	-0.9	-0.5
<b>Oriented to agro-export</b>	<b>8.2</b>	<b>12.0</b>	<b>-4.8</b>	<b>7.4</b>	<b>6.3</b>
Coffee	3.1	-1.6	2.9	3.7	-0.1
Asparagus	-0.1	2.2	-5.8	-0.7	-0.3
Grape	12.7	11.7	10.7	8.8	9.6
Avocado	15.5	10.9	5.8	12.2	12.5
Mango	-13.9	13.8	-23.1	-1.7	0.5
Cocoa	1.0	7.2	-3.1	8.8	4.4
Quinoa	6.5	7.0	-38.4	3.0	-4.1
Blueberry	27.2	29.7	-22.5	62.9	22.0
Olive	-15.7	54.4	-8.8	13.6	1.8
<b>B. Livestock production</b>	<b>2.0</b>	<b>2.4</b>	<b>-0.9</b>	<b>2.7</b>	<b>1.1</b>
Bird	1.6	2.9	-1.4	3.5	1.0
Beef	3.3	1.5	1.8	0.2	0.7
Egg	1.3	1.4	-1.5	3.7	2.2
Swine	3.7	3.0	3.1	3.9	2.6
<b>C. AGRICULTURE SECTOR 1/</b>	<b>4.6</b>	<b>4.5</b>	<b>-2.9</b>	<b>2.9</b>	<b>2.1</b>

1/ Includes the forestry sector.

Source: INEI and Ministry of Agriculture and Irrigation

Water storage in the main reservoirs as of December 31, 2022, in both the north and south was lower than the same date of the previous year.



1/ As of December 31, 2022.

Source: Junta de Usuarios, Proyectos Especiales de Irrigación and AUTODEMA

Table 7

**EVOLUTION OF THE MAIN RESERVOIRS 1/**

(In million cubic meters)

	2017	2018	2019	2020	2021	2022	2023	Capacity of use
<b>Piura</b>								
Poechos	272	171	239	143	233	78	213	446
San Lorenzo	37	95	98	58	96	33	73	196
<b>Lambayeque</b>								
Tinajones	263	188	307	210	325	182	262	332
<b>La Libertad</b>								
Gallito Giego	149	141	220	124	295	93	265	367
<b>Arequipa 2/</b>								
Sistema Chili 2/	174	190	172	190	197	150	116	345
Condoroma	102	88	81	93	91	54	82	259

1/ As of December 31 of each year.

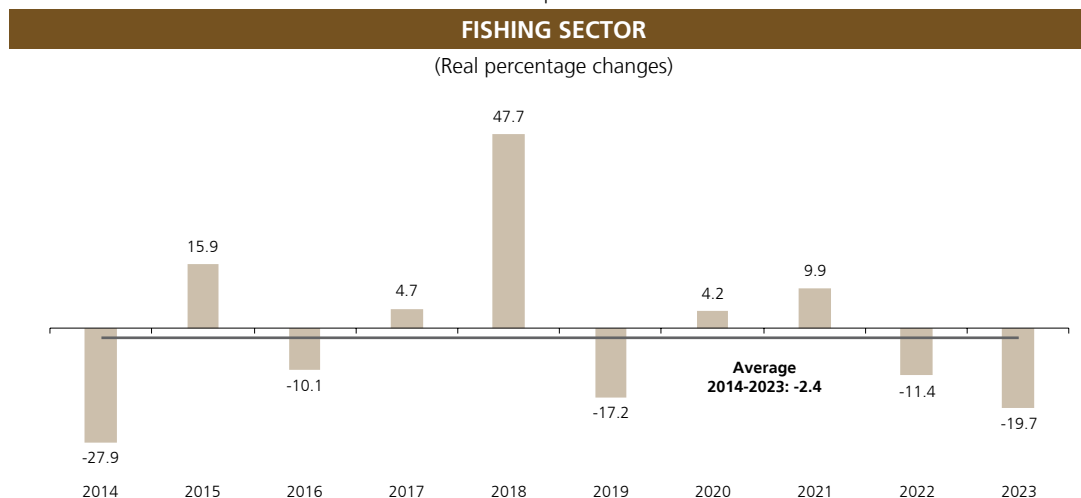
2/ El Pañe, Los EspYearles, Pillones, El Frayle and Aguada Blanca dams are considered.

Source: Board of Users, Special Irrigation Projects and AUTODEMA

### 3.2 SECTOR FISHING

Production in the sector fell by 19.7 percent in 2023, due to the lower catch of anchoveta because of the absence of the first fishing season in the north-central zone caused by the strong magnitude of the coastal El Niño. Thus, the annual catch went from 4.0 million MT in 2022 to 2.0 million MT in 2023 (lower by 50.7 percent). This was partially offset by higher catches of marine species for direct human consumption, such as squid, bonito and jack mackerel, which benefited from positive sea temperature anomalies.

Graph 12



Source: INEI.

In January 2023, the anchoveta catch in the north-central zone was higher than the same month of the previous year (0.5 versus 0.1 million MT), due to a higher quota balance from the second season of 2022. The sector was particularly affected by the absence of the first anchovy fishing season. Thus, during the second and third quarters of the year, a catch of 0.2 million MT of the resource was recorded, due to exploratory fishing authorizations in June and August. This figure is well below the 2.5 million MT landed in the same period of 2022. Likewise, and despite the earlier start of the second season<sup>3</sup>, the lower quota established compared to the previous year (1.7 versus 2.3 million MT) resulted in a lower catch of anchoveta during the fourth quarter in year-on-year terms (1.2 compared to 1.4 million MT).

Table 8

TOTAL MAXIMUM ALLOWABLE CATCH AND TOTAL ALLOWABLE CATCH LIMIT OF ANCHOVETA					
North-Central Zone					
Year	Season 1/	Biomass (Millions of tons)	Total Maximum Limit Allowable Catch (Millions of tons)	Extraction (%)	Capture (Millions of tons)
2015	First	9.5	2.6	97	2.5
	Second	5.6	1.1	98	1.1
2016	First	7.3	1.8	51	0.9
	Second	6.9	2.0	98	2.0
2017	First	7.8	2.8	86	2.4
	Second	6.1	1.5	47	0.7
2018	First	10.9	3.3	98	3.2
	Second	7.2	2.1	100	2.1
2019	First	7.0	2.1	95	2.0
	Second	8.3	2.8	36	1.0
2020	First	10.1	2.4	98	2.4
	Second	8.4	2.8	88	2.5
2021	First	9.9	2.5	98	2.5
	Second	7.0	2.0	99	2.0
2022	First	9.8	2.8	84	2.4
	Second	6.8	2.3	84	1.9
2023	First	6.2	1.1	21	0.2
	Second	7.2	1.7	76	1.3

1/ Usually the second anchoveta fishing season in the North-Central Zone lasts until the first months of the following year.

Source: Instituto of Mar of Peru (IMARPE), Ministry of Production

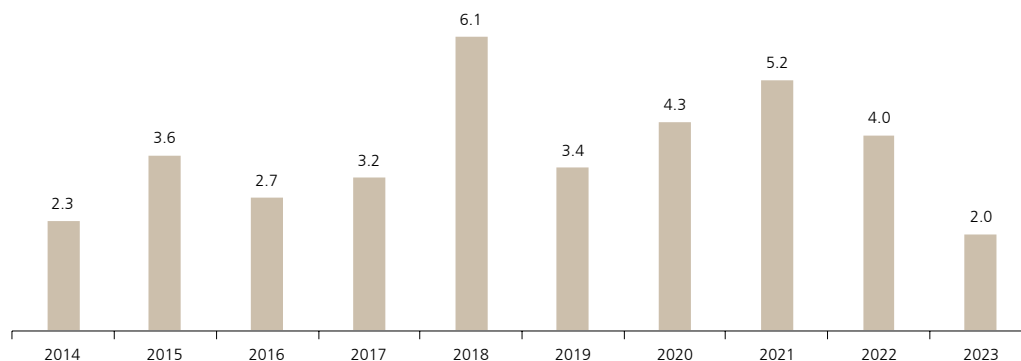
3 October 21 in 2023 and November 23 in 2022.



Graph 13

**EXTRACTION OF ANCHOVETA FOR INDUSTRIAL CONSUMPTION**

(Millions of TM)



Source: Ministry of Production.

Marine fisheries for direct human consumption increased 3.5 percent, mainly due to higher catches of species for canned, frozen and fresh products, such as pota, bonito and jack mackerel.

Table 9

**FISHING EXTRACTION BY MAIN SPECIES**

(Percentage changes)

Species	2021	2022	2023	Average 2014-2023	Average 2019-2023
Anchoveta 1/	19.7	-21.8	-50.7	-8.3	-20.0
Bonito 2/	-37.3	-12.9	37.7	8.5	0.6
Horse mackerel 2/	-13.0	33.1	5.0	1.6	34.2
Pota 3/	4.2	-12.9	38.3	3.4	12.5
Horse mackerel 3/	-30.5	28.2	81.0	21.0	35.0
Fan shells 3/	13.7	-51.7	-52.2	-17.9	-19.3
Mackerel 4/	13.6	-14.9	-44.0	-4.3	-7.0
Horse mackerel 4/	-36.6	108.7	24.8	19.9	24.7

1/ Industrial consumption.

2/ Fresh.

3/ Frozen.

4/ Canned.

Source: Ministry of Production.

**3.3 MINING SECTOR AND HYDROCARBONS**

The mining and hydrocarbons sector grew by 8.2 percent in 2023, driven by higher activity in the sector of metal mining (9.5 percent). This was due to increased production of almost all metals, with the exception of silver and tin. On the other hand, activity in the hydrocarbons sector increased 0.7 percent as higher natural gas extraction was partially offset by lower oil and natural gas liquids production.

Over the last ten years, the average growth in the mining and hydrocarbons sector corresponded mainly to the increase in copper (7.5 percent), molybdenum (6.3 percent) and iron ore (7.7 percent) production.

Table 10

PRODUCTION IN THE MINING AND HYDROCARBON SECTOR					
(Real percentage changes)					
	2021	2022	2023	Average 2014-2023	Average 2019-2023
<b>Metallic mining</b>	<b>10.5</b>	<b>0.0</b>	<b>9.5</b>	<b>3.8</b>	<b>0.6</b>
Gold	10.7	-0.5	2.8	-4.4	-6.6
Copper	7.7	4.3	12.8	7.5	2.2
Zinc	14.9	-10.7	7.2	0.8	-0.1
Silver	22.4	-7.5	-1.3	-1.9	-6.1
Lead	9.5	-3.4	6.9	0.2	-1.1
Tin	30.7	4.6	-7.1	1.0	7.1
Iro	36.6	6.5	8.8	7.7	8.1
Molybdenum	6.1	-7.5	6.0	6.3	3.6
<b>Hydrocarbons</b>	<b>-4.6</b>	<b>4.0</b>	<b>0.7</b>	<b>-2.3</b>	<b>-1.5</b>
Oil	-3.5	5.6	-4.5	-4.7	-4.6
Natural gas liquids	-4.8	-5.5	-0.3	-3.1	-2.2
Natural gas	-5.4	20.5	6.8	1.8	2.8
<b>GDP MINING AND HYDROCARBONS 1/</b>	<b>8.1</b>	<b>0.5</b>	<b>8.2</b>	<b>2.7</b>	<b>0.4</b>

1/ Includes non-metallic mining and other minerals and secondary production.  
Source: Ministry of Energy and Mines.

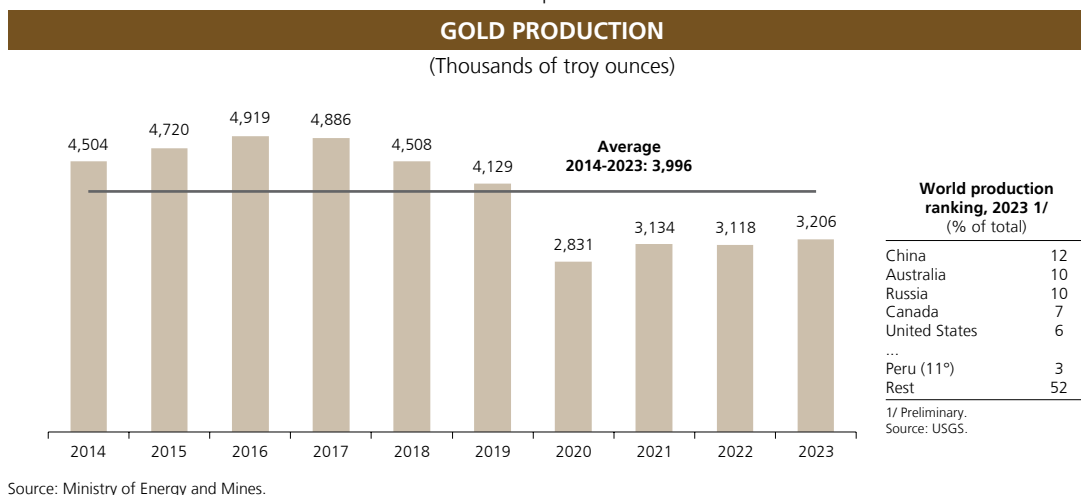
Table 11

VOLUME OF MINING PRODUCTION BY PRODUCT AND COMPANY			
Production by company	2021	2022	2023
<b>GOLD (Thousands of Troy Ounces)</b>	<b>3,134</b>	<b>3,118</b>	<b>3,206</b>
<i>Of which:</i>			
Yanacocha Mining	264	244	276
Poderosa Mining Company	298	303	270
Buenaventura	253	250	202
Horizonte Mining Consortium	171	188	203
Minera Aurifera Retamas	235	208	197
Boroo Misquichilca Mining	67	104	176
Hochschild	179	166	144
Shahuindo - Bread American Silver	137	153	143
La Arena - Bread American Silver	109	95	96
<b>COPPER (Thousands TMF)</b>	<b>2,246</b>	<b>2,344</b>	<b>2,645</b>
<i>Of which:</i>			
Antamina Mining Company	461	468	435
Cerro Verde Mining Company	375	414	421
Southern Peru Copper Corporation	373	315	349
Quellaveco - Anglo American	-	101	319
Las Bambas - M.M.G	290	255	302
Toromocho - Chinalco	236	245	200
Antapaccay	171	151	173
Mina Justa - Marcobre	75	96	108
Constancia - Hudbay	78	89	100
<b>ZINC (Thousands TMF)</b>	<b>1,533</b>	<b>1,370</b>	<b>1,468</b>
<i>Of which:</i>			
Antamina Mining Company	533	500	528
Volcan Mining Company	227	232	250
Nexa Resources	171	156	153
Shouxin Mining Company	50	27	57
Toromocho - Chinalco	56	44	57
Raura Mining Company	0	16	40
<b>Silver (Millions of Onzas Troy)</b>	<b>107</b>	<b>99</b>	<b>98</b>
<i>Of which:</i>			
Volcan Mining Company	12	11	13
Antamina Mining Company	17	16	13
Nexa Resources	8	9	9
Toromocho - Chinalco	7	7	7
Ares Mining Company	9	8	7
Southern Peru Copper Corporation	5	5	5
Buenaventura Mining Company	8	5	3
<b>Lead (Thousands TMF)</b>	<b>264</b>	<b>255</b>	<b>273</b>
<i>Of which:</i>			
Volcan Mining Company	60	60	66
Nexa Resources	44	54	53
Bread American Silver Mina Quiruvilca	9	13	14
Raura Mining Company	0	3	10
El Brocal Mining Society	14	10	9
Los Quenuales Mining Company	13	8	7
Antamina Mining Company	5	3	2

Note: TMF refers to Fine Metric Tons.  
Source: Ministry of Energy and Mines.

**Gold** production increased by 88 737 tr. oz. in 2023, an increase of 2.8 percent. This result was due to higher production at Compañía Minera Boroo Misquichilca, which was driven by the carbonaceous ore optimization project aimed at extending the mine's useful life. In addition, Yanacocha and Consorcio Minero Horizonte increased their activity.

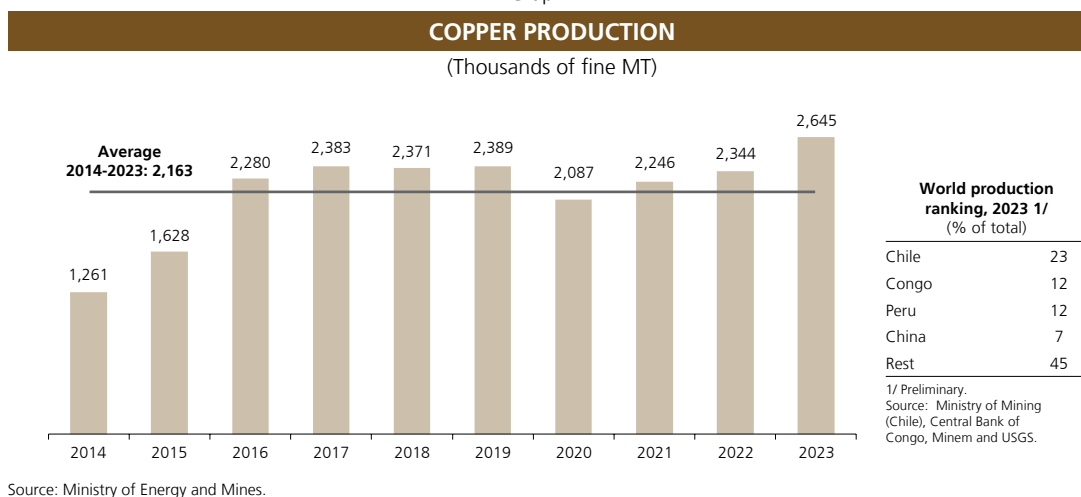
Graph 14



**Copper** production grew 12.8 percent over the previous year, outweighing prepandemia production (2019) and reaching a production record of 2.6 million MTF<sup>4</sup>. The result is explained by the higher extraction of most of the mines, particularly Quellaveco, which, after starting operations in the third quarter of 2022, produced 319,061 MTF. Likewise, greater dynamism was recorded at Las Bambas as a result of fewer community blockades at the mine, compared to the previous year.

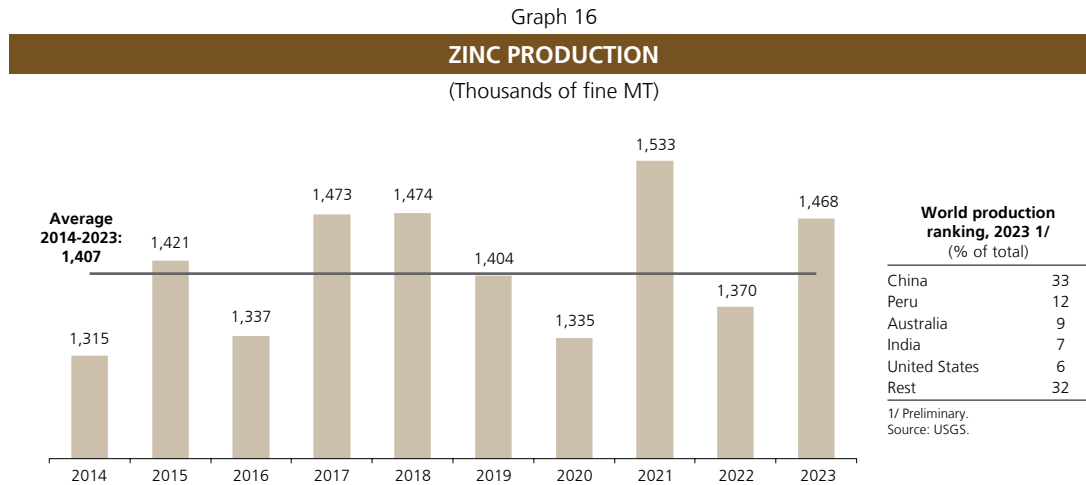
On the other hand, Antamina and Toromocho production decreased 7.0 and 18.1 percent, respectively. Antamina's lower activity is due to lower grades and lower extraction during the first quarter, due to heavy rains in Ancash that caused the mine to be paralyzed and the closure of some important roads through which the pipeline passes.

Graph 15



<sup>4</sup> Flotation concentrates. Including leaching production, the total reached 2.8 million metric tons per year.

**Zinc** production grew 7.2 percent in 2023, due to the greater dynamism of large and medium mining companies. Antamina increased its production by 28,010 MTF, as did Shouxin and Chinalco. The mining company Raura reached production of 39,577 MTF (141.1 percent growth), after resuming operations in the second quarter of 2022.



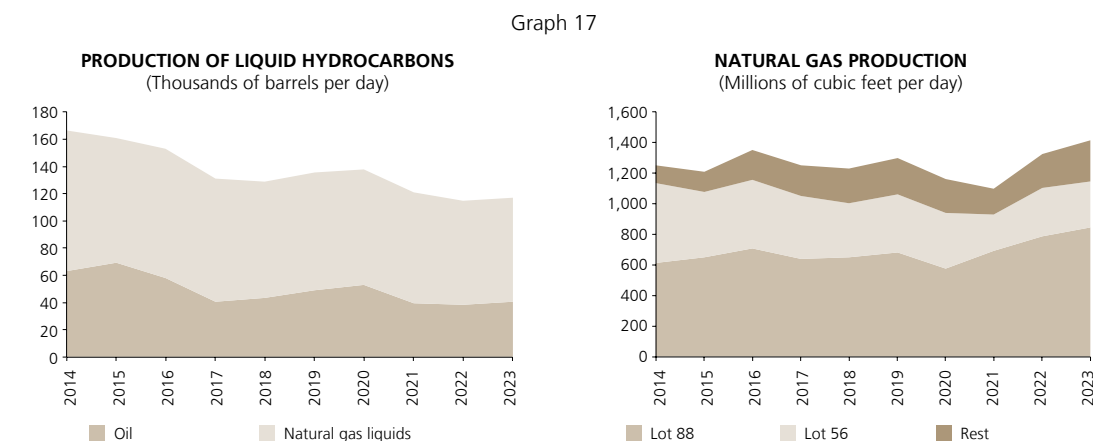
Source: Ministry of Energy and Mines.

**Iron ore** production grew 8.8 percent due to the dynamism of Shougang, especially driven by higher grades. During the first quarter, a base effect was recorded since during this period of 2022 this mine stopped operations due to a union strike.

**Molybdenum** production grew 6.0 percent due to the start of activities at Quellaveco, during the second quarter of 2023, and increased processing at Las Bambas and Constanca. On the other hand, Cerro Verde, Southern and Toromocho's extraction decreased.

Similarly, **lead** production grew 8.8 percent due to the dynamism of Raura and Volcan. On the other hand, in 2023, a lower extraction of **silver** (-1.3 percent) was recorded, due to the lower activity of Antamina and Buenaventura; and **tin** (-7.1 percent), due to the social conflicts recorded during the first quarter caused by the stoppage of Minsur.

The hydrocarbons subsector grew 0.7 percent in 2023, due to higher natural gas production, in view of the increase in domestic demand for thermoelectric generation (lot 88).



Source: Perupetro.

In contrast, lower oil and natural gas liquids production was recorded by 4.5 and 0.3 percent, respectively. The reduction in the extraction of oil is due to the lower activity of lot X and the standstill of lot 67 due to social conflicts, while the extraction of natural gas liquids was affected by the lower production of lot 56.

### 3.4 SECTOR MANUFACTURING

Manufacturing activity in 2023 recorded a 6.8 percent drop. This evolution corresponds to lower activity in the primary and non-primary subsectors.

**Primary manufacturing** contracted by 2.6 percent. This result reflected the lower production of fishmeal and fish oil, due to problems in the first and second fishing seasons of the year, in a scenario of warm anomalies due to El Niño. This decline was mitigated by higher oil refining, driven by the startup of the last processing units of the New Talara Refinery.

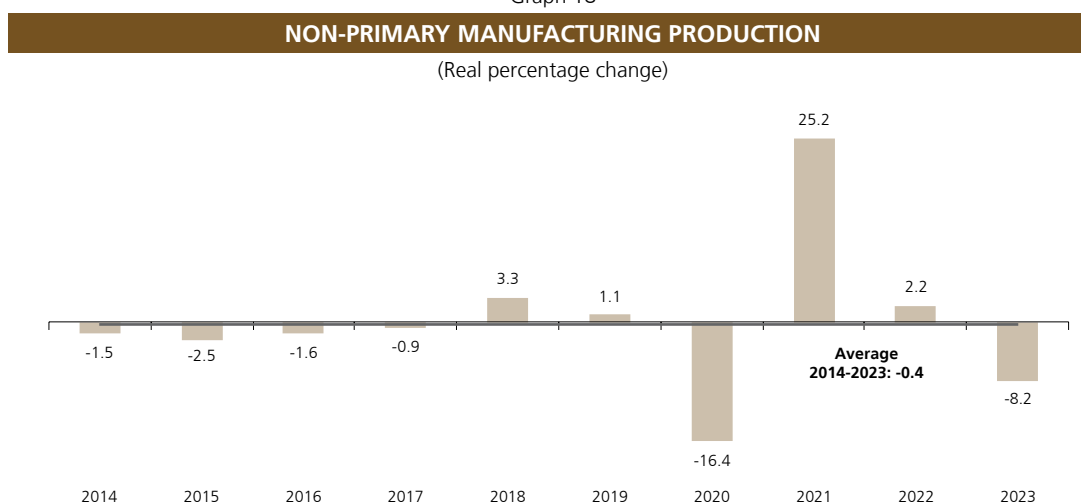
Table 12

PRIMARY MANUFACTURING PROCESSING OF PRIMARY RESOURCES					
(Real percentage changes)					
	2021	2022	2023	Average 2014-2023	Average 2019-2023
<b>PRIMARY RESOURCE PROCESSORS</b>	<b>3.2</b>	<b>-2.5</b>	<b>-2.6</b>	<b>-0.8</b>	<b>-2.5</b>
Rice, piled	1.3	-1.0	-2.1	1.0	-0.8
Sugar	-8.2	1.2	-4.5	-1.0	-2.1
Meat products	2.0	2.8	-0.2	3.1	1.0
Fish meal and fish oil	16.5	-24.4	-53.2	-9.0	-21.2
Canned and frozen fish products	5.1	-4.2	28.1	5.4	13.8
Non-ferrous metal refining	-4.5	10.6	-0.3	-0.8	0.5
Petroleum refining	19.4	-17.7	26.9	-1.6	-5.1

Source: Ministry of Production.

For its part, **non-primary manufacturing** declined 8.2 percent in 2023 due to lower production of mass consumption goods, inputs, investment-oriented goods, and goods oriented to the foreign market.

Graph 18



Source: INEI.

The branches linked to **mass consumption** decreased 3.5 percent, mainly due to the lower production of clothing, associated with lower domestic and foreign demand. Also contributing



The lower manufacturing of oils and fats, furniture, as well as lower domestic demand for alcoholic beverages and other paper and cardboard articles, related to the slowdown in economic activity and the deterioration of expectations that occurred during 2023, also contributed..

The branches **oriented to investment** fell 6.5 percent as a result of the drop in construction. This was the case of the cement, construction materials, metal products, and iron and steel industries. The drop in the manufacture of electrical machinery also contributed.

The **input-related** industries contracted 11.9%, mainly due to the lower production of processed wood, linked to the reduction in the manufacture of furniture. Lower production of plastics, explosives, glass and glass products also contributed; as well as lower manufacturing in branches associated with agroexports, such as paper and cardboard packaging; and the livestock sector, such as animal feed.

Table 13

NON-PRIMARY MANUFACTURING BY TYPE OF GOODS					
(Real percentage changes)					
	2021	2022	2023	Average 2014-2023	Average 2019-2023
<b>Mass consumption</b>	<b>17.1</b>	<b>-3.5</b>	<b>-3.5</b>	<b>0.3</b>	<b>0.3</b>
Dairy products	2.7	-10.3	3.5	-0.5	-0.1
Bakery	16.7	2.6	0.7	4.4	9.2
Oils and fats	5.4	-4.5	-12.2	0.2	-3.4
Miscellaneous food products	7.2	4.4	-6.6	-0.4	-0.1
Beer and malt	27.9	13.5	-3.2	0.4	1.0
Carbonated beverages	18.6	7.2	13.9	3.1	5.9
Clothing	23.9	18.4	-23.8	-5.4	-6.8
Footwear	3.7	18.3	-0.5	-6.5	-7.6
Furniture	38.4	-22.5	-4.4	3.5	5.1
Other paper and cardboard articles	-5.7	-16.2	-11.4	-2.1	-9.9
Toiletries and cleaning products	-3.9	2.2	1.3	-0.1	0.4
Pharmaceuticals	8.5	-1.6	0.7	-0.2	3.5
Miscellaneous manufacturing	72.4	-16.7	5.7	-0.9	-3.6
<b>Inputs</b>	<b>21.4</b>	<b>1.9</b>	<b>-11.9</b>	<b>-1.4</b>	<b>-1.6</b>
Wheat flour	10.2	4.4	-5.2	2.8	4.9
Other textile products	15.7	-9.6	-11.5	-4.0	-5.9
Processed wood	33.4	10.5	-30.5	-6.0	-4.9
Paper and cardboard	4.2	32.1	-12.8	-5.1	-1.7
Paper and cardboard packaging	13.1	0.0	-11.5	3.9	0.8
Publishing and printing activities	32.1	-8.6	-3.6	-8.5	-9.2
Basic chemicals	0.0	-2.7	-2.1	0.8	-0.3
Explosives, natural and chemical essences	51.7	33.7	-9.9	4.1	5.7
Rubber	55.4	8.0	-17.7	-5.8	-3.6
Plastics	18.9	-5.7	-5.7	1.8	1.4
Glass	27.6	29.2	-27.3	-0.4	-3.2
<b>Investment-oriented</b>	<b>44.2</b>	<b>5.8</b>	<b>-6.5</b>	<b>0.6</b>	<b>1.8</b>
Iron and steel industry	45.4	5.7	-5.9	2.6	2.9
Metal products	49.1	13.9	-6.2	2.4	5.7
Machinery and equipment	56.9	4.0	10.6	0.4	4.0
Electrical machinery	40.9	1.4	-21.8	-5.0	-7.8
Transport equipment	36.6	6.7	-1.0	-3.2	-2.5
Paints, varnishes and lacquers	21.6	6.7	-1.9	-0.1	0.3
Cement	35.7	3.0	-11.2	1.6	2.4
Building materials	60.0	0.7	-6.4	-1.8	-0.8
Industrial Services	55.0	0.2	0.7	0.9	1.3
<b>Oriented to the foreign market</b>	<b>26.2</b>	<b>15.8</b>	<b>-19.9</b>	<b>-2.7</b>	<b>-3.0</b>
Canned food	0.2	13.6	-37.5	-1.0	-4.0
Synthetic fibers	46.3	6.3	-23.5	-2.2	-5.3
Yarns, fabrics and finishes	50.0	-2.0	-13.4	-3.8	-3.9
Fabrics and knitted articles	31.0	50.9	-5.9	1.0	4.0
Clothing	23.9	18.4	-23.8	-5.4	-6.8
<b>TOTAL NON-PRIMARY MANUFACTURING</b>	<b>25.2</b>	<b>2.2</b>	<b>-8.2</b>	<b>-0.4</b>	<b>-0.1</b>

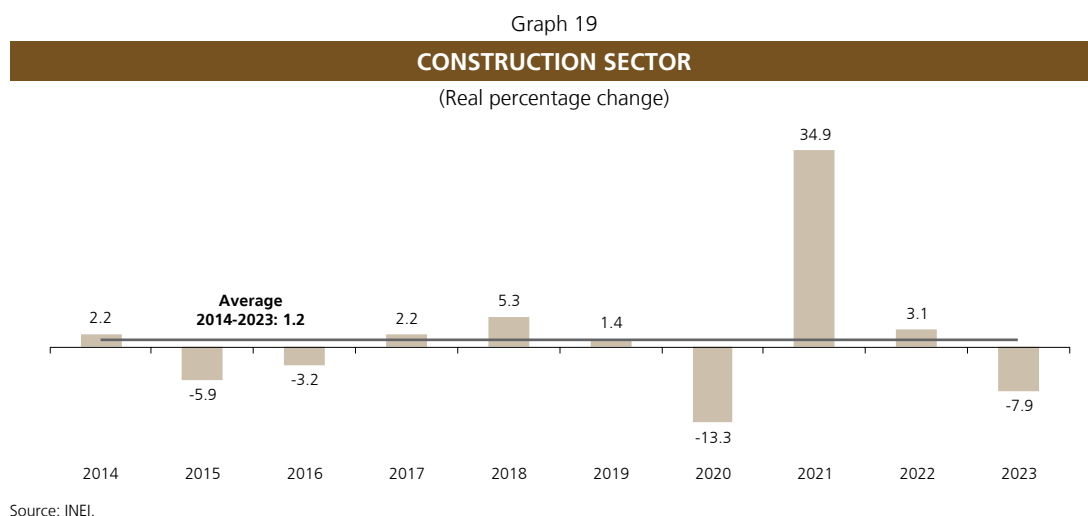
Source: Ministry of Production.

Branches **oriented to the foreign market** fell 19.9 percent due to the lower production of food preserves in the face of the drop in the availability of raw materials associated with the problems

caused by the El Niño phenomenon. The apparel, yarn, woven and finished fabrics, and knitted and woven products also contracted, due to lower external demand, especially from the United States of America.

### 3.5 SECTOR CONSTRUCTION

In 2023, the construction sector fell 7.9 percent, mainly due to lower self-construction and the slower progress of private works. Domestic cement consumption, the main indicator of the sector's activity, declined 11.6 percent this year.



Regarding the residential real estate market, the Peruvian Chamber of Construction (CAPECO) reported that 46,585 housing units were offered in Metropolitan Lima in 2023, 13.4 percent higher than recorded the previous year (41,083 units). In terms of square footage, the total housing supply amounts to 3,146,000 square meters, 10.4 percent higher than recorded in 2022 (2,850,000 square meters).

Table 14

REAL ESTATE MARKET INDICATORS				
Indicator	2021	2022	2023	Difference 2023-2022
Number of new apartments sold - CAPECO 1/	19,642	17,892	16,994	-898
Percentage change	46.7	-8.9	-5.0	
Units sold of new apartments - TINSA	14,156	16,622	16,017	-605
Percentage change	16.5	17.4	-3.6	
Number of new home mortgages 2/ Number of new home loans	43,882	34,665	30,013	-4,652
Percentage change	63.9	-21.0	-13.4	
Number of new Mivivienda loans 3/	11,218	12,344	10,703	-1,641
Percentage change	48.8	0.5	-13.3	
Number of outstanding mortgages debtors 2/	243,151	248,235	254,669	6,434
Percentage change	2.2	2.1	2.6	
Disbursements of new mortgage loans in S/ (million) 2/	15,362	11,876	10,240	-1,636
Percentage change	71.7	-22.7	-13.8	
Disbursements of new mortgage loans in USD (million) 2/	177	197	168	-28
Percentage change	-35.2	11.4	-14.4	
Average interest rate for mortgage loans S/ 2/	6.9	9.9	9.1	-0.8
Average interest rate for mortgage loans USD 2/	5.0	8.3	7.9	-0.4
Price/ Annual Rent Ratio (PER) 4/	20.8	18.9	18.3	-0.6

1/ The Urban Building Market in Metropolitan Lima, CAPECO. Considers to period from July of one year to June of the following year.

2/ Banks.

3/ Corresponds to the Nuevo Credit Mivivienda product.

4/ Corresponds to information for the fourth quarter of the year. Ratio of sales price to annual rental income (PER).

Source: Mivivienda, SBS, BCRP and TINSA PERU SAC.

In 2023, 17 001 housing units (16 994 apartments) were sold, 6.1 percent less than in 2022 (18 111 housing units, of which 17 892 were apartments). The largest housing reductions were recorded in East Lima and modern Lima (34.0 and 13.5 percent, respectively).

## 4. SAVINGS AND INVESTMENT

Between 2022 and 2023, the domestic savings rate increased by 1.4 percentage points of GDP. Gross domestic investment (mainly from the private sector) decreased by 3.4 percentage points of GDP. As a result, external savings stood at -0.8 percent in 2023. Thus, the Peruvian economy experienced a net savings surplus that was borrowed abroad, as opposed to what was observed the previous year (positive external savings equivalent to 4.0 percent of output).

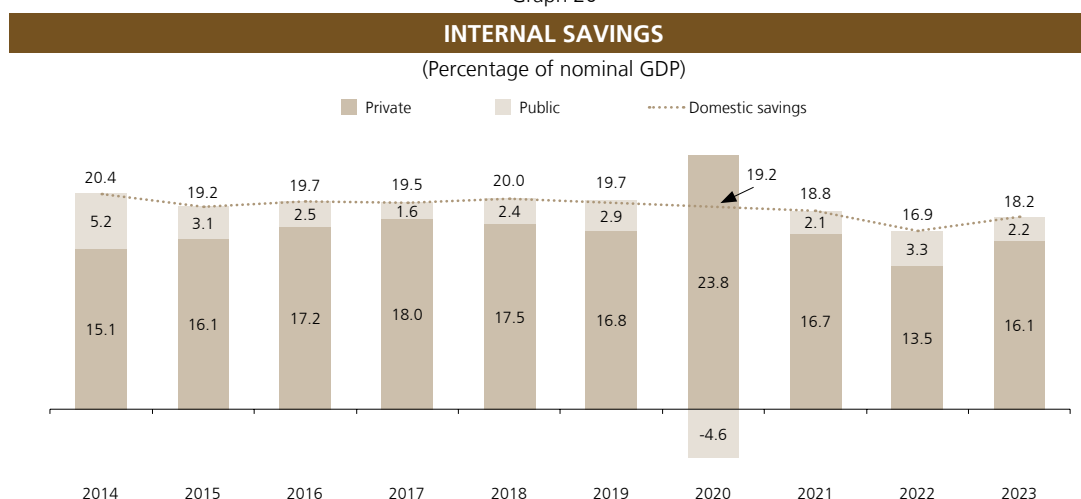
The increase in domestic savings is particularly explained by private savings, which in turn is the result of less dynamic consumption and higher interest rates, as well as increased uncertainty and the possibility of adverse weather events, which boosted household precautionary savings. This dynamic was partially counterbalanced by the reduction in public sector savings, as a result of the drop in tax revenues.

Table 15

SAVINGS AND INVESTMENT				
(Percentage of nominal GDP)				
	2021	2022	2023	Average 2014-2023
<b>I. Investment (=II+III)</b>	<b>20.9</b>	<b>20.8</b>	<b>17.4</b>	<b>20.7</b>
Gross fixed investment	25.1	25.2	22.9	23.4
Public Investment	4.7	5.0	5.0	4.8
Private fixed investment	20.4	20.2	17.9	18.6
Variation in inventories	-4.2	-4.4	-5.5	-2.7
<b>II. Internal savings</b>	<b>18.8</b>	<b>16.9</b>	<b>18.2</b>	<b>19.0</b>
Public sector	2.1	3.3	2.2	2.0
Private sector	16.7	13.5	16.1	16.9
<b>III. Ahorro External</b>	<b>2.1</b>	<b>4.0</b>	<b>-0.8</b>	<b>1.7</b>

Source: BCRP.

Graph 20



Source: INEI and BCRP.

## 5. LABOR

The Electronic Payroll is the administrative record that collects monthly information on jobs and remunerations of all formal companies and public institutions. The collection and processing is in charge of the National Superintendence of Customs and Tax Administration (Sunat).

According to Electronic Payroll information, the number of formal<sup>5</sup> jobs at the national level in 2023 increased 2.3 percent over 2022 (9.3 percent over 2019). This development reflects an increase in jobs in the private sector (3.4 percent), which offset the drop in the public sector (-0.5 percent). By geography, the increase was higher in Lima (2.9 percent) than in regions outside Lima (1.0 percent).

Table 16

ELECTRONIC PAYROLL: FORMAL JOBS								
(In thousands)								
	Levels						Var. 2023 / 2022	
	2018	2019	2020	2021	2022	2023	In thousands	In %
<b>Total 1/</b>	<b>5,122</b>	<b>5,264</b>	<b>5,081</b>	<b>5,284</b>	<b>5,624</b>	<b>5,751</b>	<b>127</b>	<b>2.3</b>
Private	3,662	3,801	3,564	3,715	4,008	4,143	135	3.4
Public	1,460	1,462	1,517	1,569	1,617	1,608	-9	-0.5
Lima	3,137	3,231	3,055	3,137	3,318	3,414	96	2.9
Rest of Peru	1,972	2,019	2,014	2,128	2,281	2,305	23	1.0

1/ The sum of employment by area does not give the total due to the number of jobs that cannot be classified.

Source: Sunat monthly Electronic Payroll.

In the private sector, the 3.4 percent increase mainly reflects the increase in the number of jobs in services (118,234 jobs) and commerce (30,903 jobs). In the agricultural sector, which includes agroexporting companies, more than 33,321 jobs were lost on average per year, mainly due to climatic factors.

Table 17

ELECTRONIC PAYROLL: FORMAL JOBS BY SECTOR								
(In Thousands)								
	Levels						Var. 2023 / 2022	
	2018	2019	2020	2021	2022	2023	In Thousands	In %
<b>Total</b>	<b>5,122</b>	<b>5,264</b>	<b>5,081</b>	<b>5,284</b>	<b>5,624</b>	<b>5,751</b>	<b>127</b>	<b>2.3</b>
Agriculture sector 1/	425	445	478	489	523	489	-33	-6.4
Fishing	22	21	20	21	20	20	-1	-4.3
Mining	102	99	96	107	113	118	6	5.1
Manufacturing	477	477	445	461	482	491	9	1.9
Electricity	28	28	29	30	31	32	1	1.9
Construction	213	219	186	233	229	217	-12	-5.0
Trade	618	631	604	626	671	701	31	4.6
Services	3,231	3,337	3,216	3,305	3,540	3,658	118	3.3

1/ Includes the agro-export sector: processing and preservation of fruits and vegetables.

Source: Sunat's monthly Electronic Payroll.

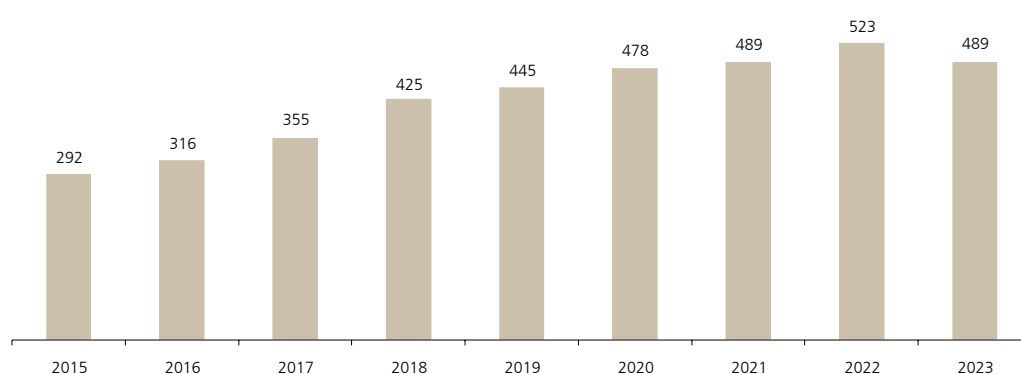
5 Jobs differ from the number of workers because one person can hold more than one job.



Graph 21

**FORMAL JOBS IN THE AGRICULTURE AND LIVESTOCK PRIVATE SECTOR**

(Thousands of jobs)



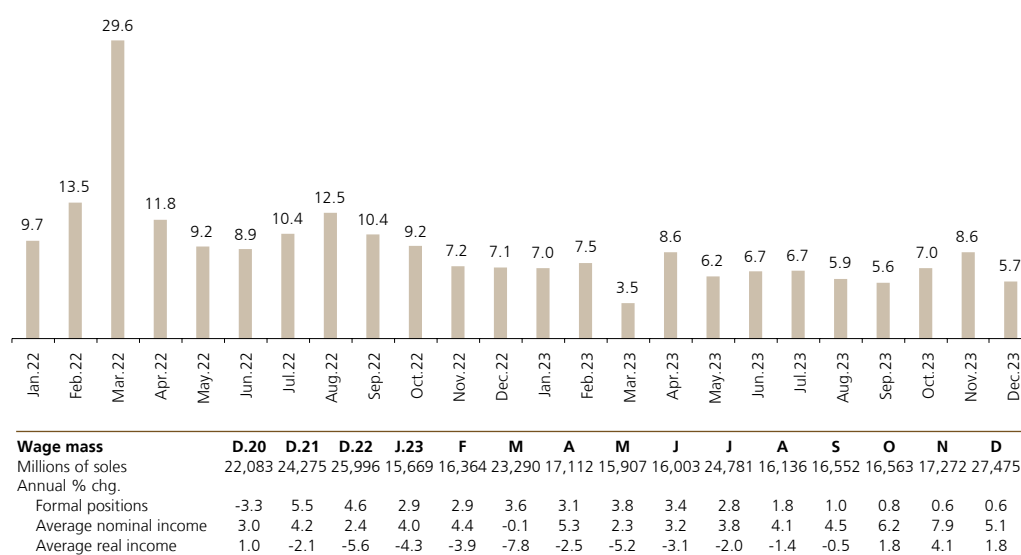
Source: Sunat's monthly Electronic Payroll.

On the other hand, in 2023, the total formal wage bill recorded an increase of 6.4 percent over 2022 (0.2 percent in real terms). The year's result was mainly influenced by the increase in total formal income.

Graph 22

**TOTAL FORMAL WAGE BILL**

(Percentage change 12 months)



Source: Sunat's monthly Electronic Payroll.

**5.1 EMPLOYMENT NATIONAL**

The results of the Permanent National Employment Survey (Encuesta Permanente de Empleo Nacional, EPEN) will be disseminated starting in 2023. To date, information is only available from 2022. According to EPEN, employment at the national level decreased by 0.9 percent in 2023, a development in line with the contraction of economic activity (-0.6 percent). The drop in employment was mainly in rural areas (-4.8 percent), due to the effect of El Niño.

According to productive sectors, employment declined in the extractive sectors (agriculture, fishing and mining) as well as in construction. Employment in the services sector continued to recover (2.6 percent). By company size, employment only grew in the group with more than 50 workers.

The national level unemployment rate was 5.4 percent in 2023, higher by 0.7 percentage points than recorded in 2022.

Table 18

LABOR MARKET INDICATORS				
(Thousands of people)				
	2022	2023	Annual var. 2023	
			In Thousands	In %
<b>I. ECONOMICALLY ACTIVE POPULATION (EAP): 1 + 2</b>	<b>18,184</b>	<b>18,157</b>	<b>- 27</b>	<b>-0.2</b>
<b>1. BUSY</b>	<b>17,337</b>	<b>17,180</b>	<b>- 157</b>	<b>-0.9</b>
<i>By area of residence</i>				
Urban	13,794	13,805	12	0.1
Rural	3,543	3,375	- 168	-4.8
<i>By economic activity</i>				
Agriculture/Fishing/Mining	4,441	4,162	- 279	-6.3
Manufacturing	1,445	1,443	- 2	-0.1
Construction	1,255	1,133	- 122	-9.7
Trade	3,140	3,201	61	1.9
Services	7,055	7,241	185	2.6
<i>By company size</i>				
From 1 to 10 workers	12,845	12,448	- 397	-3.1
From 11 to 50 workers	1,224	1,195	- 30	-2.4
From 50 to more workers	3,268	3,537	269	8.2
<b>2. DISCONTINUED</b>	<b>848</b>	<b>977</b>	<b>130</b>	<b>15.3</b>
<b>II. INACTIVE POPULATION</b>	<b>7,297</b>	<b>7,753</b>	<b>455</b>	<b>6.2</b>
<b>III. WORKING-AGE POPULATION (PET)</b>	<b>25,482</b>	<b>25,910</b>	<b>428</b>	<b>1.7</b>
<b>RATES (in percent)</b>				
Activity rate (EAP / PET)	71.4	70.1		
Employment/population ratio (employed EAP/TEP)	68.0	66.3		
Unemployment rate (Unemployed EAP/EAP)	4.7	5.4		

Source: INEI, Permanent National Employment Survey

According to EPEN, the average monthly income was S/1,674 with a nominal increase of 9.9 percent compared to 2022. By productive sectors, the increase occurred in all sectors, with manufacturing and commerce standing out. By gender, the increase was higher for women. By age group, real income decreased among 14 to 24 year-olds. By educational level, income increased the most among workers with a university education. In real terms, average monthly income increased 3.4 percent over 2022.

Table 19

**INGRESO AVERAGE MENSUAL**

(In soles)

	2022	2023	Annual var. 2023	
			Nominal	Real
<b>Total</b>	<b>1,524</b>	<b>1,674</b>	<b>9.9</b>	<b>3.4</b>
<i>Area of residence</i>				
Urban	1,669	1,833	9.9	3.4
Rural	816	880	7.9	1.5
<i>Sex</i>				
Male	1,727	1,874	8.5	2.1
Female	1,247	1,405	12.7	6.0
<i>Production sector</i>				
Agriculture/Fishing/Mining	904	992	9.8	3.3
Manufacturing	1,544	1,735	12.3	5.7
Construction	1,848	2,029	9.8	3.3
Trade	1,323	1,484	12.1	5.5
Services	1,844	1,996	8.2	1.9
<i>Age</i>				
From 14 to 24 years old	1,098	1,134	3.3	-2.8
From 25 to 44 years old	1,642	1,815	10.5	4.0
45 years and older	1,512	1,663	10.0	3.5
<i>Education level</i>				
Up to primary	793	853	7.6	1.3
Secondary	1,252	1,329	6.2	-0.1
Non-university higher education	1,688	1,822	7.9	1.6
Superior university	2,675	2,936	9.7	3.3

Source: INEI, Permanent National Employment Survey.

## Box 1

## THE EL NIÑO PHENOMENON AND ITS IMPACT ON THE 2023 GDP

The El Niño phenomenon is an ocean-atmospheric event characterized by the presence of high sea temperatures during several months<sup>6</sup>. Depending on the region where this warming occurs, two concepts can be distinguished: “coastal El Niño” and “global El Niño”. The former occurs in the Eastern Pacific, in the Niño 1+2 region off the northern coast of Peru; while the latter, also known as El Niño Southern Oscillation (ENSO), occurs in the Central Pacific, in the region known as Niño 3.4. Both events may or may not coincide, as for example in 2017, when a coastal Niño occurred, but not a global one.

The coastal El Niño is the most damaging for the Peruvian economy, as it is characterized by the occurrence of rains and floods in the northern coast of the country. This is mainly detrimental to agriculture and fishing production; it raises food prices and causes a transitory increase in inflation. For its part, global El Niño does not necessarily imply a warming of the Peruvian coast, but it could affect it and, during the summer, it could cause droughts in the Andes<sup>7</sup>. It should be pointed out that global El Niño could also have an impact on inflation, due to lower agricultural production of the main food *commodities* in other regions of the world.

Anomalous sea warming off the Peruvian coast is not an infrequent event. In fact, since 1950 there have been 24 coastal El Niño events, including the one in 2023. All of these events have been of different intensity, onset and duration, which translates into differentiated impacts on the economy.

EL NIÑO COSTERO EVENTS 1/					
Initial year	Initial month	Final year	Final month	Duration (months)	Magnitude
1951	5	1951	11	7	Moderate
1953	3	1953	6	4	Weak
1957	3	1957	12	10	Strong
1965	3	1965	9	7	Moderate
1969	4	1969	7	4	Weak
1972	3	1973	1	11	Moderate
1976	5	1976	11	7	Moderate
1982	7	1983	11	17	Extraordinary
1986	12	1987	12	13	Moderate
1991	7	1992	6	12	Moderate
1993	3	1993	9	7	Moderate
1994	11	1995	1	3	Weak
1997	3	1998	9	19	Extraordinary
2002	3	2002	5	3	Weak
2002	10	2002	12	3	Weak
2006	8	2007	1	6	Weak
2008	3	2008	9	7	Weak
2009	5	2009	9	5	Weak
2012	3	2012	7	5	Weak
2014	5	2014	11	7	Weak
2015	4	2016	7	16	Strong
2016	12	2017	5	6	Moderate
2018	11	2019	3	5	Weak
2023	2	2024	3	14	Strong

1/ Under the latest available information, El Niño Costero 2023-2024 would have ended in March 2024.

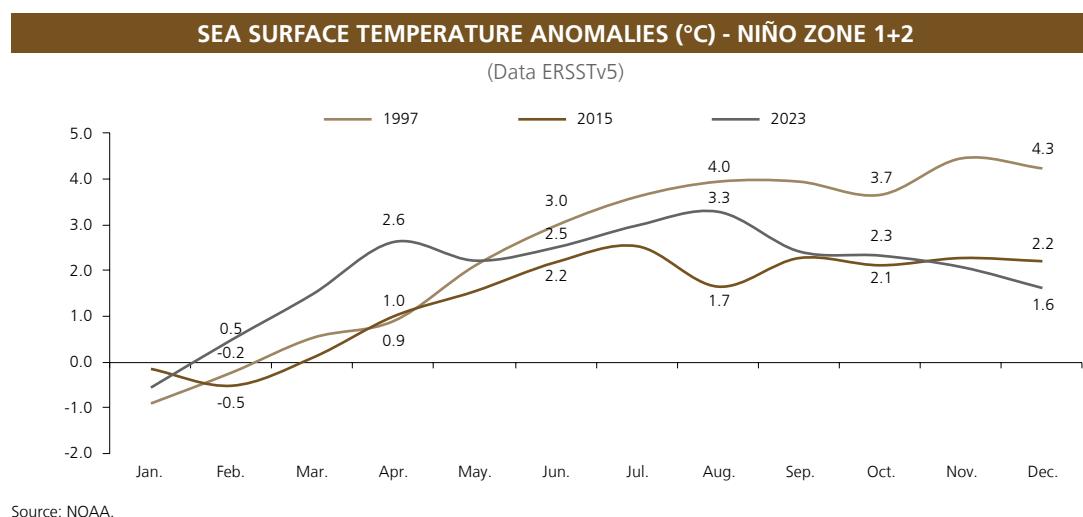
Source: IGP.

The coastal El Niño of 2023 began suddenly in February. In January, the communiqué of the Multisectoral Commission in charge of the National Study of the El Niño Phenomenon (ENFEN) did not warn about the occurrence of this event in 2023, and even predicted neutral conditions until autumn.

6 Senamhi (2014). El Niño phenomenon in Peru. Takahashi (2017). El Niño event: “Global” vs “Coastal”.

7 Takahashi (2017). El Niño event: “Global” vs “Coastal”.

Because of its initial warming pattern, the 2023 El Niño was compared earlier this year to the extraordinary event of 1997-1998. In fact, during the summer, the 2023 El Niño reached higher sea surface temperature anomalies (SSTA) than those observed in 1997, which led to fears of another extraordinary event. However, a decrease in ATSMs was observed in May, so the 2023 El Niño began to be compared to the 2015-2016 El Niño, although the 2023 El Niño recorded higher temperatures, reaching an overall maximum ATSM of 3.3 °C in August.



### Economic impact of El Niño 2023

The magnitude of the impact of El Niño on economic activity is contingent on the months of occurrence and the magnitude of the warm anomalies. In the case of the 2023 El Niño, the anomalous warm temperatures were present for almost the entire year and extended into the summer of the following year<sup>8</sup>, mainly affecting the agriculture and fisheries sectors.

#### Primary sectors

The **agriculture sector** slowed down due to the drop in production from the coastal region. El Niño particularly affected the northern coast, comprising Tumbes, Piura, La Libertad and Lambayeque. These departments together concentrate the production of lemons, blueberries, mangoes, sugarcane, and account for around 50 percent of avocado and 40 percent of rice, grapes and cotton.

The coastal El Niño of 2023 affected agricultural activities (by interrupting crops, postponing sowing and loss of crop areas); agricultural and export calendars (by delaying and advancing harvests); and agricultural yields (by reducing flowering, tropicalization of crops, increased presence of pests and adverse weather conditions). In addition, it deteriorated rural roads and water infrastructure and hindered the transport of agricultural production, due to the presence of thermal and rainfall anomalies.

The impacts were immediate on crops with a short growing season<sup>9</sup> oriented to the domestic market, due to their greater dependence on weather conditions. Meanwhile, prolonged impacts occurred in the production of fresh fruit for export (concentrated in the coastal region), due to the

<sup>8</sup> In April 2024, the ENFEN changed the coastal El Niño warning system to "Not Active".

<sup>9</sup> About 5 months of vegetative period.



persistence of high ambient temperatures; and in livestock activity, due to weight loss in the poultry population as a result of dehydration.

In the **fisheries sector**, the anomalous warming of the sea reduced the availability of anchoveta through the reduced abundance of phytoplankton (the main food of the resource), alterations in the reproductive activity of the species and changes in its distribution<sup>10</sup>. Although greater abundance of other species, such as sardines, jack mackerel and mackerel, has also been documented during El Niño events<sup>11</sup>, the negative effect is predominant, due to the reduction in anchoveta catches.

During 2023 the fishing sector was severely affected by the presence of coastal El Niño from the first quarter of the year. In particular, the anchoveta stock in the north-central zone experienced a process of retreat to the coast and deepening. Likewise, until April, a population structure was found that consisted mainly of juvenile specimens and a reduced biomass, which led to the non-opening of the first fishing season of the resource in that area. Towards the fourth quarter this biomass improved slightly (from 6.5 million MT in April to 7.2 million MT in October), as well as the proportion of juvenile specimens in the stock (82 percent in April and 67 percent in number of individuals), which led to the opening of the second fishing season of the year. The lower catch of anchoveta in 2023 was partially offset by the higher extraction of resources such as squid and jack mackerel, which reached high catch levels compared to previous years.

The lower fishing activity affected **primary manufacturing**, as flour production was reduced, and fish oil.

#### Non-primary sectors

The coastal El Niño also affected non-primary sectors. In fact, the warm anomalies prevented the planned sales of clothing for the fall-winter season, affecting commerce and the textile industry. Likewise, in the construction sector, the uncertainty regarding the arrival or not of a strong El Niño caused lower private investments. All this translated into lower household income, which reinforced the negative effect on non-primary sectors, through lower private consumption<sup>12</sup>.

The 2023 El Niño is estimated to have subtracted 1.1 percentage points from that year's GDP, which contracted by 0.6 percent. The greatest losses came from the primary sectors (agriculture, fisheries and manufacturing<sup>13</sup>), which were particularly affected by high sea and environmental temperatures and abnormal rainfall.

IMPACTS OF EL NIÑO ON ECONOMIC SECTORS		
Sector	Variation 2023 (%)	Contribution to loss of GDP 2023 (pp.)
Agriculture sector	-2.9	0.3
Fishing	-19.7	0.1
Primary manufacturing	-2.6	0.3
Non-Primary GDP	-1.4	0.4
Total GDP	-0.6	1.1

Source: BCRP.

10 Bouchón, Peña and Salcedo (2015). The 2014 El Niño event and its impact on the anchoveta fishery.

11 Ñiquen and Bouchon (2004). Impact of El Niño events on pelagic fisheries in Peruvian waters.

12 To calculate the indirect effects, the supply and use tables (COU) of the Peruvian economy were used to estimate the Leontief multipliers. This takes into account how one sector affects another through a decrease in its input requirements. The lower demand for inputs ends up contracting the demand for products, thus generating a contraction greater than initially estimated (multiplier effect).

13 For all these sectors, counterfactual scenarios were generated where El Niño did not occur. Then, the affected products were identified and only the loss caused by El Niño was accounted for.

### *Economic impact of major El Niño phenomena*

A similar exercise was performed for previous relevant events, such as the Extraordinary Coastal Children of 1983 and 1998 and the most recent event of 2017. The latter only reached the moderate category, but caused significant personal and material damage due to the high thermal and rainfall anomalies recorded.

A comparison of these events shows that the greatest losses in GDP due to the occurrence of the El Niño phenomenon occurred in 1983. That year, El Niño subtracted 4.1 pp. from annual growth, as it was of greater magnitude and the sectors directly affected had more weight in the production<sup>14</sup>.

CONTRIBUTION TO GDP LOSS ACCORDING EL NIÑO EPISODES (IN PP.)				
	(In pp.)			
	1983	1998	2017	2023
<b>Primary sectors</b>	<b>2.9</b>	<b>1.1</b>	<b>0.5</b>	<b>0.7</b>
Agriculture sector	1.5	0.1	0.1	0.3
Fishing	0.3	0.2	0.1	0.1
Hydrocarbons	0.4	0	0	0
Primary manufacturing	0.7	0.8	0.3	0.3
<b>Non-primary sectors</b>	<b>1.2</b>	<b>0.6</b>	<b>0.3</b>	<b>0.4</b>
<b>GDP</b>	<b>4.1</b>	<b>1.7</b>	<b>0.8</b>	<b>1.1</b>

Note: Impacts for the year 1983 have been calculated using 1979 base year soles; those for 1998, using 1994 base year soles; and those for 2017 and 2023, using 2007 base year soles.  
Source: BCRP.

In summary, El Niño 2023 was a shock that negatively affected the economy and subtracted 1.1 p.p. from the year's growth, mainly due to its negative impact on primary sectors. This loss was greater than that recorded by the 2017 El Niño, but less than that experienced with the extraordinary events of the last century.

It is important to note that, although the 1982-1983 and 1997-1998 events had the same intensity, they did not record similar impacts on GDP. This confirms that in order to accurately determine the economic impact of a given event, it is essential to know in detail its characteristics and the state of the Peruvian economy at that time. This is because a change in the productive structure or the concurrence of other shocks could increase or decrease the estimated impact.

<sup>14</sup> The agricultural sector, fisheries and primary manufacturing accounted for 16.2 percent of GDP, instead of the 9.2 percent they currently represent.

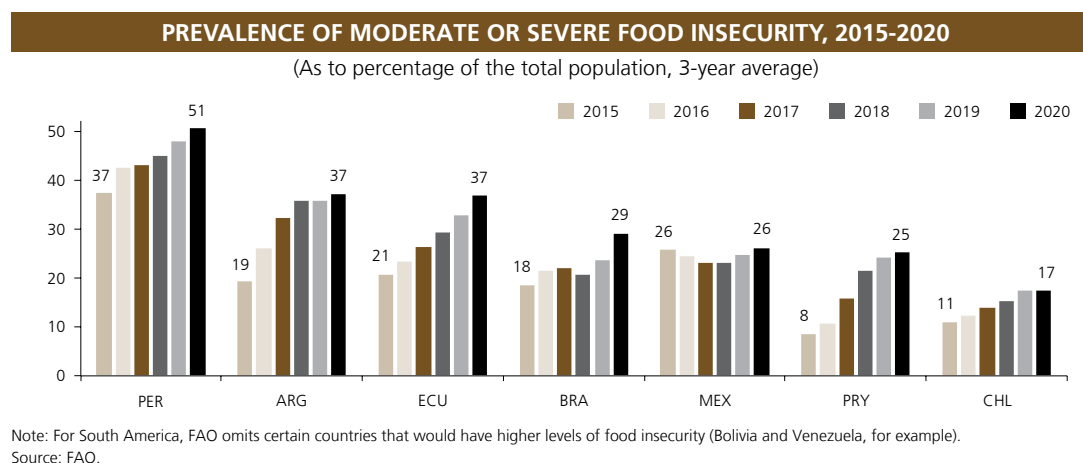
## Box 2

### FOOD SECURITY OF PERUVIAN HOUSEHOLDS

This box deepens the analysis of the food security of Peruvian households with information on caloric deficit, anemia and chronic child malnutrition. It analyzes whether these variables show a recent deterioration, similar to that of the food insecurity indicator published by the Food and Agriculture Organization of the United Nations (FAO). In addition, we explore whether these variables are linked to the dynamics of the household economic environment (monetary poverty, inflation and economic adversity).

FAO defines food insecurity as the lack of regular access to sufficient and safe nutritious food necessary for normal growth and physiological development<sup>15</sup>. FAO measures the level of food insecurity directly through surveys. Based on this process, FAO divides food insecurity into a threelevel scale: severe insecurity, moderate insecurity and mild (or no) insecurity<sup>16</sup>.

Specifically, experiencing severe food insecurity means having gone a day or more without eating. While moderate insecurity implies that individuals have been forced to skip a meal during the day or have had to sacrifice the quality or variety of their food.<sup>17</sup> For its part, mild insecurity refers only to having uncertainty about the ability to get food. As shown in the Figure, between 2015 and 2020, Peru was the country with the highest prevalence of moderate or severe food insecurity among countries in the region with available information (FAO omits other vulnerable countries such as Bolivia or Venezuela).



According to the graph above, food insecurity has been increasing over time in all the countries analyzed. Peru experienced a significant increase in the indicator between 2015 and 2020, although behind the growth of Argentina, Paraguay and Ecuador. Thus, in 2020, 51 percent of the Peruvian population faced, on average, problems in accessing adequate food, higher than the 37 percent reported in 2015<sup>18</sup>.

15 The FAO definition also includes the importance of access to an active and healthy lifestyle.

16 These levels are calculated through the application of a questionnaire of 8 questions focusing on behaviors and experiences associated with difficulty in accessing food due to resource constraints

17 In moderate insecurity, the family may not have skipped any meals during the day, but they may have compromised the quality or variety of their food.

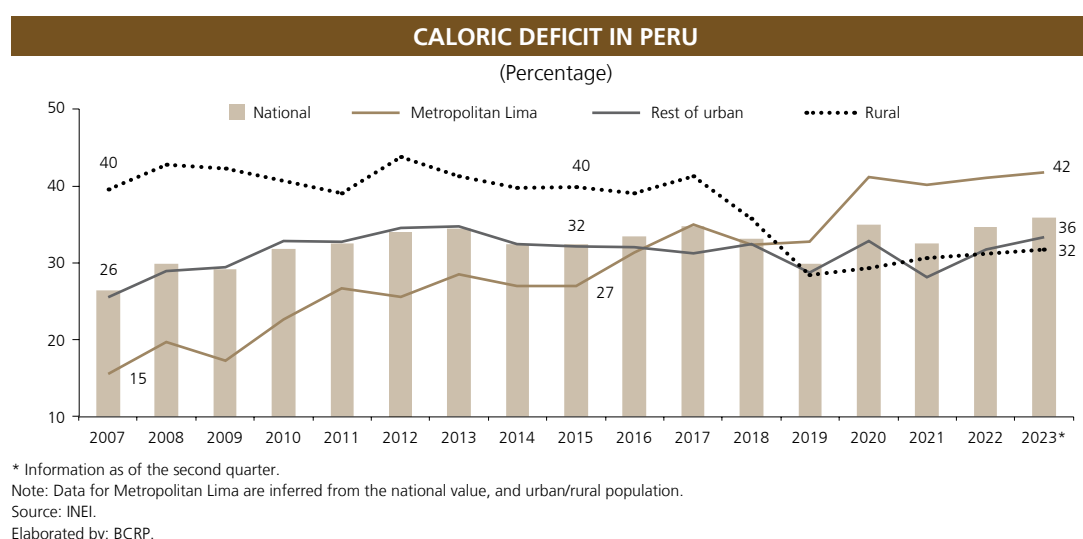
18 It is worth noting that when analyzing moderate and severe food insecurity separately, a similar pattern is found: (i) both types of food insecurity have increased in Peru in the years of analysis; and, (ii) Peru is the country with the highest prevalence of both severe and moderate food insecurity. In the Peruvian case, severe insecurity increased from 14 to 21 percent between 2015 and 2020 while moderate insecurity increased from 24 to 30 percent.

FAO figures only allow us to analyze the country's results in aggregate up to 2020. However, Peru reports other variables that would be related to food security - understood as the capacity to ensure sufficient and regular access to food for a person's normal development - and that allow inferences at regional level and by geographic area up to 2022.

## Evolution of variables related to food security in Peru

### Caloric Deficiency

A first variable related to the capacity of households to ensure sufficient access to food is the **calorie deficit**<sup>19</sup>, which is obtained by comparing calorie consumption with the calorie requirements of each individual according to sex, age, level of physical activity, as well as at the household level. In Peru, this deficit increased from 26 to 36 percent between 2007 and the first half of 2023.



The increase is mainly explained by Metropolitan Lima (26 percentage points), which is also the region with the highest incidence (42 percent). For its part, in the rest of urban areas, the behavior has been similar to the national average. On the other hand, in rural areas, the calorie deficit has decreased by 8 percentage points and the level is below the rest of the geographic areas.

It is important to note that the evolution of the caloric deficit does not correlate with the behavior of extreme poverty. In this regard, extreme poverty measures the ability of households to purchase a basic food basket, which is also calculated on the basis of basic caloric needs. Between 2007 and 2019, extreme poverty decreased by 8 percentage points at the national level, driven by a 23-point reduction in rural areas and stagnation in urban areas and Metropolitan Lima. However, the aggregate caloric deficit increased between 2007 and 2019 due to an increase in urban areas and Lima. Similarly, the incidence of extreme poverty in rural areas is 6 times the same as in urban areas (14.6 versus 2.6 percent in 2022), in contrast with what is indicated by the caloric deficit (rural areas below urban areas). The indicator is also unrelated to the evolution of non-extreme poverty, as this also falls in the period of analysis, and is more prevalent among rural than urban households.

19 This variable is reported directly by INEI in its Technical Report on Living Conditions in Peru, and is calculated based on the National Household Survey (ENAHU)

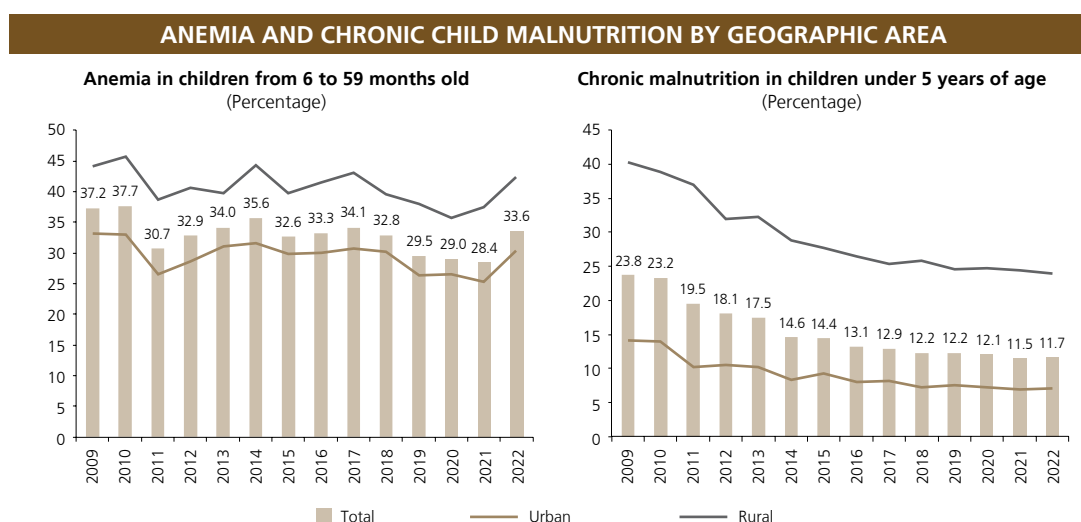
This disparity between the evolution of the caloric deficit and poverty in Peru has been studied previously. Specifically, Guabloche and Alfageme (2011)<sup>20</sup> suggest that there are methodological problems with the estimation of the caloric deficit. They detail that the INEI makes a detailed review of the caloric intake of food within the home, but for food outside the home an average caloric content is imputed, which may end up overestimating the caloric deficit.

### **Anemia and Chronic Malnutrition**

In addition to calorie deficit figures, there are two variables that could reflect households' secure access to food: anemia and chronic child malnutrition. Anemia is a condition in which the body produces a reduced amount of red blood cells, causing a decrease in oxygenation. This directly affects a person's physical and cognitive development. For its part, chronic childhood malnutrition refers to a delay in the physical growth of children. In both cases, a significant cause is inadequate nutrition: anemia arises from iron deficiency in the diet (especially in children with the presence of intestinal parasites) and chronic malnutrition is related to factors such as inadequate food consumption, infections and diarrheal diseases. Therefore, these have a higher incidence in populations with greater food insecurity.

The prevalence of **childhood anemia** has declined slightly since 2009 (3.6 percentage points), but in 2022 there was an increase of 5.2 percentage points similarly in urban and rural settings compared to the previous year. **Chronic child undernutrition** has also decreased since 2009 (12.1 percentage points), although the reduction stalled in 2022. In both cases, rural areas are above the national average, showing greater food vulnerability. This behavior is more in line with the incidence of monetary poverty in Peru, and its recent evolution in 2022 (up almost 1 percentage point at the national level).

It is important to note that the prevalence of anemia has not declined significantly despite various public health interventions to reduce it. There have been nutritional programs since 1990, and in 2018 a Multisectoral Plan was created for its reduction to 19 percent by the Bicentennial (2021). In the Incentive Programs for the Improvement of Municipal Management (which grants resources to municipalities based on the fulfillment of goals), anemia reduction is also included.

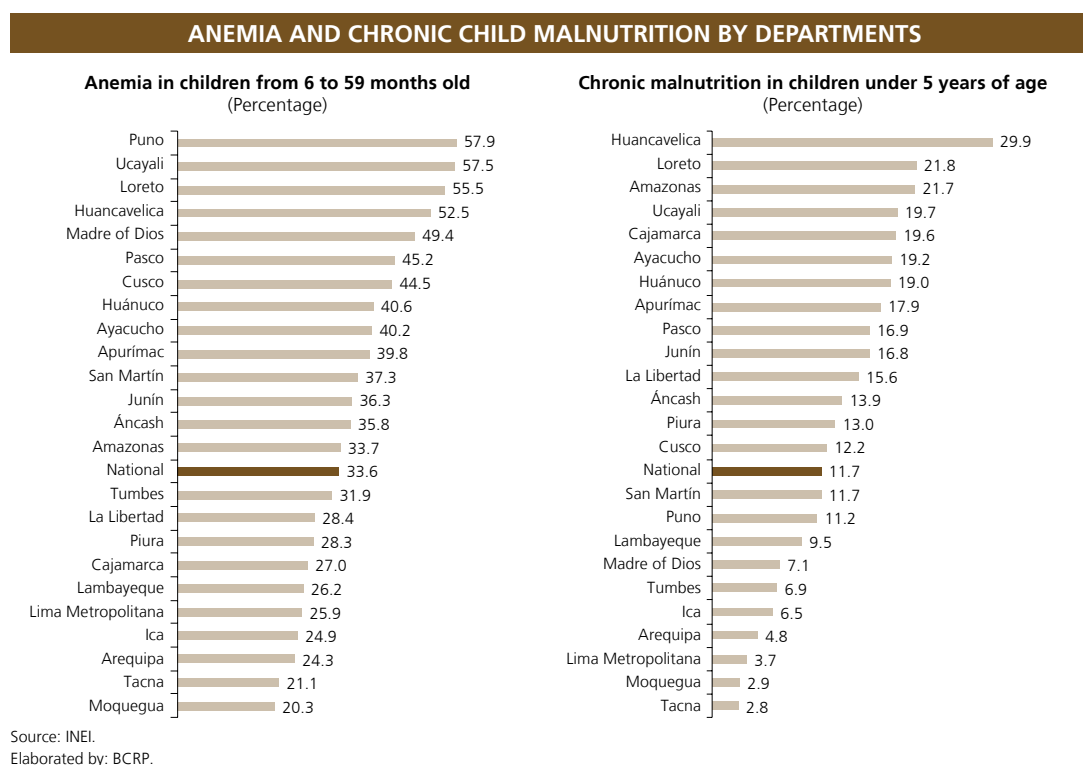


Source: INEI.  
Elaborated by: BCRP.

<sup>20</sup> Guabloche, J. and Alfageme, A. (2011). Poverty and caloric deficit What has been the trend? Coin 149.



In regional terms, the departments with the highest prevalence of anemia and chronic malnutrition are in the highlands and jungle. The regions with the highest prevalence of both indicators are Huancavelica, Loreto and Ucayali. For its part, the regions with the lowest prevalence of both indicators are Metropolitan Lima, Arequipa and Tacna (see graph below).



### Poverty, inflation and child anemia and malnutrition indicators

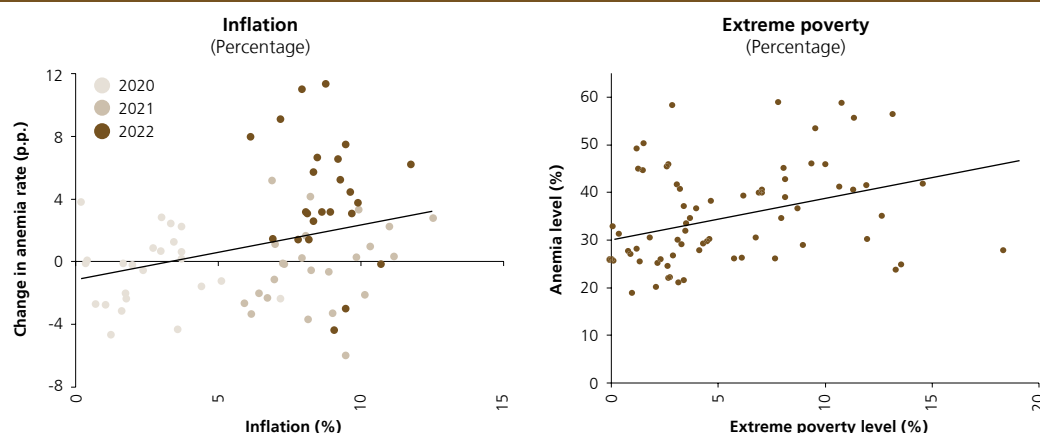
A relevant question when analyzing these indicators linked to food security is how they relate to other economic variables that affect households' ability to obtain food. On the one hand, a higher inflation rate could make it more difficult for households to afford the food required for their nutrition<sup>21</sup>. Consequently, higher levels of inflation could be associated with greater increases in food insecurity.

On the other hand, a higher extreme poverty rate should be correlated with a higher incidence of these indicators, since, as previously explained, it measures the monetary capacity to acquire a basic food basket. Thus, places with greater deprivation in terms of expenditure should show higher levels of anemia and malnutrition.

The following graph, with information on city inflation and the change in the prevalence of childhood anemia, shows that in regions with higher inflation, there was also a greater increase in the prevalence of anemia between 2020 and 2022. In addition, in 2022, the second consecutive year of high inflation rates, a higher percentage of departments saw an increase in the incidence of this condition than in previous years. On the other hand, regions with higher levels of extreme poverty are shown to have higher levels of childhood anemia.

<sup>21</sup> This should be understood in a context of wage rigidities that prevent a rapid adjustment of nominal income in the face of the inflationary process.

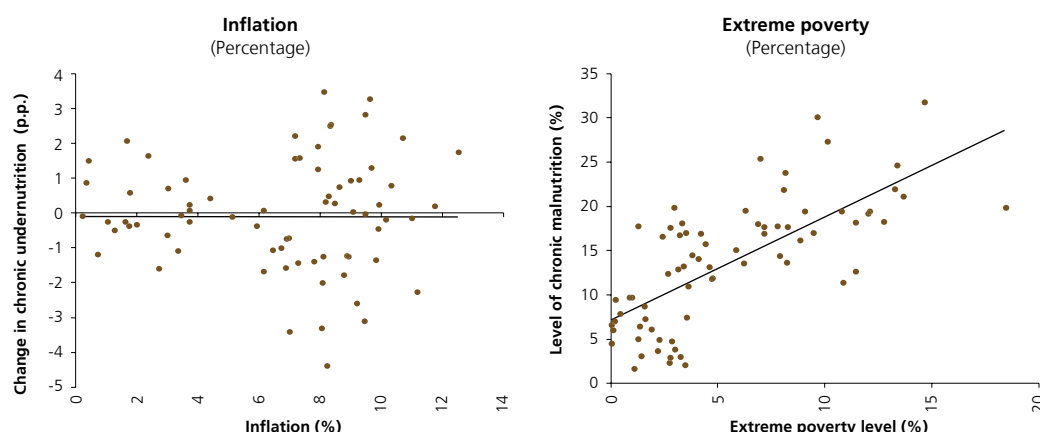
### RELATIONSHIP BETWEEN CHILDHOOD ANEMIA, INFLATION AND EXTREME POVERTY IN REGIONS, 2020-2022



Source: INEI.  
Elaborated by: BCRP.

For its part, the graph below shows that chronic child malnutrition is not associated with higher levels of inflation, but it is associated with extreme poverty. The former could be explained by understanding that chronic malnutrition is a more structural condition than anemia, since it is measured as stunting. Therefore, in the face of a price increase, it would take longer to manifest itself, unlike what happens with iron levels in the child population. On the other hand, there is a clear and strong positive association between the level of extreme poverty and chronic child malnutrition.

### RELATIONSHIP BETWEEN CHRONIC CHILD MALNUTRITION, INFLATION AND EXTREME POVERTY IN REGIONS, 2020-2022



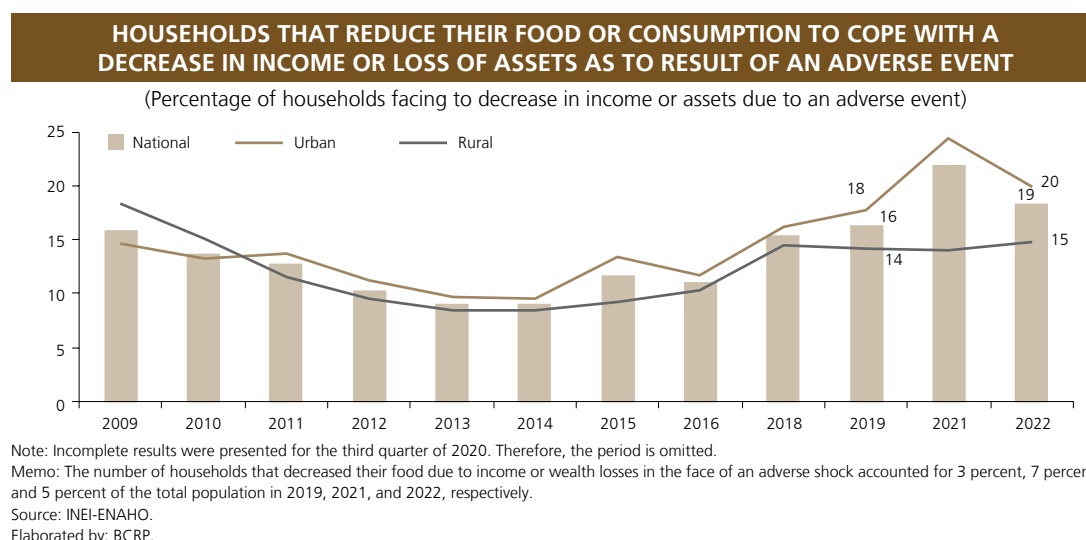
Source: INEI.  
Elaborated by: BCRP.

## Prevalence of eating problems and economic hardship

To complement the previous analysis, the National Household Survey (ENAH) is used to identify the behavior of households with respect to food reduction. According to the ENAH<sup>22</sup>, in 2022, 19 percent of households that faced a reduction in income or wealth due to various adversities

22 The ENAH only asks about the decrease in food for households that experienced adverse shocks (such as job loss, family business failure, natural disasters, among others). These households represented 20, 32 and 28 percent of the total population in 2019, 2021 and 2022, respectively (2020 is not analyzed since that year presented incomplete results in its third quarter). In this sense, the population that in total would have decreased its food intake could be higher, as it does not take into account people who did not experience shocks.

(representing 26 percent of all households) reduced their intake as a response measure. Although this indicator is lower than in 2021 (22 percent), it still outweighs the value recorded in 2019 (16 percent). On the other hand, as can be seen in the following graph, urban households are more likely to adjust their food as a response to adverse shocks than rural households.



## Food assistance programs in Peru

Faced with the problem of food security, the Peruvian government has social programs for food assistance. These include the National School Feeding Program Qali Warma and the Food Complementation Program, which consists of management and support guidelines for soup kitchens<sup>23</sup> and home-shelters recognized by district municipalities. For its part, civil society also has other voluntary and solidarity initiatives, such as the common pots. During the pandemic, an effort was made to harmonize these initiatives and to increase state support for food.

With respect to the National School Feeding Program Qali Warma, it provides a complementary food service (breakfasts and lunches) for about 4 million students of public educational institutions of kindergarten, primary and secondary. Given that schools in Peru were closed during 2020 and 2021 (there was only a partial reopening towards the end of that year), through Supreme Decree 008-2020-MC, educational institutions were allowed to deliver raw food to parents for home preparation.

In addition, given Qali Warma's experience and capacity in the massive purchase of food (the program has been operating since 2013), through DL 1472, it was allowed that Qali Warma can also provide a complementary food service for people in vulnerable situations during the state of health emergency. This meant the purchase of food in coordination with district municipalities and ministries for distribution. This facilitated the purchase of food for the centers of attention of the Food Complementation Program (canteens, homes-shelters, among others) and for common cooking pots.

Finally, the common pots are citizen initiatives for food assistance, both permanent and temporary, organized on a voluntary basis. In 2022, the Congress approved Law 31458 which recognizes the

<sup>23</sup> Canteens are grassroots social organizations whose main activity is the preparation of food for social support. They may be soup kitchens, mothers' clubs, parish soup kitchens, among others

common pots and guarantees their sustainability, financing and the productive work of their beneficiaries<sup>24</sup>. This allows the State to allocate resources to totally or partially finance the common pots in case of natural disasters, health emergencies or other emergency circumstances. Previously, there was no regulation for this purpose.

As of October 2023, there were close to 5,000 active common pots at the national level recorded in the common pots registry. These serve a total of 303,000 users.

### Final Comments

In 2020, Peru had a high prevalence of moderate and severe food insecurity according to FAO. Although there are no measurements for the post-pandemic period, the increase in caloric deficit and child anemia, as well as the stagnation in the reduction of chronic child malnutrition between 2020 and 2022, suggest that the inability to ensure sufficient and regular food access persists. In addition, the percentage of households that reduce their food intake in response to adversities is still higher than the pre-pandemic level.

On the other hand, anemia and malnutrition variables show a high relationship with the level of extreme poverty, so that stagnation in real household income after the pandemic presents a risk for future food security. Moreover, anemia correlates with the level of inflation, demonstrating the importance of supportive policies during periods of rising food prices.

In this regard, the Peruvian government has a food assistance program for schoolchildren, and has guidelines and financing mechanisms for canteens, home-shelters and common kitchens. In the face of growing food insecurity, it would be pertinent to evaluate mechanisms to strengthen these interventions and focus resources on the most vulnerable areas.

Finally, food insecurity is particularly relevant to the occurrence of climatic events that raise food prices faced by households.

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24 The common pots were previously self-supporting or financed by donations from neighbors, parishes and other community stakeholders

# 02. EXTERNAL SECTOR

## 1. INTERNATIONAL ENVIRONMENT

Global growth moderated from 3.5 percent in 2022 to 3.1 percent in 2023, mainly explained by the evolution of developed economies. With the exception of the United States and Japan, weaker dynamism was observed in the Eurozone, particularly in Germany - where activity contracted for the first time since 2020 - and in the United Kingdom - which went from 4.3 percent growth in 2022 to 0.5 percent in 2023.

For its part, emerging economies had an expansion rate of 4.1 percent, similar to that of 2022. Higher growth in China and Russia offset the lower dynamism of Latin America and India.

Table 20

WORLD GROWTH 1/						
(Annual percentage changes)						
	GDP-PPP % 2/	Trade Peru % 3/	2021	2022	2023	Average 2014-2023
<b>Developed economies</b>	<b>41.1</b>	<b>40.9</b>	<b>5.6</b>	<b>2.6</b>	<b>1.7</b>	<b>1.8</b>
<i>Of which</i>						
1. United States	15.4	19.7	5.9	1.9	2.5	2.1
2. Eurozone	11.7	9.4	5.8	3.5	0.8	1.5
3. Japan	3.7	3.2	2.2	1.0	1.9	0.5
4. United Kingdom	2.2	1.6	7.6	4.3	0.5	1.4
5. Canada	1.4	4.1	5.0	3.8	1.1	1.7
<b>Developing economies</b>	<b>58.9</b>	<b>59.1</b>	<b>6.9</b>	<b>4.1</b>	<b>4.1</b>	<b>4.0</b>
<i>Of which</i>						
1. China	18.8	37.0	8.4	3.0	5.2	6.0
2. India	7.5	3.6	9.1	7.2	6.7	5.7
3. Russia	2.9	0.3	5.6	-1.2	3.0	1.0
4. Latin America and the Caribbean	7.3	18.9	7.3	4.2	2.4	0.8
Brazil	2.3	5.3	5.0	3.0	3.1	0.5
Chile	0.3	3.3	11.7	2.4	-0.5	1.9
Colombia	0.6	2.0	11.0	7.3	1.4	2.8
Mexico	1.9	2.3	5.8	3.9	3.4	1.4
Argentina	0.7	2.2	10.7	5.0	-2.5	-1.0
Peru	0.3	--	13.6	2.7	-0.6	2.1
<b>World Economy</b>	<b>100.0</b>	<b>100.0</b>	<b>6.3</b>	<b>3.5</b>	<b>3.1</b>	<b>3.0</b>
<b>Note:</b>						
Business Partners 1/			6.9	3.1	3.2	3.4

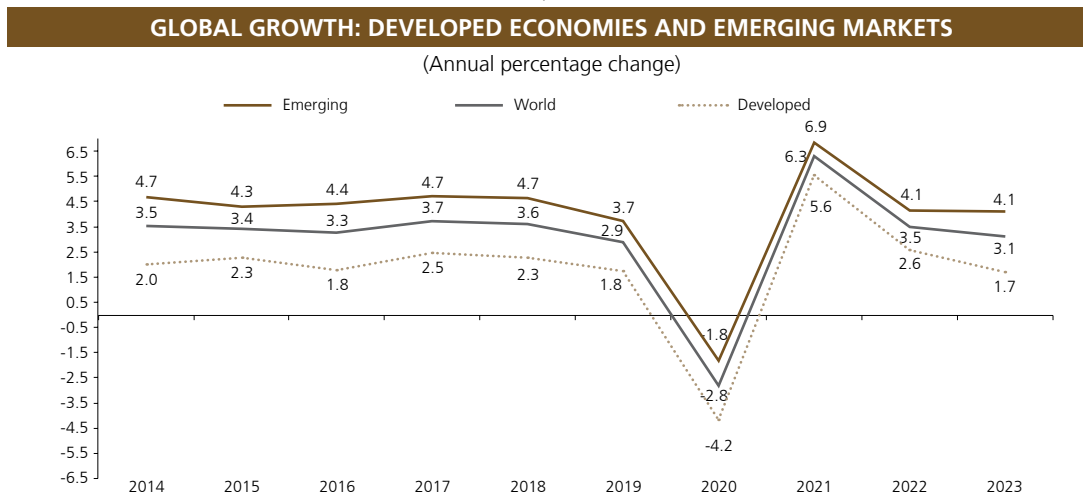
1/ Preliminary data.

2/ Weightings correspond to 2023. World GDP is measured in purchasing power parity (PPP) calculated by the IMF. For trading partners, the top 20 in 2023 are considered.

3/ Participation of each country in Peru's total exports plus imports.

Source: IMF, Statistics Institutes and Central Banks.

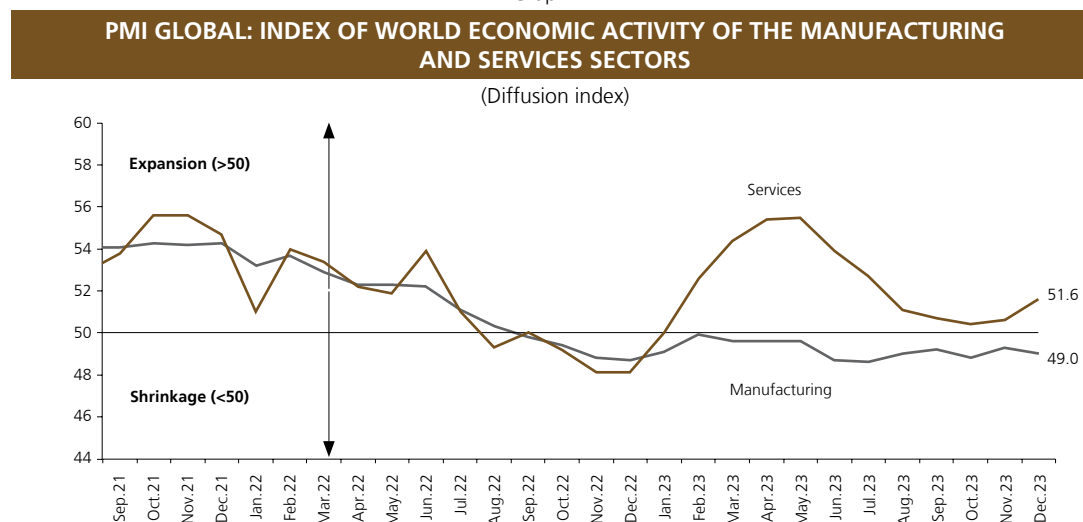
Graph 23



Source: International Monetary Fund.

This slower growth during 2023 reflects the impact of restrictive monetary policies - particularly in developed economies - in the context of a slow convergence of inflation towards its target. Other important factors, also present during 2022, were the reduction of excess savings generated during the pandemic and the low dynamism of global trade. In addition, the low global trade reflects the unfavorable evolution of manufacturing, in contrast to the positive performance of the services sector, which expanded significantly during the first half of the year.

Graph 24



Source: S&amp;P Global.

During 2023, new factors affected growth: some temporarily and others permanently until the end of the year. The former included market volatility, associated with the bankruptcy of financial institutions in the United States and Switzerland, and the discussion on the management of public debt in the United States, particularly during the first half of the year.

In addition to the intensification of the war in Ukraine, from October onwards, was the conflict in the Middle East, which increased global risk aversion, temporarily raised oil prices and forced the search for alternative maritime transport routes to the Red Sea. The latter increased freight costs, a trend



that was aggravated for some countries by restrictions in the Panama Canal due to the drought. In addition, tensions between China and the United States increased and generated friction in international trade, particularly in the semiconductor market.

Despite the slowdown in the global growth rate, it is worth noting that it is higher than the average growth of the last decade and that fears of a sharp adjustment at the global level were significantly reduced during the year.

Among the developed countries, the **United States** was the most resilient economy, with growth outweighing that of the previous year and the forecasts made at the end of 2022. The dynamism of the U.S. economy is explained by the evolution of private consumption -which was supported by the expansion of employment- and by the wealth effect generated by strong stock market gains particularly due to the evolution of technology companies. Public spending within the framework of the expansionary fiscal policy also contributed in the same sense: the United States presented, within the main developed economies, the highest fiscal deficit in 2023.

Similarly, non-residential investment, particularly in new infrastructure, was also dynamic. Incentives granted in recent years have boosted the construction of plants for the production of high-tech goods (such as semiconductors) or those related to green energies (such as electric cars). In contrast, the real estate market was affected by high mortgage rates: the 30-year rate exceeded 7.0 percent.

In **Europe**, the Eurozone's growth rate declined from 3.5 percent in 2022 to 0.8 percent in 2023. Of particular note was the contraction in Germany - from 1.9 percent growth in 2022 to a contraction of 0.3 percent in 2023 - and the sharp slowdown in France (from 2.6 percent to 0.8 percent). In Germany, weak external demand, particularly from China, and high energy costs affected its manufacturing sector, particularly the automotive subsector. The tightening of credit conditions and high inflation rates in the first half of the year also had a negative impact on private consumption. In addition, the contraction of the real estate sector and the partial withdrawal of the fiscal support granted as a result of the pandemic.

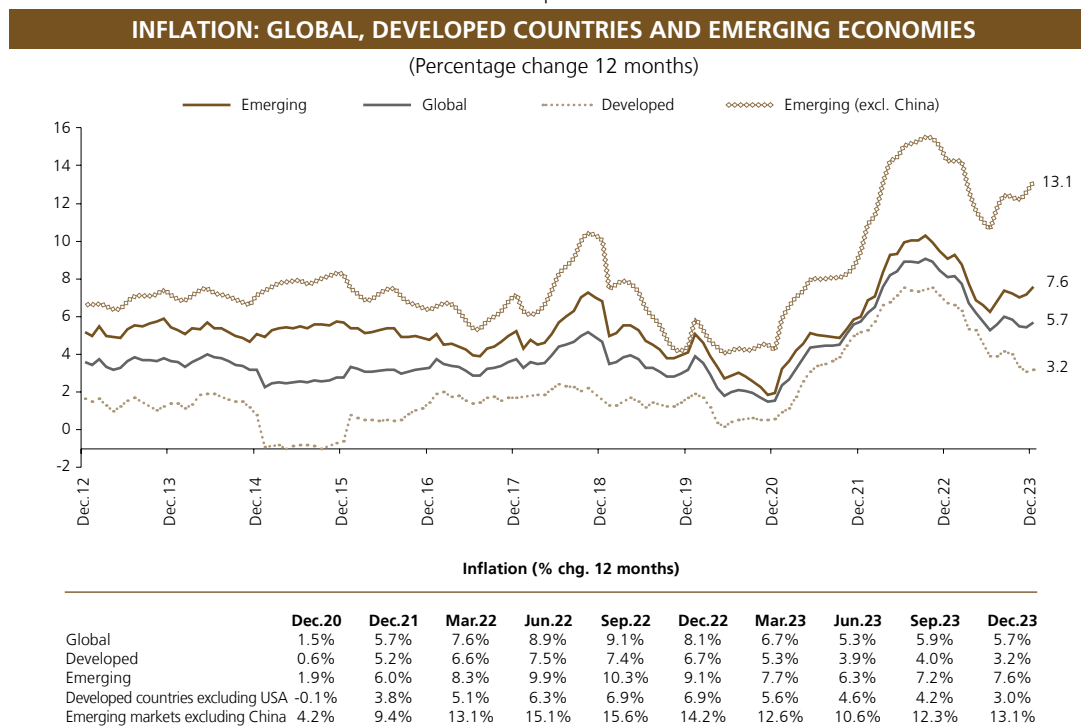
In **China**, the economy grew by 5.2 percent. The recovery at the beginning of the year, due to the rebound from the health measures imposed as a result of COVID-19, was followed by a sharp slowdown in the second quarter. Problems in the real estate market and a less dynamic trade were factors that explained this slower pace of expansion and generated fears of a sharp slowdown, which was counterbalanced in part by the fiscal and monetary stimulus that allowed the economy to recover in the last two quarters.

On the other hand, the main **Latin American** countries recorded lower growth rates than in the previous year, with the exception of Brazil. The dynamism among the economies has been differentiated. The countries with the highest growth rates, due to more favorable external conditions, were Mexico (higher exports to the United States in the context of trade tensions with China) and Brazil (higher exports of agricultural products). In the rest of the economies, the impact of the adjustment in monetary and credit conditions, the reduction of savings surpluses generated during the pandemic and adverse weather shocks prevailed.

The slowdown in economic activity was accompanied by a decline in **inflationary pressures**. After reaching peak levels of 9.1 percent by mid-2022, inflation gradually declined, although in the vast majority of cases it remains above target of the respective central banks. During the year, inflation

fell from 8.1 percent in December 2022 to 5.7 percent in December 2023, showing a downward trend in both developed and emerging economies and also at the regional level. In the particular case of Asia, negative inflation rates in China during the last months of the year stand out -in December the CPI contracted by 0.8 percent per year-.

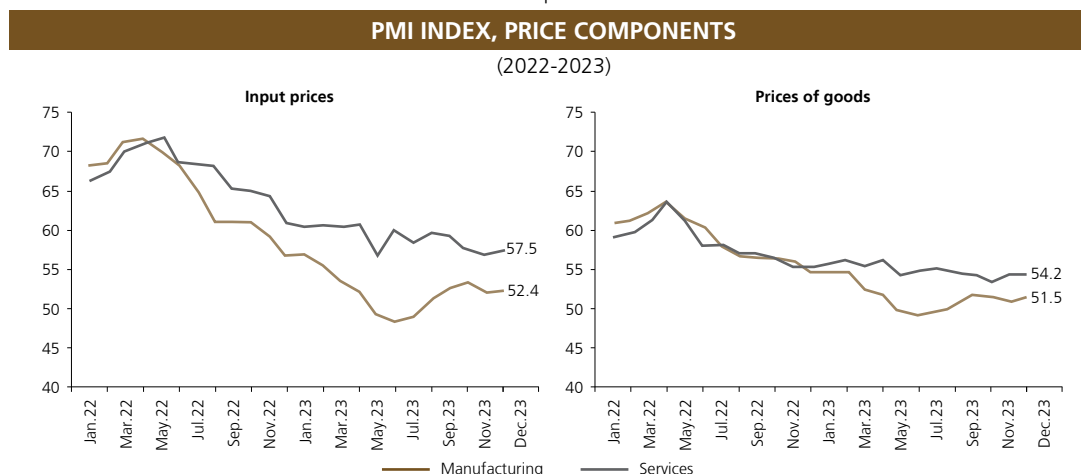
Graph 25



Source: Trading Economics, statistical institutes and central banks.

However, at the component level, inflation shows a clearly differentiated behavior: while goods prices have undergone significant corrections -in part due to the reduction in food and energy prices-, services prices have shown some downward resistance. This can be seen, for example, in the goods and input price components contained in the PMI indices at the global level.

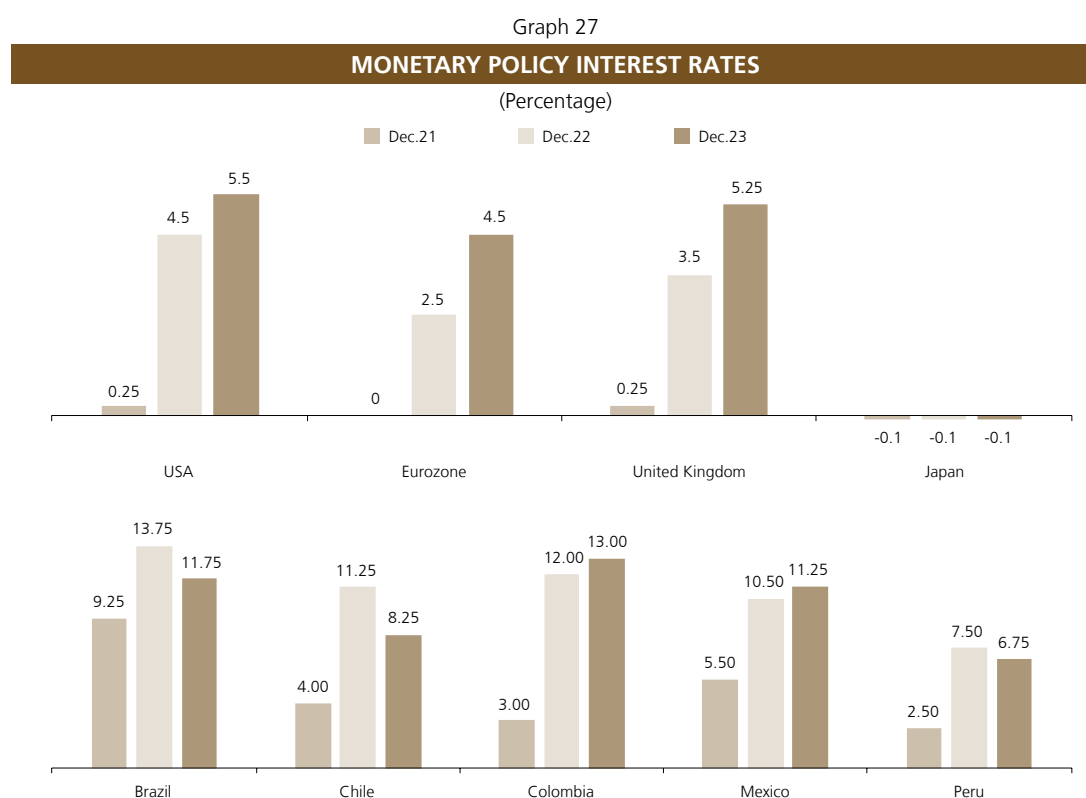
Graph 26



Source: S&P Global.

In this context, the central banks of developed countries, with the exception of Japan, continued to tighten monetary policy, bringing rates to the maximum levels of the current tightening cycle. In the case of the Fed, the increase was 100 bps, less than that recorded by the BoE (175 bps) and the ECB (200 bps). Expectations for future hikes varied during the year, depending on the release of data on inflation, expectations, employment and tightening credit conditions, among others.

On the contrary, several emerging economies, which had started the interest rate tightening cycle earlier, reduced policy rates in line with the decrease in inflation, inflationary expectations and the greater slack in the output gap. The rate reductions in the economies of the region stand out: Chile by 300 bps, Brazil by 200 bps and Peru by 75 bps.<sup>25</sup>

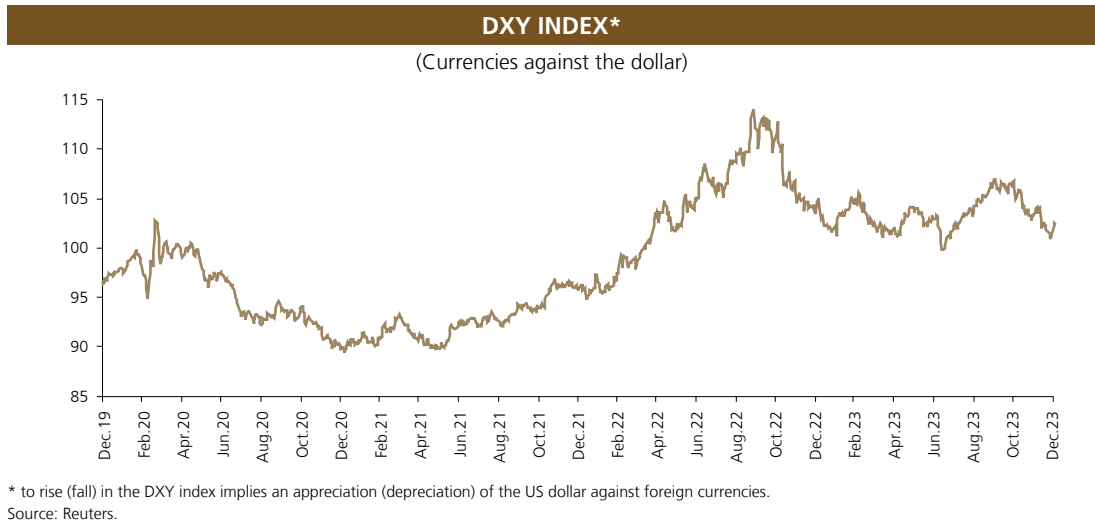


Source: Central banks.

In this context of high policy rates, the dollar, measured through the DXY index, showed high volatility, but without a defined trend as observed in 2022, when it reached a 20-year high during September. The dollar halted its appreciation trend due, in part, to the narrowing of the rate differential with respect to the ECB and the BoE. The exception was the yen, which depreciated throughout the year due to the divergence between the restrictive policies of the main central banks and Japan's expansionary monetary policy, which maintained the general guidelines of keeping its policy rate at -0.1 percent and controlling the yield curve.

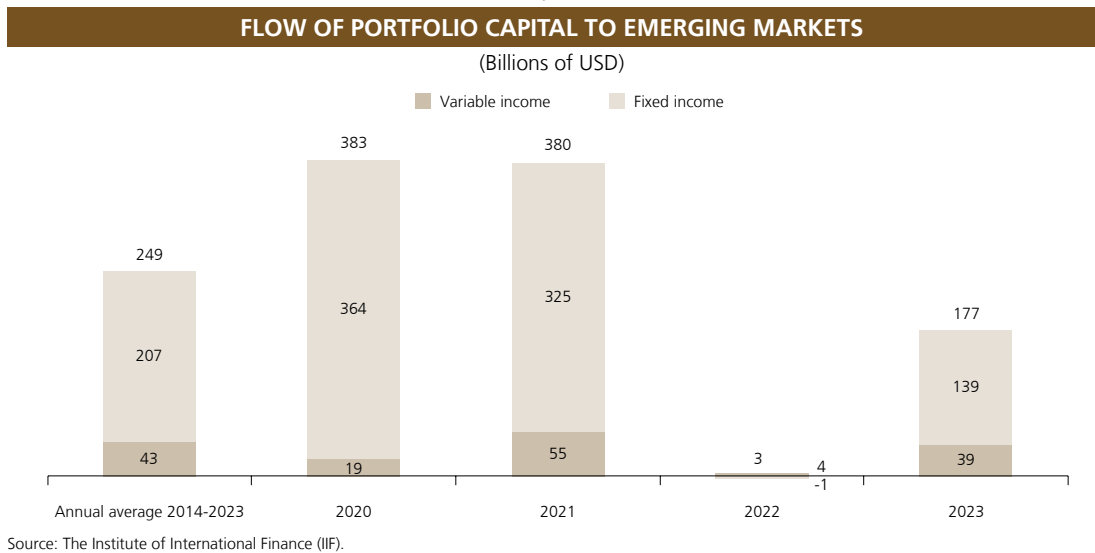
<sup>25</sup> In January, the benchmark rate increased by 25 bps. and recorded a cumulative decrease of 100 bps. to December.

Graph 28



In this context of lower growth, high international interest rates and geopolitical uncertainty, capital inflows to emerging economies recorded an insignificant inflow, which, however, reversed the dynamics observed in 2022. During 2023, episodes of capital outflows coincided with the regional banking crisis in the United States (March and April), with periods of increased expectations of rate hikes by the Fed and with fears of a sharp slowdown in China (August and September).

Graph 29



## 2. BALANCE OF PAYMENTS

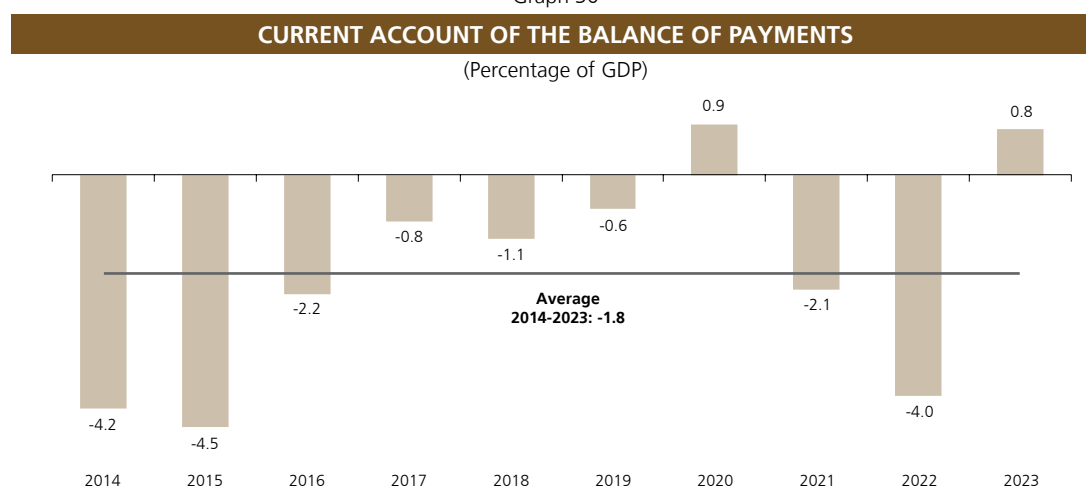
The external accounts in 2023 reflected the reversal of high prices of imported inputs and maritime freight, the decline in private spending, and the normalization of sanitary conditions. This occurred in a context in which interest rates remained high in response to the monetary policy adjustments that the world's major central banks have been making. The lagged effect of these adjustments,

together with the lower private savings surpluses and the weakening of the housing market in the main economies, caused world economic activity to continue to slow down with respect to the previous year.

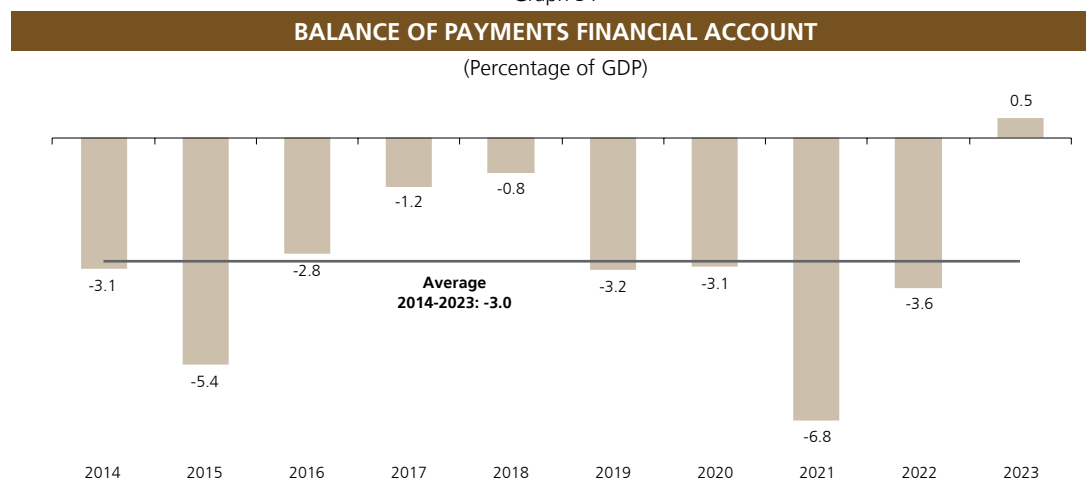
Thus, the current account of the balance of payments, in terms of GDP, went from a deficit of 4.0 percent in 2022 to a surplus of 0.8 percent in 2023, a figure that contrasts notably with the average deficit of the 2014-2023 period (-1.8 percent). This result was mainly due to an increase in the trade surplus as a result of the recovery in the terms of trade (from -10.1 percent in 2022 to 4.8 percent in 2023) and the contraction of imported volumes (-4.4 percent); and, to a lesser extent, lower profits of foreign direct investment companies and higher interest income.

The financial account recorded a net capital outflow of USD 1,309 million, equivalent to 0.5 percent of GDP, as opposed to a net inflow of USD 8,809 million in 2022. This change in the dynamics of external financing flows was a reflection of: (i) the resumption of net foreign asset purchases by AFPs -given lower pension fund withdrawals-; and, (ii) the decrease in the rate of accumulation of direct investment liabilities as a result of the domestic situation of low business confidence. This evolution was attenuated by greater short-term financing to the financial sector.

Graph 30



Graph 31



Note: The result of the financial account represents the flow of net external assets (assets minus liabilities).  
Source: BCRP.

Table 21

BALANCE OF PAYMENTS						
(Millions of USD)						
	2021	2022	2023	Percentage of GDP		
				2022	2023	Prom.14-23
<b>I. CURRENT ACCOUNT (1+2+3+4)</b>	<b>-4,674</b>	<b>-9,743</b>	<b>2,219</b>	<b>-4.0</b>	<b>0.8</b>	<b>-1.8</b>
<b>1. Goods (a-b)</b>	<b>15,115</b>	<b>10,166</b>	<b>17,678</b>	<b>4.2</b>	<b>6.6</b>	<b>2.9</b>
a. Exports 1/	63,114	66,167	67,518	27.1	25.3	22.0
b. Imports	47,999	56,001	49,840	22.9	18.6	19.1
<b>2. Services (a-b)</b>	<b>-7,563</b>	<b>-8,478</b>	<b>-7,341</b>	<b>-3.5</b>	<b>-2.7</b>	<b>-2.0</b>
a. Exports	2,947	4,962	5,808	2.0	2.2	2.4
b. Imports	10,510	13,440	13,149	5.5	4.9	4.4
<b>3. Primary income (a+b)</b>	<b>-18,023</b>	<b>-17,205</b>	<b>-14,902</b>	<b>-7.0</b>	<b>-5.6</b>	<b>-5.2</b>
a. Private	-16,297	-15,642	-14,399	-6.4	-5.4	-4.7
b. Public	-1,726	-1,563	-503	-0.6	-0.2	-0.5
<b>4. Secondary income 2/</b>	<b>5,797</b>	<b>5,773</b>	<b>6,785</b>	<b>2.4</b>	<b>2.5</b>	<b>2.5</b>
Of which: Remittances from abroad	3,608	3,708	4,446	1.5	1.7	1.5
<b>II. FINANCIAL ACCOUNT (1+2+3) 3/</b>	<b>-15,392</b>	<b>-8,809</b>	<b>1,309</b>	<b>-3.6</b>	<b>0.5</b>	<b>-3.0</b>
<b>Net payables (+) / Net receivables (-)</b>						
<b>1. Private sector (a-b)</b>	<b>-16,254</b>	<b>-14,330</b>	<b>821</b>	<b>-5.9</b>	<b>0.3</b>	<b>-2.3</b>
a. Assets	-8,452	-3,045	5,539	-1.2	2.1	0.5
b. Liabilities	7,801	11,284	4,718	4.6	1.8	2.8
<b>2. Public sector (a-b)</b>	<b>-15,696</b>	<b>1,203</b>	<b>716</b>	<b>0.5</b>	<b>0.3</b>	<b>-1.8</b>
a. Assets	-52	105	-36	0.0	0.0	0.0
b. Liabilities 4/	15,644	-1,097	-752	-0.4	-0.3	1.9
<b>3. Short-term capital (a-b)</b>	<b>16,558</b>	<b>4,318</b>	<b>-227</b>	<b>1.8</b>	<b>-0.1</b>	<b>1.2</b>
a. Assets	16,365	4,115	1,877	1.7	0.7	1.4
b. Liabilities	-192	-203	2,104	-0.1	0.8	0.2
<b>III. NET ERRORS AND OMISSIONS</b>	<b>-6,307</b>	<b>-4,155</b>	<b>-3,671</b>	<b>-1.7</b>	<b>-1.4</b>	<b>-0.9</b>
<b>IV. BALANCE OF PAYMENTS RESULTS</b>						
<b>IV = I - II + III = (1-2)</b>	<b>4,410</b>	<b>-5,089</b>	<b>-2,760</b>	<b>-2.1</b>	<b>-1.0</b>	<b>0.3</b>
1. Variation in NIRs balance	3,789	-6,612	-850	-2.7	-0.3	0.3
2. Valuation effect	-622	-1,523	1,910	-0.6	0.7	0.0

1/ Includes estimated gold exports not recorded by Customs.

2/ It incorporates the information on non-resident tax income provided by Sunat.

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

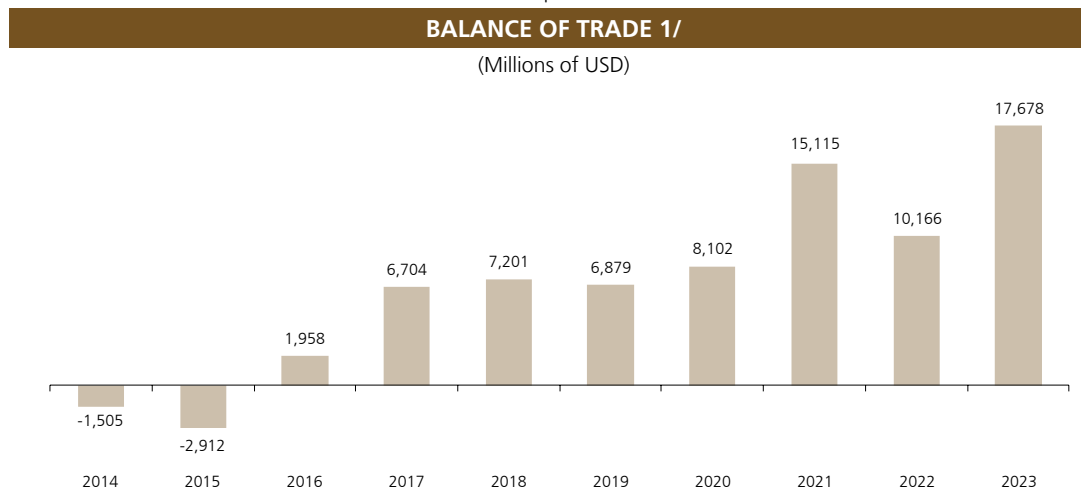
Source: BCRP, Ministry of Economy and Finance (MEF), Superintendencia de Banking, Insurance and AFPs (SBS), National Superintendence of Customs and Tax Administration (Sunat), Ministry of Foreign Trade and Tourism (Mincetur), Promperu, Ministry of Foreign Affairs, Cofide, ONP, FCR, Zofratatna, Banco de la Nación, Cavali S.A. ICLV, Proinversion, Bank for International Settlements (BIS) and companies

## 2.1 TRADE BALANCE OF GOODS

The trade balance recorded a positive balance of USD 17,678 million in 2023, an increase of USD 7,512 million over the level recorded in the previous year. This surplus is mainly explained by lower imports of inputs, reflecting the reduction in international prices of fuels and industrial inputs, the evolution of domestic demand and the decrease in inventories (following the normalization of the global supply chain). For its part, exports grew thanks to higher volumes of mining products (copper and zinc) and hydrocarbons, at a time of higher production and a build-up of inventories that accumulated by the end of 2022 due to the road blockade in the Southern Mining Corridor.



Graph 32



1/ Exports of copper, zinc and molybdenum for 2023 have been estimated based on the exports reported to Minem in the case of companies that have made shipments and are not yet included in the export registry.  
Source: BCRP and Sunat.

Peru's two main trading partners continued to be China and the United States. Transactions with these countries accounted for 48.1 percent of total trade in 2023.

Table 22

<b>TRADE BY MAJOR COUNTRIES AND REGIONS</b>									
(Millions of USD)									
	Exports 1/			Imports 2/			X+M		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
CHINA	21,105	20,999	23,945	13,207	14,000	12,868	34,312	34,999	36,813
UNITED STATES	7,158	8,583	9,160	9,131	13,892	10,470	16,289	22,475	19,630
BRAZIL	1,129	1,631	1,721	3,146	3,849	3,509	4,275	5,480	5,229
CANADA	2,768	2,689	2,964	909	1,077	1,123	3,677	3,765	4,087
BOLIVIA	3,018	3,399	2,885	840	1,164	877	3,858	4,563	3,762
INDIA	2,542	2,302	2,479	987	1,025	1,055	3,529	3,327	3,534
CHILE	1,774	2,002	2,000	1,373	1,488	1,246	3,147	3,490	3,247
JAPAN	2,932	3,163	2,162	960	1,001	1,020	3,892	4,163	3,182
SOUTH KOREA	2,963	2,757	2,336	850	891	780	3,813	3,649	3,116
SPAIN	1,580	1,632	1,972	789	773	744	2,369	2,405	2,716
ARGENTINA	163	222	194	2,070	2,683	2,440	2,233	2,905	2,634
MEXICO	551	825	859	1,817	1,910	1,694	2,367	2,735	2,553
ECUADOR	930	1,304	1,158	668	934	1,132	1,598	2,238	2,290
GERMANY	1,331	1,117	957	1,429	1,378	1,231	2,761	2,495	2,188
COLOMBIA	868	1,055	821	1,141	1,176	1,202	2,009	2,231	2,023
ITALY	679	579	748	714	725	726	1,392	1,305	1,474
VIETNAM	69	76	44	813	744	676	882	821	720
TAIWAN	336	461	310	360	397	313	695	859	623
THAILAND	122	133	146	447	443	425	569	577	571
RUSSIA	194	100	78	545	325	250	739	425	329
REST	10,901	11,138	10,576	5,806	6,125	6,060	16,707	17,264	16,636
<b>TOTAL</b>	<b>63,114</b>	<b>66,167</b>	<b>67,518</b>	<b>47,999</b>	<b>56,001</b>	<b>49,840</b>	<b>111,113</b>	<b>122,168</b>	<b>117,358</b>
CHINA	21,105	20,999	23,945	13,207	14,000	12,868	34,312	34,999	36,813
LATINAMERICA	9,425	11,557	10,817	11,664	13,778	12,829	21,089	25,335	23,647
UNITED STATES	7,158	8,583	9,160	9,131	13,892	10,470	16,289	22,475	19,630
ASIA (EXCEPT CHINA)	10,717	10,352	9,528	6,356	6,482	5,786	17,074	16,834	15,313
EUROPEAN UNION	8,636	8,814	8,183	4,987	5,074	4,831	13,624	13,888	13,013
OTHERS	6,073	5,863	5,886	2,653	2,774	3,056	8,726	8,637	8,942

X: Exports M: Imports

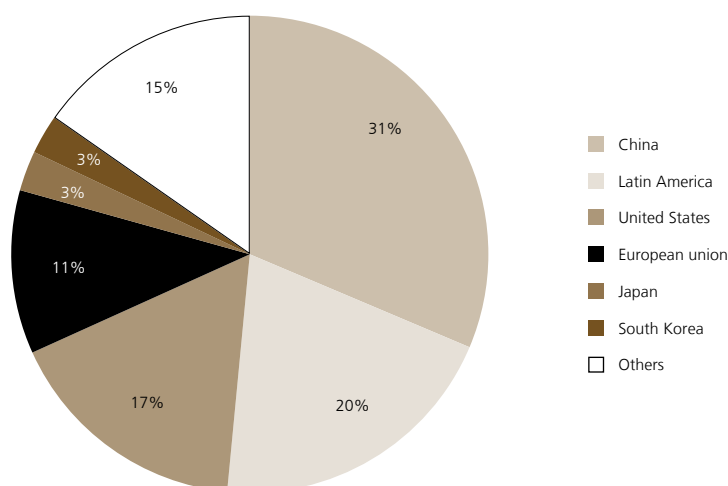
1/ Exports of copper, zinc and molybdenum for 2023 have been estimated based on the exports reported to Minem, in the case of companies that have made shipments and are not yet included in the export registry. The year 2023 is preliminary. Likewise, the rest includes the item "other goods" which does not have information on the country of destination.

2/ Imports were grouped by country of origin. The remainder includes "other goods", which includes defense material, donations and others that do not have country of origin information.

Source: BCRP and Sunat

Graph 33

## MAIN TRADING PARTNERS 2023 1/



1/ Preliminary. Share of each country/region in Peru's total exports and imports.  
Source: BCRP and Sunat.

## Exports

Exports in 2023 totaled USD 67,518 million, USD 1,351 million more than recorded the previous year. In the traditional sector, the increase is supported by higher export volumes, mainly of mining products. Of note is the growth in the volume index of (i) copper (21.3 percent), due to the start of production at Quellaveco and the high levels of inventories that were not sold, following the social conflicts of 2022 and the first quarter of 2023; (ii) zinc (19.4 percent), following the high levels of inventories accumulated in the previous year; and (iii) natural gas (6.3 percent), in line with the higher production.

Meanwhile, in the non-traditional sector, the increase was supported by higher export prices (3.7 percent), mainly in the agriculture sector, since the volume of non-traditional exports recorded a 2.0 percent drop. The impact of unfavorable weather conditions on the exportable supply of our main non-traditional agro-export products was compounded by lower demand from our partners -mainly from the region and the United States- at a time of fear of a slowdown in growth and a reduction in inventories as conditions in the global supply chain normalized.

## Traditional exports

Traditional exports totaled USD 48,853 million, 2.3 percent higher than recorded in 2022 (USD 47,750 million), mainly due to the mining sector. There was an increase in volumes (7.4 percent), recovering pre-pandemic levels towards the last half of the year. For its part, prices fell by 4.8 percent, due to lower hydrocarbon, zinc, and copper prices.

Table 23

EXPORTS BY PRODUCT GROUP							
(Millions of USD)							
	2021	2022	2023	Percentage change			Average % chg. 2014-2023
				2021	2022	2023	
<b>1. Traditional products</b>	<b>46,804</b>	<b>47,750</b>	<b>48,853</b>	<b>56.1</b>	<b>2.0</b>	<b>2.3</b>	<b>4.5</b>
Mining 1/	39,901	38,106	42,790	52.7	-4.5	12.3	6.0
Oil and oil products	2,007	2,739	2,399	99.1	36.4	-12.4	-4.7
Natural gas	1,703	3,166	1,553	195.6	85.9	-51.0	1.2
Fishing	2,335	2,386	1,142	51.4	2.2	-52.1	-3.9
Agricultural	857	1,354	970	17.2	58.0	-28.4	2.1
<b>2. Non-traditional products</b>	<b>16,117</b>	<b>18,162</b>	<b>18,448</b>	<b>26.7</b>	<b>12.7</b>	<b>1.6</b>	<b>5.2</b>
Agriculture sectors	7,868	8,368	9,180	16.8	6.4	9.7	10.4
Chemicals	1,905	2,348	1,996	27.4	23.3	-15.0	2.8
Fishing	1,516	1,639	1,779	15.1	8.2	8.6	5.2
Textiles	1,565	1,873	1,601	55.5	19.7	-14.5	-1.8
Iron, steel and jewelry	1,613	1,723	1,552	74.1	6.8	-9.9	1.6
Non-metallic minerals	675	1,093	1,194	51.2	62.0	9.2	5.2
Metal-mechanics	555	649	712	20.3	17.0	9.8	2.7
Wood and paper, and articles thereof	280	313	288	17.3	11.7	-7.8	-3.9
Others 2/	141	157	145	51.7	11.2	-7.5	0.2
<b>3. Others 3/</b>	<b>193</b>	<b>254</b>	<b>217</b>	<b>58.9</b>	<b>31.8</b>	<b>-14.6</b>	<b>-0.9</b>
<b>4. TOTAL EXPORTS</b>	<b>63,114</b>	<b>66,167</b>	<b>67,518</b>	<b>47.4</b>	<b>4.8</b>	<b>2.0</b>	<b>4.6</b>

1/ Exports of copper, zinc and molybdenum for 2023 have been estimated based on the exports reported to Minem, in the case of companies that have made shipments and are not yet included in the export registry.

2/ Includes hides and skins and handicrafts, mainly.

3/ Includes the sale of fuel and foodstuffs to foreign vessels.

Source: BCRP and Sunat.

Table 24

EXPORTS						
(Percentage changes)						
	Volume			Price		
	2021	2022	2023	2021	2022	2023
<b>TRADITIONAL EXPORTS</b>	<b>10.7</b>	<b>1.3</b>	<b>7.4</b>	<b>41.0</b>	<b>0.7</b>	<b>-4.8</b>
<i>Of which:</i>						
Fish meal	41.0	-7.8	-53.2	8.6	9.1	6.4
Coffee	-9.4	26.5	-16.8	31.7	27.0	-19.4
Copper	4.2	5.2	21.3	52.3	-9.6	-1.8
Gold	27.9	0.0	-0.5	1.7	0.1	7.9
Zinc	0.7	-8.5	19.4	56.2	9.0	-26.3
Crude oil and derivatives	20.9	2.5	18.2	64.7	33.1	-25.9
Natural gas	-35.1	34.8	6.3	355.3	37.9	-53.9
<b>NON-TRADITIONAL EXPORTS</b>	<b>18.7</b>	<b>5.6</b>	<b>-2.0</b>	<b>6.7</b>	<b>6.7</b>	<b>3.7</b>
<i>Of which:</i>						
Agriculture sectors	13.4	10.1	-1.5	3.0	-3.4	11.4
Textiles	53.0	4.7	-15.2	1.7	14.3	0.8
Fishing	14.3	-9.6	16.2	0.7	19.6	-6.6
Chemicals	10.4	0.3	-5.7	15.4	22.8	-9.8
Iron, steel and jewelry	29.1	3.0	-3.6	34.8	3.7	-6.5
<b>TOTAL</b>	<b>12.7</b>	<b>2.5</b>	<b>4.6</b>	<b>30.7</b>	<b>2.3</b>	<b>-2.4</b>

Source: BCRP and Sunat.

Mining exports recorded a total of USD 42.79 billion, an increase of 12.3 percent compared to 2022. In terms of prices, there has been a reduction in the price of zinc (26.3 percent) and a decrease in

the price of zinc (26.3 percent) and copper (1.8 percent), which was counterbalanced by the increase in the gold price (7.9 percent). In terms of volumes, 3.0 million fine metric tons (FMT) of copper were exported, which represented an annual export record, due to the start-up of production at Quellaveco and the high levels of inventories that were not sold due to various social conflicts in 2022, which were extended until the beginning of 2023. With respect to gold and zinc, 5.6 million ounces and 1.3 million metric tons were recorded exported, respectively. With these results, Peru continues to maintain a leading position in world mining production, with copper, silver, zinc and molybdenum standing out.

Table 25

MINING PRODUCTION 2023	
Product	World ranking 1/
Copper	3
Silver	3
Zinc	2
Lead	5
Molybdenum	3
Tin	4
Gold	11

1/ Preliminary.

Source: Mineral Commodity Summaries 2024 - US Geological Survey and central banks.

Foreign sales of oil and natural gas amounted to USD 3,951 million, representing a reduction of 33.1 percent over the previous year. The result is mainly explained by the 53.9 percent drop in the price of natural gas, and to a lesser extent, by the 24.1 percent decrease in the export price of oil and oil derivatives. However, the volume of oil and oil derivatives exported grew by 18.2 percent (higher *fuel oil* exports by the Talara Refinery, a fuel used for heating), and natural gas exports by 6.3 percent, both increases being in line with higher domestic production.

The value of fish exports decreased to USD 1,142 million in 2022, down 52.1 percent, after the warming of the sea caused the suspension of the first fishing season. This situation explained why the volume of fishmeal and fish oil exports fell by 52.5 percent and 75.9 percent, respectively. Given the lower supply from Peru, one of the world's largest producers, the price of fishmeal increased by 4.7 percent and that of oil by 73.9 percent.

### Non-traditional exports

Exports of non-traditional products reached USD 18,448 million, 1.6 percent higher than in 2022, due to higher prices (3.7 percent) despite lower export volumes (-2.0 percent). The textile (-15.2 percent), chemical (-5.7 percent), iron and steel (-3.6 percent) and agriculture sector (-1.5 percent) volumes fell.

The main destination markets for non-traditional products were the United States with USD 5,667 million and the Netherlands with USD 1,509 million. For the former, an increase of 1.4 percent was reported with respect to 2022, while the latter increased by 4.1 percent. The performance of the other countries has been heterogeneous. Some countries reported significant growth over 2022, such as China (36.6 percent), Mexico (12.7 percent) and the United Kingdom (9.5 percent), while others recorded significant drops, such as Bolivia (-20.8 percent), Colombia (-16.1 percent) and Ecuador (-10.0 percent).

In the case of the United States, the main destination for non-traditional products, the agriculture and textile sectors continued to be the most important, accounting for 73.6 percent of total nontraditional exports to the U.S. market in 2023. The most sold products were blueberries (USD 958 million), fresh grapes (USD 857 million), calcium phosphates (USD 370 million) and fresh asparagus (USD 270 million).

Table 26

MAIN DESTINATIONS: NON-TRADITIONAL EXPORTS					
(Millions USD)					
	2021	2022	2023	% chg. 2023/2022	Average % chg. 2014-2023
United States	4,759	5,591	5,667	1.4	7.7
Netherlands	1,474	1,450	1,509	4.1	10.5
Chile	1,110	1,209	1,199	-0.8	4.7
Ecuador	814	1,078	969	-10.0	2.8
China	653	697	952	36.6	10.0
Spain	721	766	829	8.2	7.2
Colombia	751	852	715	-16.1	-0.1
Mexico	434	615	693	12.7	10.4
Brazil	407	524	533	1.6	2.6
Bolivia	559	645	511	-20.8	-0.5
United Kingdom	430	396	433	9.5	6.4
South Korea	331	400	427	6.9	18.0
Canada	314	317	307	-3.2	8.8
Germany	260	262	246	-6.1	2.8
Japan	188	244	198	-18.7	3.9
Rest	2,912	3,116	3,258	4.6	1.4
<b>Total</b>	<b>16,117</b>	<b>18,162</b>	<b>18,448</b>	<b>1.6</b>	<b>5.2</b>
<b>Note:</b>					
United States	4,759	5,591	5,667	1.4	7.7
Latin America	4,747	5,743	5,455	-5.0	1.7
European Union	3,638	3,728	3,825	2.6	6.7
Asia (except China)	1,229	1,375	1,470	6.9	7.7
China	653	697	952	36.6	10.0
Others	1,091	1,026	1,079	5.1	4.9

Source: Sunat and BCRP.

Sales of **agriculture and livestock products** reached USD 9.18 billion, with shipments of fresh grapes, blueberries and fresh avocados standing out. The result implies a 9.7 percent growth, mainly explained by the 11.4 percent increase in prices due to the lower supply of agriculture sector products, after adverse weather conditions affected the flourishing and development of multiple agricultural products. As a result, the volume of exports fell by 1.5 percent year-on-year (the most since 1998). Fresh blueberries (-25.1 percent), fresh or refrigerated asparagus (-24.6 percent), and fresh mangoes (-21.3 percent) all declined.

Despite this situation, Peru remains the world's leading exporter of blueberries and grapes. In the last decade, sales of agriculture sector products grew at an average annual rate of 10.4 percent, so that the value exported in 2023 was 2.7 times more than that reported in 2013. The result reflects higher planted areas and yields for products with high international demand.

Table 27

MAIN NON-TRADITIONAL AGRICULTURE AND LIVESTOCK PRODUCTS			
(Millions USD)			
Best selling products	2013	2023	Average % chg. 2014-2023
Fresh grapes	443	1,769	14.9
Blueberries	17	1,675	57.9
Fresh avocados	184	963	18.0
Fresh asparagus	414	392	-0.5
Fresh mangoes	133	255	6.7
Food for shrimps and prawns	109	228	7.7
Raw cocoa: other uses	84	217	10.0
Mandarins	67	217	12.5
Whole paprika	50	137	10.5
Prepared or canned mangoes	40	133	12.7
Canned artichokes	89	115	2.6
Organic banana	89	108	2.0
Fresh onions	63	104	5.2
Prepared asparagus	150	94	-4.6
Frozen foods	15	92	19.5
Crude palm oil	21	89	15.8
Subtotal	1,966	6,588	12.9
<b>Total</b>	<b>3,408</b>	<b>9,180</b>	<b>10.4</b>

Source: BCRP and Sunat.

Exports of **fishery products** amounted to USD 1,779 million, 8.6% higher than in 2022, as a result of the warming of the sea, which favored the capture of squid (frozen and canned), as well as higher sales of frozen fish, shrimp and prawns. As a result, the average export volume grew 16.2 percent, while prices recorded a 6.6 percent drop. The main destination markets were China, South Korea, the United States and Spain. Over the last ten years, fish exports increased at an average annual rate of 5.2 percent.

**Textile exports** reached a value of USD 1,601 million, 14.5 percent lower than in 2022. The volume shipped recorded a drop of 15.2 percent, while prices recorded a slight increase of 0.8 percent. The result behind the reduction in sales is mainly explained by the cooling of demand from the United States (main market with 50.1 percent of total exports) and the build-up of inventories of end customers, as well as lower demand from Latin America (second main market with 28 percent).

**Chemical** exports totaled USD 1,996 million in 2023, 15 percent lower than recorded in 2022. The volume shipped recorded a 5.7 percent drop, while export prices fell 9.8 percent. The main markets for chemical products were Chile, Ecuador and Bolivia, which together with the United States acquired 48.6% of total exports. Sales of ethyl alcohol, coloring lacquers and zinc oxide declined.

## Imports

**Imports** amounted to USD 49.84 billion, USD 6.161 billion lower than in 2022, mainly due to lower imports of inputs (-19.8 percent), in line with the drop in the dynamism of domestic demand, the reduction of inventories and the reduction of international prices associated with these products.



Table 28

**IMPORTS BY ECONOMIC USE OR DESTINATION**

(In Millions of USD)

	FOB value: million USD			Percentage change			Average % change 2014-2023
	2021	2022	2023	2021	2022	2023	
<b>TOTAL IMPORTS</b>	<b>47,999</b>	<b>56,001</b>	<b>49,840</b>	<b>38.2</b>	<b>16.7</b>	<b>-11.0</b>	<b>1.6</b>
<b>1. CONSUMER GOODS</b>	<b>10,201</b>	<b>10,974</b>	<b>11,177</b>	<b>17.0</b>	<b>7.6</b>	<b>1.9</b>	<b>2.4</b>
Non-durable	5,877	6,561	6,482	8.1	11.6	-1.2	3.7
Main foods	532	588	569	-3.7	10.5	-3.3	4.1
Rest	5,345	5,973	5,914	9.5	11.7	-1.0	3.7
Durable	4,324	4,412	4,695	31.6	2.0	6.4	0.8
<b>2. INPUTS</b>	<b>23,801</b>	<b>30,954</b>	<b>24,821</b>	<b>54.0</b>	<b>30.1</b>	<b>-19.8</b>	<b>2.4</b>
Fuels, lubricants and related	6,075	10,490	8,630	103.8	72.7	-17.7	2.9
Raw materials for agriculture	1,901	2,323	1,888	24.4	22.2	-18.7	4.3
Raw materials for industry	15,825	18,141	14,303	44.6	14.6	-21.2	1.9
<b>3. CAPITAL GOODS</b>	<b>13,886</b>	<b>13,993</b>	<b>13,686</b>	<b>33.0</b>	<b>0.8</b>	<b>-2.2</b>	<b>0.0</b>
Construction materials	1,537	1,455	1,156	42.2	-5.3	-20.6	-2.2
For agriculture	186	186	161	21.7	-0.1	-13.6	2.1
Machinery and equipment	8,862	8,883	8,792	24.8	0.2	-1.0	0.5
Transport equipment	3,301	3,469	3,577	56.9	5.1	3.1	-0.5
<b>4. OTHER PROPERTY</b>	<b>111</b>	<b>80</b>	<b>156</b>	<b>-1.3</b>	<b>-28.2</b>	<b>95.3</b>	<b>-6.9</b>

Source: Sunat, Zofratatna and MEF.

The volume of total imports decreased 4.4 percent, mainly due to lower foreign purchases of inputs (6.5 percent) and capital goods (-4.4 percent). Similarly, the import price index decreased 6.9 percent, explained by oil, food and industrial inputs. As for industrial input prices, a generalized reduction was observed for all products.

Table 29

**IMPORTS**

(Percentage changes)

	Volume			Price		
	2021	2022	2023	2021	2022	2023
<b>Total Imports</b>	<b>18.6</b>	<b>2.6</b>	<b>-4.4</b>	<b>16.5</b>	<b>13.7</b>	<b>-6.9</b>
<b>1. Consumer goods</b>	<b>14.6</b>	<b>4.6</b>	<b>-0.2</b>	<b>2.0</b>	<b>2.8</b>	<b>2.1</b>
Non-durable	5.4	10.1	-1.6	2.5	1.4	0.4
Food	-16.6	-1.7	-0.7	15.4	12.4	-2.6
Rest	8.3	11.4	-1.7	1.1	0.3	0.7
Durable	30.1	-2.7	1.8	1.2	4.8	4.5
<b>2. Insumos</b>	<b>13.9</b>	<b>4.9</b>	<b>-6.5</b>	<b>35.2</b>	<b>24.0</b>	<b>-14.3</b>
Main Foodstuffs	-1.4	-5.9	1.7	39.4	21.8	-14.1
Oil and oil products	25.6	11.1	4.4	62.3	54.5	-19.7
Industrial supplies	13.3	3.6	-13.6	26.8	12.7	-11.2
Plásticos	8.4	0.4	-14.8	52.7	1.9	-23.5
Iron and steel	25.6	-13.4	-14.7	40.0	17.5	-18.8
Textiles	23.0	3.5	-19.4	13.5	18.9	-13.1
Papers	8.6	23.7	-25.5	10.5	31.6	-12.9
Chemicals	2.8	6.6	-8.5	11.7	17.2	-2.5
Organic chemicals	16.2	-2.9	0.2	35.0	11.7	-14.8
Rest	12.6	7.4	-13.4	23.7	11.4	-7.7
<b>3. Capital Assets</b>	<b>30.5</b>	<b>-3.3</b>	<b>-4.4</b>	<b>2.0</b>	<b>4.2</b>	<b>2.3</b>
Construction materials	39.5	-9.1	-22.4	2.0	4.2	2.3
Other capital goods	29.4	-2.5	-2.4	2.0	4.2	2.3

Source: Sunat, Zofratatna and MEF.  
Elaborated by: BCRP.

In 2023, the import of non-durable consumer goods decreased by USD 79 million (-1.2 percent), with a negative flow mainly in clothing, plastic articles and materials, and cardboard articles.

For the year, purchases of consumer durables rose by USD 283 million (6.4 percent) mainly due to higher imports of automobiles, household appliances, games and slots, suitcases, household goods and fast delivery shipments.

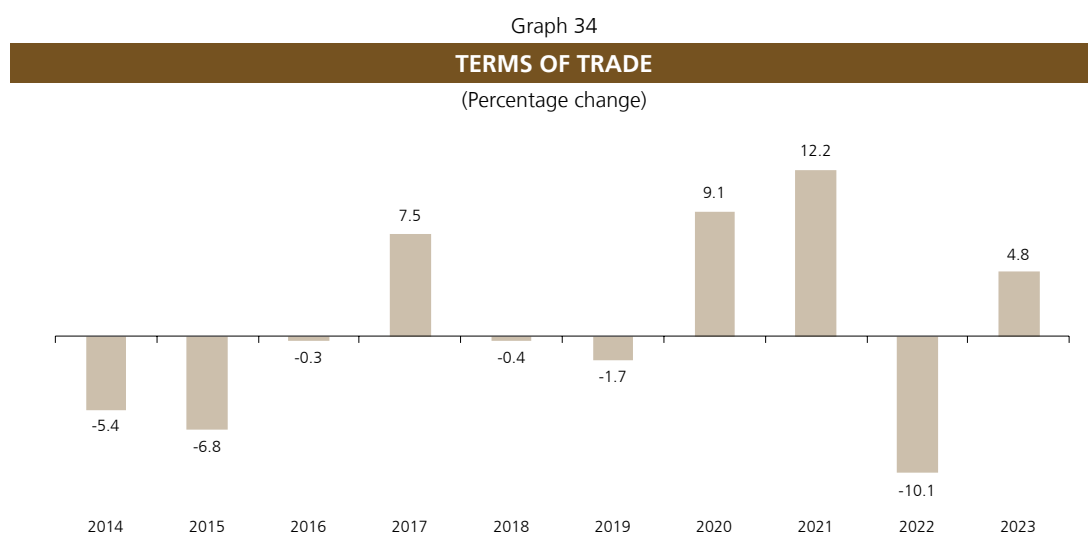
In 2023, the reduction in purchases of inputs was one of the most important (-USD 6,133 million), mainly due to lower purchases of raw materials for industry (-USD 3,839 million) and fuels (-USD 1,860 million). This result reflected the reduction in the international price of oil, the reduction of inventories and the lower dynamism of domestic demand.

The value of purchases of oil and petroleum products fell by USD 1,621 million (a decrease of 16.1 percent). The drop is the result of lower oil prices (-19.7 percent), which counterbalanced higher import volumes (4.4 percent).

The value of imports of capital goods decreased by 2.2 percent, due to lower purchases of construction materials (-USD 299 million) and machinery and equipment (-USD 91 million). In terms of imported volumes, it decreased by 4.4 percent; while prices increased by 2.3 percent.

## 2.2 TERMS OF TRADE

In 2023, the terms of trade recorded a 4.8 percent year-on-year increase. The result is the result of a greater drop in average import prices (-6.9 percent) compared to export prices (-2.4 percent). Petroleum and industrial inputs explain the lower import prices; For its part, copper, zinc and hydrocarbons explain the behavior of average export prices.



Source: BCRP.

Table 30

TERMS OF TRADE			
(Annual % chg.)			
Years	Export Prices	Import Prices	Terms of trade
2021	30.7	16.5	12.2
2022	2.3	13.7	-10.1
2023	-2.4	-6.9	4.8
<b>Average % change 2014-2023</b>	<b>1.8</b>	<b>1.2</b>	<b>0.7</b>

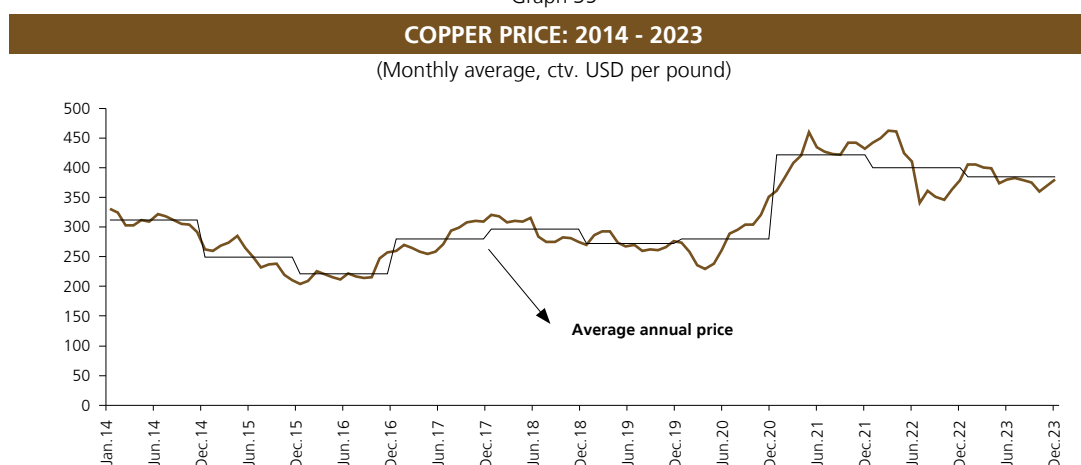
Source: BCRP.

The average price of **copper** decreased 4.0 percent in 2023 (from USD 4.00/lb to USD 3.85/lb). After reaching a value of USD 4.07/lb in January, the copper price decreased to a low of USD 3.60/lb in October. The decrease in the value of copper was attributed to lower global demand, especially in developed economies, and the prospects of lower Chinese demand, related to the crisis in the real estate sector and the weakness of its industry.

On the supply side, although new mine and smelter expansion projects advanced with minimal disruptions during 2023, there was a major supply disruption due to the suspension of production at First Quantum's Cobre Panama mine (which accounts for approximately 1 percent of global copper production). Against this backdrop, the world refined copper market moved from an estimated global deficit of 434,000 tons in 2022 to near balance in 2023, according to data from the International Copper Study Group.

Other factors contributing to the decline were the appreciation of the dollar and tighter than expected monetary policy during the year. In addition, a reduction in non-commercial net short positions was observed in the second half of the year.

Graph 35

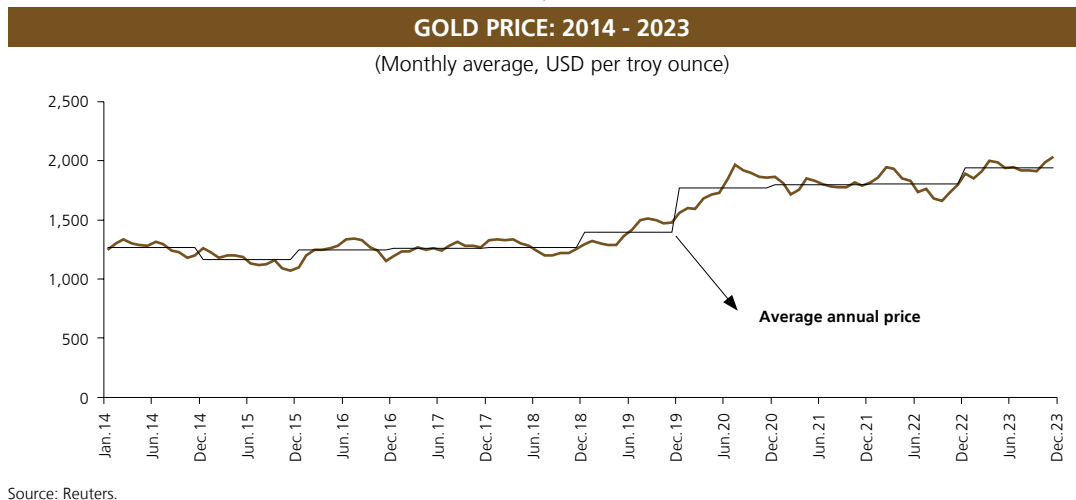


Source: Reuters.

The average **gold** price increased by 7.9 percent, from USD 1 801/oz tr in 2022 to USD 1 943/oz tr in 2023.

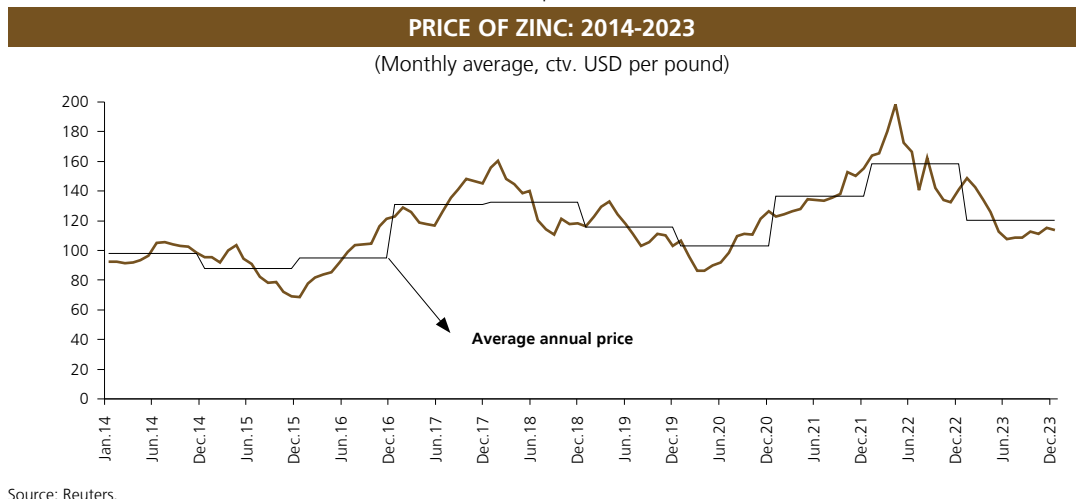
The gold price rose steadily on increased demand for safe-haven assets in response to heightened geopolitical risks in the Middle East. The price was also supported by central banks' decision to continue their net purchases of gold as a strategy to diversify their currency holdings, particularly in China, Russia and Turkey. The decision by central banks to maintain their restrictive monetary policy beyond what was initially planned limited the increase in the price.

Graph 36



The average price of **zinc** decreased 24.1 percent in 2023 (from USD 1.58/lb to USD 1.20/lb). After reaching historical highs in 2022, the price of zinc declined rapidly in 2023 due to the reopening of several refineries favored by better margins, particularly in the case of European smelters that were affected by high energy prices. The recovery in production coincided with the weakness of global demand. In this context, a global market with supply surpluses was observed. The ILZSG reported a global supply surplus of 211 000 tonnes in the first 11 months of 2023, recovering from a deficit market in 2022.

Graph 37

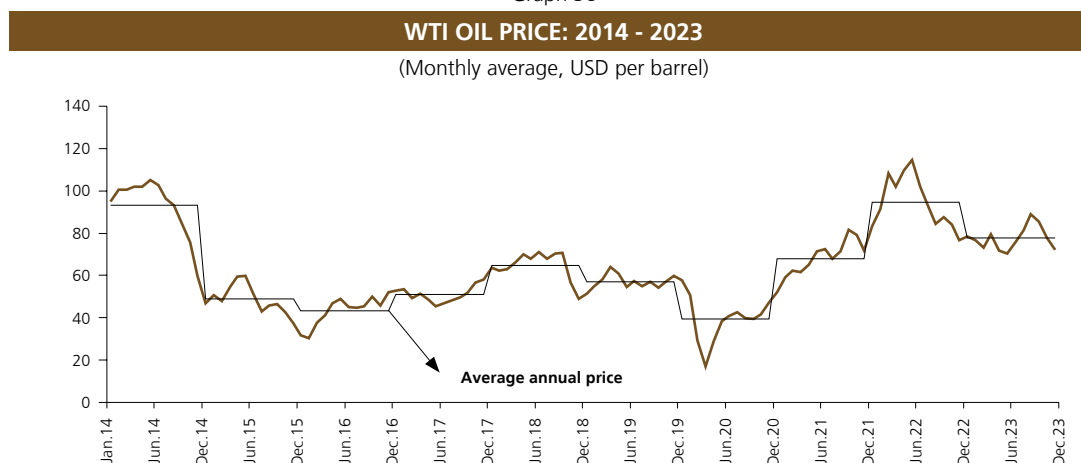


The average price of **WTI oil** decreased 18 percent in 2023 (from USD 95 to USD 78 per barrel). The decrease in oil prices reflected a less tight global market. The International Energy Agency (IEA) estimated a more balanced global market due to increased supply from non-OPEC members such as the United States, Brazil and China offsetting OPEC cuts and unilateral reductions by Saudi Arabia and Russia.

On the other hand, expectations of weak demand for crude oil remained due to fears of the impact of tighter-than-expected monetary policy on economic activity.

It should be pointed out that during the fourth quarter, oil prices faced temporary upward pressures due to the beginning of the conflict in the Gaza Strip. This conflict generated fears of the involvement of producer countries, such as Iran.

Graph 38



Source: Reuters.

## 2.3 SERVICES

The deficit for **services** reached USD 7,341 million, USD 1,137 million lower than in the same period of 2022, mainly due to lower expenditures for sea freight. It is worth noting that higher travel expenses were recorded due to the increase in outbound travel by residents.

Table 31

<b>SERVICES</b>						
(Millions of USD)						
	2021	2022	2023	Percentage change		
				2022	2023	23/21
<b>I. TRANSPORTATION (a-b) 1/</b>	<b>-3,724</b>	<b>-4,724</b>	<b>-2,582</b>	<b>26.9</b>	<b>-45.3</b>	<b>-30.7</b>
a. Credit	1,086	1,586	1,789	46.1	12.8	64.8
b. Debit	4,809	6,310	4,370	31.2	-30.7	-9.1
<b>II. TRAVEL (a-b)</b>	<b>-462</b>	<b>-208</b>	<b>-540</b>	<b>-55.0</b>	<b>160.2</b>	<b>17.1</b>
a. Credit	688	2,137	2,711	210.8	26.9	294.3
b. Debit	1,149	2,345	3,251	104.0	38.7	182.9
<b>III. COMMUNICATIONS (a-b)</b>	<b>-300</b>	<b>-281</b>	<b>-298</b>	<b>-6.5</b>	<b>6.1</b>	<b>-0.8</b>
a. Credit	60	62	69	1.9	12.0	14.1
b. Debit	361	343	367	-5.1	7.2	1.7
<b>IV. INSURANCE AND REINSURANCE (a-b)</b>	<b>-612</b>	<b>-791</b>	<b>-978</b>	<b>29.2</b>	<b>23.5</b>	<b>59.6</b>
a. Credit	103	122	135	17.8	10.8	30.6
b. Debit	716	913	1,113	27.6	21.8	55.4
<b>V. OTHER SERVICES (a-b) 2/</b>	<b>-2,465</b>	<b>-2,474</b>	<b>-2,944</b>	<b>0.4</b>	<b>19.0</b>	<b>19.4</b>
a. Credit	1,010	1,056	1,104	4.5	4.6	9.4
b. Debit	3,475	3,530	4,048	1.6	14.7	16.5
<b>VII. TOTAL (a-b)</b>	<b>-7,563</b>	<b>-8,478</b>	<b>-7,341</b>	<b>12.1</b>	<b>-13.4</b>	<b>-2.9</b>
a. Credit	2,947	4,962	5,808	68.4	17.1	97.1
b. Debit	10,510	13,440	13,149	27.9	-2.2	25.1

1/ Includes courier and postal services, port charges for ships and aircraft, and transportation commissions, mainly.

2/ Includes government services, financial services (including financial intermediation services indirectly measured - FISIM), computer services, royalties, equipment rental and business services, among others.

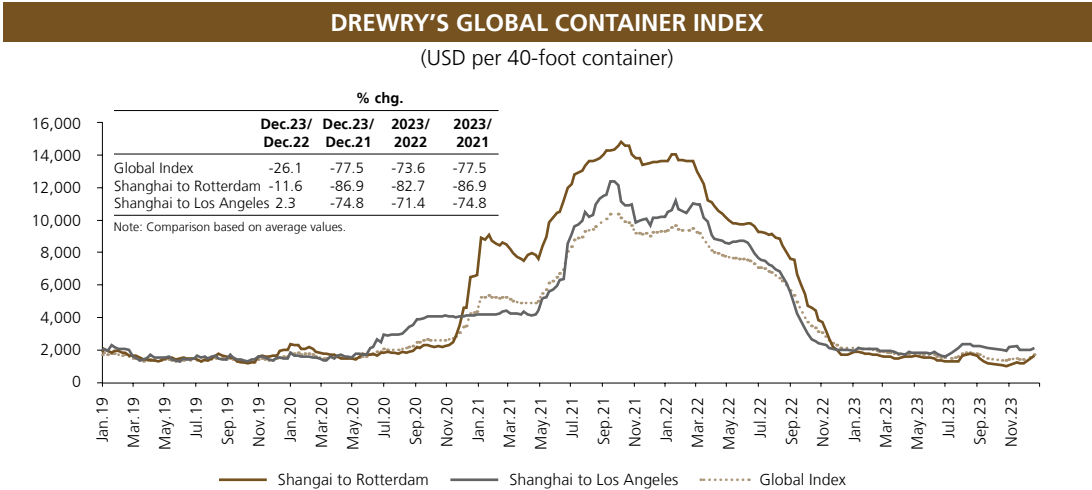
Source: BCRP, SBS, Sunat, Mincetur, Promperu, Ministry of Foreign Affairs and companies.

Elaborated by: Central Management of Economic Studies.

The **transport** services deficit totaled USD 2,582 million, USD 2,142 million lower than recorded in 2022, mainly due to the reduction in the average cost of international freight. On the other hand, higher sales of international tickets by foreign airlines were recorded (40.2 percent), due to the increase in departures of resident travelers abroad. Credits increased by USD 203 million (12.8 percent) as a result of higher ticket sales by domestic airlines (20.6 percent), following the increase in arrivals of non-resident travelers to the country.

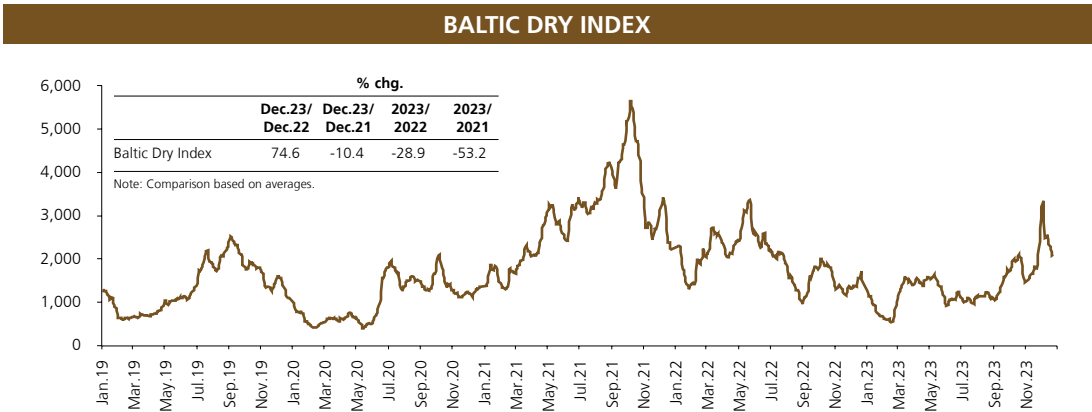
Regarding freight costs, international prices (according to Drewry's *benchmark* indexes for containers and Baltic Dry for bulk) that showed significant reductions since the end of 2021, stopped this evolution in 2023. In the case of containers, prices stabilized after reaching prepandemic levels at the end of 2022. In contrast, in the bulk case, prices rose by more than 70 percent in 2023 due to events associated with the crisis in the Panama Canal and the Red Sea. In average annual terms, Drewry's index for containers and Baltic Dry for bulk showed significant reductions in 2023.

Graph 39



Source: Drew World Container Index.

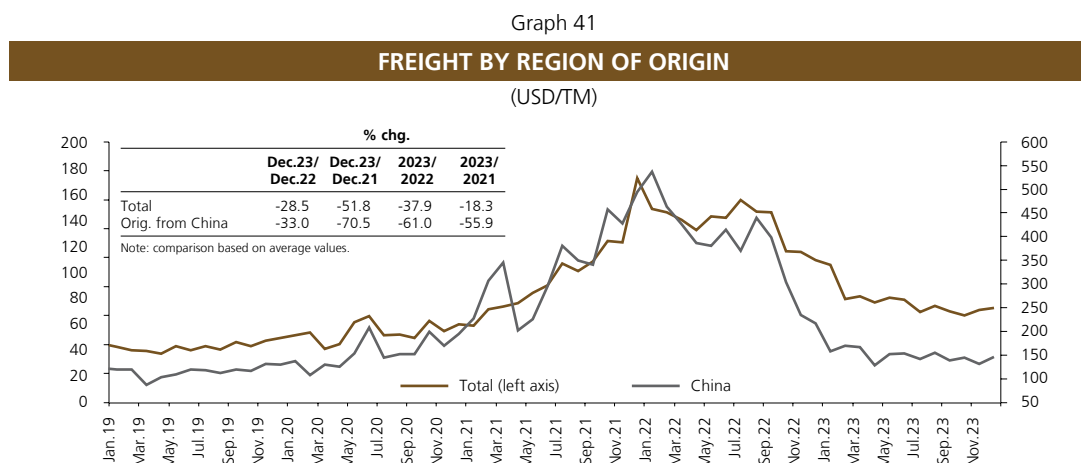
Graph 40



Source: Baltic.



In the case of Peru, the average annual freight price has shown a correction, with respect to 2022, of around 40 percent (versus 73.6 percent for Drewry's and 28.9 percent for Baltic), although it is still higher than pre-pandemic levels. The Panama Canal events have halted the price correction observed until early 2023.



Source: Sunat and BCRP.

The deficit of **travel** services rose to USD 540 million, due to the higher outflow of resident travelers abroad through Jorge Chávez International Airport (22.3 percent per year), outweighing pre-pandemic levels by 11.3 percent. However, departures by other means reached 75.5 percent of pre-pandemic levels. The time lags in the recovery of land exit are explained by social conflicts in the south of the country (late 2022 and early 2023) and delays in border crossings (from the post-pandemic opening until the first half of 2023).

For its part, travel credits increased by USD 574 million (26.9 percent per year). Non-resident air travel arrivals rose 6.5 percent per year, but are still 35 percent below pre-pandemic levels.

The **insurance and reinsurance** account showed a deficit of USD 978 million in 2023, higher by USD 186 million to that recorded in 2022, due to the increase in premiums paid for reinsured risk abroad.

**Other services** reached a deficit of USD 2,944 million, USD 469 million higher than in 2022. Debits increased by USD 518 million (14.7 percent), mainly due to higher payments for computer and information services and financial services. For its part, loans grew by USD 49 million (4.6 percent), mainly due to higher corporate loans.

## 2.4 INCOME PRIMARY

**Primary income** (factor income) had a deficit of USD 14,902 million in 2023, USD 2,303 million (-13.4 percent) lower than in the previous year, mainly due to the increase in revenues, which amounted to USD 4,718 million and were USD 2,324 million outweighs those of the previous year. This amount includes interest on deposits and the return on external investments by the private and public sectors (companies and financial and non-financial institutions), in a context of high international interest rates.

Table 32

PRIMARY INCOME 1/					
(Millions of USD)					
	2021	2022	2023	Percentage change	
				2022	2023
<b>I. INCOME</b>	<b>1,252</b>	<b>2,394</b>	<b>4,718</b>	<b>91.2</b>	<b>97.0</b>
<b>Private sector</b>	<b>610</b>	<b>1,313</b>	<b>2,230</b>	<b>115.3</b>	<b>69.9</b>
<b>Public sector</b>	<b>642</b>	<b>1,081</b>	<b>2,488</b>	<b>68.3</b>	<b>130.1</b>
<b>II. EGRESS</b>	<b>19,276</b>	<b>19,599</b>	<b>19,620</b>	<b>1.7</b>	<b>0.1</b>
<b>Private sector</b>	<b>16,907</b>	<b>16,955</b>	<b>16,630</b>	<b>0.3</b>	<b>-1.9</b>
Utilities 2/	15,453	15,049	13,864	-2.6	-7.9
Interests	1,454	1,906	2,766	31.1	45.1
Bonds	781	755	734	-3.4	-2.7
Loans	672	1,151	2,032	71.2	76.5
Long term	490	799	1,350	63.0	69.0
Short-term 3/	182	352	682	93.3	93.6
<b>Public sector 4/</b>	<b>2,368</b>	<b>2,644</b>	<b>2,990</b>	<b>11.7</b>	<b>13.1</b>
Interest on loans	174	255	714	46.5	180.1
Interest on bonds	2,161	2,377	2,263	10.0	-4.8
Others	33	13	13	-60.9	-0.3
<b>III. TOTAL (I-II)</b>	<b>-18,023</b>	<b>-17,205</b>	<b>-14,902</b>	<b>-4.5</b>	<b>-13.4</b>
Private sector	-16,297	-15,642	-14,399	-4.0	-7.9
Public sector	-1,726	-1,563	-503	-9.4	-67.8

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

2/ Profits or losses accrued during the period. Includes profits and dividends remitted abroad plus undistributed earnings.

3/ Includes private and public companies and includes interest on debt with non-residents denominated in domestic currency.

4/ Includes commissions.

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

Elaborated by: Central Management of Economic Studies.

Profits of foreign direct investment companies amounted to USD 13,864 million, USD 1,185 million lower than in the previous year (-7.9 percent). This result is explained by the significant correction in international fuel prices (gas and oil), after the rise observed in 2022 in the context of the war between Ukraine and Russia, and the lower prices of some basic metals (such as copper and zinc), which affected the hydrocarbons and mining sectors, respectively. This factor was compounded by the contraction of domestic demand, unfavorable weather conditions that affected fishing and agricultural activity, and expectations of a slowdown in the growth of our trading partners (mainly the region and the United States), at a time of reduced global inventories.

The reduction in profits was concentrated in hydrocarbons, given the average reduction in the international price of gas and oil (of 50 and 18 percent after the increase of 124 and 40 percent in 2022). The mining sector limited the reduction in profits due to the significant growth in the volume exported, given the higher production and the reduction in inventories of copper and zinc concentrates.

The exception to this evolution was observed in the industrial and services sectors. In the case of the industrial sector, if we discount two companies<sup>26</sup> that due to extraordinary events in 2022 recorded

26 Two events marked the industrial sector's performance in 2022, the restructuring of a fishing company which was in bankruptcy and the oil spill from a refinery.

significant losses that affected the sector's result, 2023 earnings would have declined by 24.9 percent instead of the 30.1 percent growth. In the case of services, earnings rose by 1.8 percent, mainly due to lower losses reported in the telephony sector. Discounting this event, profits would have recorded a 4.4 percent reduction. If we isolate these three cases, the reduction in total earnings would be 13.6 percent (instead of 7.9 percent).

Table 33

PROFITS BY SECTOR					
(Millions of USD)					
	2021	2022	2023	Variations 2023/2022	
				Absolute var.	Percentage chg.
1. Mining	8,022	6,236	6,078	- 158	-2.5
2. Hydrocarbons	1,891	3,040	1,691	- 1,349	-44.4
3. Industry	1,486	948	1,233	286	30.1
4. Services	3,588	4,055	4,126	72	1.8
5. Energy and other	467	771	735	- 36	-4.7
<b>TOTAL</b>	<b>15,453</b>	<b>15,049</b>	<b>13,864</b>	<b>- 1,185</b>	<b>-7.9</b>

Source: Companies. Includes estimates.

## 2.5 INCOME SECONDARY

**Secondary income** amounted to USD 6,785 million in 2023, an increase of USD 1,011 million compared to 2022, due to higher remittances from Peruvians abroad and, to a lesser extent, higher income tax payments from non-residents and extraordinary income associated with disasters (oil spill at the La Pampilla Refinery and weather events). Remittances abroad totaled USD 322 million, mainly to Venezuela.

Income from remittances from Peruvian workers abroad reached USD 4,446 million, 19.9 percent higher than in 2022 and 34.0 percent higher than in 2019, the year before the pandemic. Thus, this item represented 1.7 percent of GDP in 2023. The increase in remittances from Peruvians abroad is explained by the recovery of employment in the main countries from which these resources originate and by the greater number of Peruvians who would have migrated abroad, which according to Migration would total more than 400,000 in the last two years (2022-2023). According to countries, remittances from the United States (22.4 percent), Spain (35.0 percent), Italy (20.3 percent) increased. Those received from these countries channeled 68.3 percent of total remittances to the country in 2023 (54.9 percent in 2019).

Table 34

REMITTANCES FROM ABROAD			
Year	Millions of USD	Percentage change	Percentage of GDP
2021	3,608	24.2	1.6
2022	3,708	2.8	1.5
2023	4,446	19.9	1.7

Source: Superintendency of Banking and Insurance and AFPs (SBS), banks and companies.

Table 35

REMITTANCES FROM ABROAD BY COUNTRY									
	Annual Remittance (Percentage share)			Average Annual Remittance (USD)			Number of Shipments (Thousands)		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
United States	42.4	47.2	48.1	281	301	297	5,443	5,805	7,204
Chile	15.7	11.2	9.2	268	231	217	2,114	1,801	1,892
Spain	10.5	11.0	12.4	276	263	270	1,379	1,552	2,045
Italy	7.9	7.7	7.8	234	225	236	1,213	1,273	1,459
Japan	5.6	5.2	4.3	513	511	512	390	378	375
Argentina	1.6	1.6	1.3	162	159	154	359	381	383
Other countries 1/	16.3	16.0	16.8	298	295	320	1,484	1,522	1,781
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>280</b>	<b>280</b>	<b>294</b>	<b>12,222</b>	<b>12,670</b>	<b>15,140</b>

1/ Includes estimates of remittances by informal means not classified by country, except in the cases of Average Annual Remittance and Number of Remittances, for which estimates are excluded.

Source: Superintendency of Banking and Insurance and AFPs (SBS), banks and companies.

The main source of origin of remittances was money transfer companies (MTOs) and other means, which intermediated 53.9 percent of the total amount transferred. For its part, banks accounted for 42.1 percent.

Table 36

REMITTANCES FROM ABROAD BY SOURCE						
(Percentage share)						
	2018	2019	2020	2021	2022	2023
ETF - Other media <sup>1/</sup>	47.9	45.9	50.5	54.6	55.8	53.9
Banks	40.4	42.2	45.5	41.4	40.2	42.1
Informal media	11.7	11.9	4.0	4.0	4.0	4.0
<b>Remittances from abroad</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

1/ Transfer of Funds Companies (ETFs) and other means.

Source: Superintendency of Banking and Insurance and AFPs (SBS), banks and companies.

## 2.6 FINANCIAL ACCOUNT OF THE PRIVATE SECTOR

The long-term financial account of the private sector showed a positive flow (increase in net external assets) of USD 821 million in 2023, a result that contrasts with that of 2022, with higher external financing (increase in the net debtor position) of USD 14.33 billion. This change is attributable to a net acquisition of external portfolio and direct investment assets, as opposed to the previous year's net sale of such assets. In addition, there was a more moderate growth in external liabilities compared to 2022, due to a smaller increase in direct investment.

Foreign assets increased by USD 5,539 million after decreasing by USD 3,045 million in 2022. With respect to direct investment, there was an acquisition of both equity and debt assets, with the increase in the latter explained by companies in the services sector. Regarding portfolio investment, there was a net acquisition of assets for USD 4,062 million, USD 6,521 million higher than last year and mainly explained by higher net purchases of AFPs; in a scenario where no new withdrawals of their members' contributions were foreseen. On the other hand, there was also a greater acquisition of external assets by mutual funds and insurance companies.

Liabilities grew by USD 4,718 million in 2023, USD 6,566 million less than the previous year. Foreign direct investment increased by USD 3,918 million, which is USD 7,283 million less than in 2022. This is explained by lower reinvestment, in line with the fall in profits due to the economic situation, as well as by the increase in dividend payments. In addition, there were recorded net capital withdrawals by non-resident investors, mainly in companies in the mining sector, and the repayment of loans with affiliated foreign companies.

The reduction in portfolio investment in the country in 2023 was USD 160 million, which is explained by higher redemptions in the financial and non-financial sectors. Within the non-financial sector, some issues in the foreign market were mainly aimed at amortizing maturing debt, thus reducing non-resident holdings of bonds issued by local companies. In addition, lower liabilities for non-resident equity investments were recorded.

The net flow of long-term loans amounted to USD 960 million, USD 269 million lower than in 2022. During this period, the main demand for bank financing was from infrastructure developers and private banks.

Table 37

PRIVATE SECTOR FINANCIAL ACCOUNT 1/					
(Millions of USD)					
	2021	2022	2023	Absolute Variation	
				2022	2023
<b>I. ASSET</b>	<b>-8,452</b>	<b>-3,045</b>	<b>5,539</b>	<b>5,407</b>	<b>8,584</b>
1. Direct investment	1,969	-587	1,476	-2,556	2,063
2. Portfolio investment 2/	-10,421	-2,458	4,062	7,963	6,521
<b>II. LIABILITIES</b>	<b>7,801</b>	<b>11,284</b>	<b>4,718</b>	<b>3,483</b>	<b>-6,566</b>
1. Direct investment (a+b)	7,142	11,201	3,918	4,059	-7,283
a. Patrimony	6,642	10,121	4,581	3,479	-5,540
Reinvestment	6,726	8,276	4,781	1,550	-3,495
Contributions and other operations of capital	-84	1,845	-200	1,929	-2,045
b. Debt instruments	500	1,080	-663	580	-1,743
2. Portfolio investment	1,247	-1,146	-160	-2,393	986
Equity investments 3/	-154	-110	-24	45	86
Fixed income 4/	1,401	-1,036	-136	-2,438	900
3. Loans	-588	1,229	960	1,817	-269
Disbursements	2,909	3,938	3,917	1,029	-21
Amortization	-3,497	-2,709	-2,957	788	-249
<b>III. TOTAL (I-II)</b>	<b>-16,254</b>	<b>-14,330</b>	<b>821</b>	<b>1,924</b>	<b>15,150</b>
<i>Note:</i>					
SDI in the country, old methodology 5/	5,360	12,191	3,324	6,831	-8,866

1/ Expressed in terms of assets net of liabilities.

2/ Includes equities and other financial and non-financial sector foreign assets. Includes financial derivatives.

3/ Considers the net purchase of shares by non-residents through the Lima Stock Exchange (BVL), recorded by Cavali S.A. ICLV (Central Registry of Securities and Settlements).

4/ Includes bonds and similar.

5/ FDI liabilities under the directional principle (Balance of Payments Manual, 5th edition).

Source: BCRP, Cavali S.A. ICLV, Private Investment Promotion Agency (Proinversión) and companies.

Elaborated by: Central Management of Economic Studies.

## 2.7 SHORT TERM CAPITAL

In 2023, **net short-term capital inflows** of USD 227 million were recorded for the first time since 2019, a result that is far from the net outflows of USD 4 318 million recorded the previous year, which responds to a climate of less political and social instability. This result is mainly attributable to a reduction in short-term capital outflows from the non-financial sector, which stood at USD 680 million, compared to USD 4 008 million in the previous year. In addition, net inflows from the banking sector reached USD 900 million, in contrast to outflows of USD 610 million recorded in 2022.

Table 38

CUENTA FINANCIERA DE CAPITALES OF SHORT-TERM 1/					
(Millions of USD)					
	2021	2022	2023	Absolute Variation	
				2022	2023
<b>1. BANKING COMPANIES (a-b)</b>	<b>-1,085</b>	<b>610</b>	<b>-900</b>	<b>1,695</b>	<b>-1,510</b>
a. Assets	-1,021	738	137	1,759	-601
b. Liabilities	64	128	1,037	64	909
<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>0</b>	<b>46</b>	<b>-8</b>	<b>46</b>	<b>-54</b>
a. Assets	0	46	-8	46	-54
b. Liabilities	0	0	0	0	0
<b>4. NON-BANK FINANCIAL CORPORATIONS (a-b)</b>	<b>182</b>	<b>-346</b>	<b>0</b>	<b>-528</b>	<b>346</b>
a. Assets	209	-312	62	-521	375
b. Liabilities	27	34	63	7	29
<b>5. NON-FINANCIAL SECTOR (a-b)</b>	<b>17,461</b>	<b>4,008</b>	<b>680</b>	<b>-13,453</b>	<b>-3,328</b>
a. Assets	17,177	3,643	1,685	-13,534	-1,959
b. Liabilities	-283	-365	1,004	-81	1,369
<b>6. TOTAL (a-b)</b>	<b>16,558</b>	<b>4,318</b>	<b>-227</b>	<b>-12,239</b>	<b>-4,546</b>
a. Assets	16,365	4,115	1,877	-12,250	-2,239
b. Liabilities	-192	-203	2,104	-10	2,307

1/ Expressed in terms of assets net of liabilities.

Source: BCRP, Bank for International Settlements (BIS) and companies.

Elaborated by: Central Management of Economic Studies.

## 2.8 FINANCIAL ACCOUNT OF THE PUBLIC SECTOR

Public sector external financing in 2023 recorded a net capital outflow (increase in the net creditor position) of USD 716 million, USD 487 million lower than net external financing in 2022. This result is attributed to purchases of sovereign bonds by non-residents for USD 16 million, in contrast to sales of USD 1,888 recorded in 2022. Higher loan disbursements, mainly to the General Government, contributed to a lesser extent.

The dynamics of external public indebtedness was associated with higher financing requirements -in response to the increase in the fiscal deficit- and a change in the composition of financing sources, which favored the use of global and sovereign bonds.

Table 39

**PUBLIC SECTOR FINANCIAL ACCOUNT 1/ 2/**

(Millions of USD)

	2021	2022	2023	Absolute Variation	
				2022	2023
<b>I. ASSETS</b>	<b>-52</b>	<b>105</b>	<b>-36</b>	<b>157</b>	<b>-141</b>
<b>II. LIABILITIES</b>	<b>15,644</b>	<b>-1,097</b>	<b>-752</b>	<b>-16,741</b>	<b>346</b>
<b>1. Portfolio investment 3/</b>	<b>11,478</b>	<b>-1,876</b>	<b>-1,654</b>	<b>-13,354</b>	<b>222</b>
Emissions	11,172	600	0	-10,572	-600
General Government	10,172	0	0	-10,172	0
Financial companies	0	600	0	600	-600
Non-financial companies	1,000	0	0	-1,000	0
Amortizations	0	-658	-1,801	-658	-1,143
General Government	0	0	-1,628	0	-1,628
Financial companies	0	-658	-173	-658	485
Non-financial companies	0	0	0	0	0
Other operations (a-b) 4/	306	-1,817	147	-2,124	1,965
a. Sovereign bonds purchased for non-residents	-316	-1,888	16	-1,572	1,904
b. Acquired Global Bonds by residents	-623	-71	-132	552	-61
<b>2. Loans</b>	<b>2,354</b>	<b>779</b>	<b>902</b>	<b>-1,576</b>	<b>124</b>
Disbursements	2,789	1,838	2,006	-951	168
General Government	2,779	1,836	1,934	-943	98
Financial companies	0	0	12	0	12
Non-financial companies	10	2	60	-8	57
Amortizations	-435	-1,060	-1,103	-625	-44
General Government	-363	-834	-889	-471	-54
Financial companies	-37	-45	-44	-8	1
Non-financial companies	-35	-181	-171	-145	9
<b>3. BCRP: other operations 5/</b>	<b>1,811</b>	<b>0</b>	<b>0</b>	<b>-1,811</b>	<b>0</b>
<b>III. TOTAL (I-II)</b>	<b>-15,696</b>	<b>1,203</b>	<b>716</b>	<b>16,898</b>	<b>-487</b>

1/ Medium and long-term debt.

2/ Expressed in terms of assets net of liabilities.

3/ Bonds, classified according to the market where they were issued. Brady and Global Bonds, issued abroad, are part of the external public debt, including those acquired by residents. For financial public companies, since 2012 Cofide Corporate Bonds are included and since 2013 Mivivienda Fund Corporate Bonds are included. For non-financial public companies, since 2017 the Corporate Bonds of Petroperú are included.

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

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

Source: MEF, BCRP

Elaborated by: Central Management of Economic Studies.

**2.9 POSITION OF EXTERNAL ASSETS AND LIABILITIES**

**External assets** totaled USD 158,492 million in December 2023, which represents 59.3 percent of GDP, reflecting a decrease of 3.1 percentage points compared to the previous year. Of the total of these assets, 45 percent is made up of BCRP reserves, equivalent to 26.7 percent of GDP. The



reduction of the BCRP's reserve assets by USD 927 million is noteworthy, while financial system assets increased by USD 2,129 million and other assets by USD 4,668 million.

Table 40

POSITION OF EXTERNAL ASSETS AND LIABILITIES 1/					
(End-of-period levels in millions of USD)					
	2021	2022	2023	Percentage of GDP	
				2022	2023
<b>I. ASSETS</b>	<b>160,004</b>	<b>152,622</b>	<b>158,492</b>	<b>62.4</b>	<b>59.3</b>
1. BCRP reserve assets	78,539	72,246	71,319	29.6	26.7
2. Assets of the financial system 2/	28,839	25,013	27,142	10.2	10.2
3. Others assets	52,625	55,363	60,032	22.6	22.5
<b>II. LIABILITIES</b>	<b>246,313</b>	<b>257,255</b>	<b>264,432</b>	<b>105.2</b>	<b>98.9</b>
1. Direct investment	123,875	135,076	138,995	55.3	52.0
2. Equity participation (portfolio)	17,712	17,603	17,579	7.2	6.6
3. Debt from loans, bonds and others	102,038	101,699	105,037	41.6	39.3
<b>Medium and long term</b>	<b>92,421</b>	<b>92,285</b>	<b>93,519</b>	<b>37.7</b>	<b>35.0</b>
Private sector 2/	31,888	32,171	33,031	13.2	12.4
Public sector (i+ii-iii) 3/ 4/	60,533	60,114	60,488	24.6	22.6
i. External public debt	45,533	46,194	46,026	18.9	17.2
ii. Secondary market securities acquired by non-residents	15,882	14,731	15,141	6.0	5.7
iii. Secondary market securities acquired by residents	882	811	679	0.3	0.3
<b>Short-term</b>	<b>9,617</b>	<b>9,414</b>	<b>11,518</b>	<b>3.9</b>	<b>4.3</b>
Financial system 5/	3,845	4,007	5,107	1.6	1.9
Others	5,772	5,407	6,411	2.2	2.4
<b>4. Central Reserve Bank of Peru</b>	<b>2,688</b>	<b>2,877</b>	<b>2,821</b>	<b>1.2</b>	<b>1.1</b>
Short-term	44	363	286	0.1	0.1
Long term 6/	2,644	2,514	2,535	1.0	0.9
<b>III. TOTAL (I-II)</b>	<b>-86,309</b>	<b>-104,633</b>	<b>-105,940</b>	<b>-42.8</b>	<b>-39.6</b>

1/ Expressed in terms of assets net of liabilities.

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

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

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

5/ Includes domestic currency obligations with non-residents.

6/ Includes Special Drawing Rights (SDR) allocations.

Source: BCRP, MEF, Cavali S.A.ICLV, Proinversion, BIS and companies.

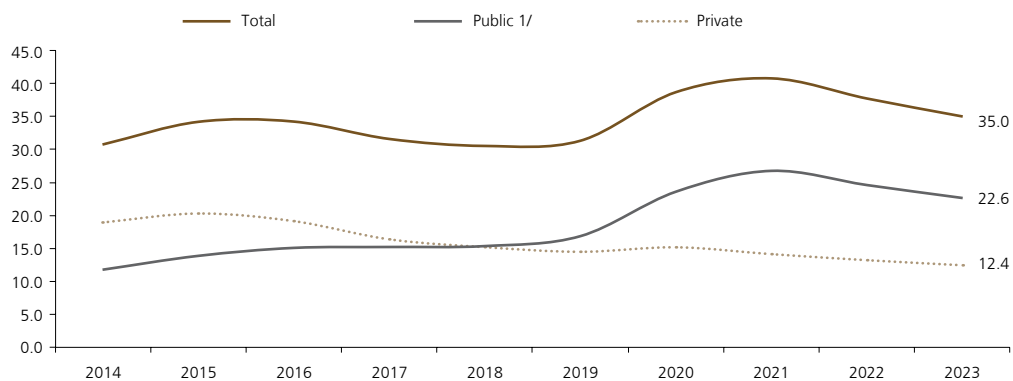
Elaborated by: Central Management of Economic Studies.

**External liabilities** decreased to 98.9 percentage points of GDP at the end of 2023, compared to 105.2 percentage points of GDP in 2022. This is explained by lower foreign direct investment and the decrease in medium and long-term public and private debt.

Graph 42

**BALANCE OF MEDIUM AND LONG-TERM EXTERNAL DEBT, 2014-2023**

(Percentage of GDP)



1/ Public external debt under the debt holders' residency criterion is the sum of total public sector external debt (including financial sector) by market of issuance and holdings of sovereign bonds held by non-residents, excluding debt issued abroad and held by residents.

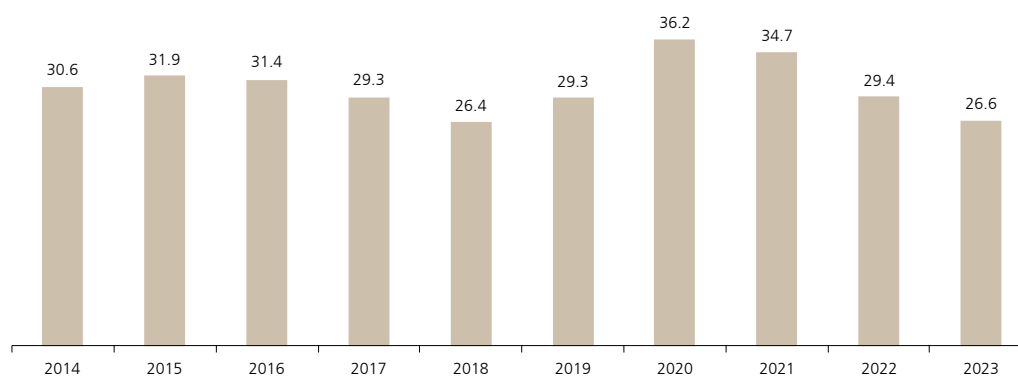
Source: BCRP.

The soundness of the balance of payments in the face of negative external events can be evaluated by considering the amount of net international reserves (NIRs) as a percentage of GDP, the balance of short-term external debt or the sum of these liabilities with the current account deficit. The NIRs for 2023 amounted to USD 71 033 million, which represented 26.6 percent of GDP and is capable of covering more than 4 times the balance of short-term external borrowings and the sum of these liabilities plus the current account deficit.

Graph 43

**NET INTERNATIONAL RESERVES**

(Percentage of GDP)



Source: BCRP.

Table 41

**INTERNATIONAL COVERAGE INDICATORS**

	2020	2021	2022	2023
International Reserves as to percentage of:				
a. GDP	36.2	34.7	29.4	26.6
b. Short-term external debt 1/	536	557	460	428
c. Short-term external debt plus current account deficit	620	418	283	494

1/ Includes the balance of short-term debt plus one-year amortizations of the private and public sector.

Source: BCRP.

## 2.10 ADMINISTRATION OF INTERNATIONAL RESERVES

At the end of 2023, 83 percent of the international reserves investment portfolio was invested in high credit quality liquid securities, 13 percent in deposits in first class foreign banks and the remaining 4 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/. 8,518 million in 2023, higher than by 145.1 percent over the previous year, as a result of higher international interest rates.

Table 42

COMPOSITION OF THE INVESTMENT PORTFOLIO				
(Percentage Structure)				
Item	December 2021	December 2022	December 2023	Average 2014-2023
Deposits abroad	24	20	13	27
Values	73	77	83	70
Gold	3	3	4	3
<b>TOTAL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: BCRP.

Table 43

TERM STRUCTURE AND INVESTMENT PORTFOLIO QUALIFIERS				
(Percentage Structure)				
	December 2021	December 2022	December 2023	Average 2014-2023
<b>By term at maturity</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
0-3 months	46	39	41	48
3-12 months	15	22	17	17
>1 Year	39	39	42	35
<b>By long-term qualifier</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
AAA	56	63	57	52
AA+/AA/AA-	25	24	28	27
A+/A/A-	19	13	15	21

Source: BCRP.

In terms of portfolio quality, 57 percent of the portfolio was held in entities with a long-term credit rating of AAA, and the rest in entities with a rating between AA+ and A. For its part, the average duration of the investment portfolio was 0.87 in 2023.

The effective exposure of the BCRP's foreign exchange position to the U.S. dollar stood at 88 percent, and to other currencies and gold at 12 percent.

Table 44

EFFECTIVE EXPOSURE OF THE FOREIGN EXCHANGE POSITION				
(Percentage Structure)				
	December 2021	December 2022	December 2023	Average 2014-2023
USD	89	88	88	86
Other currencies	7	8	8	10
Gold	4	4	4	4
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: BCRP.

During 2023, the issuance of socially responsible bonds or bonds that follow environmental and social protection guidelines (ESG) continued to increase due to greater investor demand for this type of asset. Thus, as part of the investment of international reserves made during the year, USD 889 million of these bonds were purchased, of which USD 52 million were green bonds, USD 309 million were sustainable bonds and USD 528 million were social bonds. After that, the balance of ESG bonds, which include the three categories mentioned above, amounted to USD 2,480 million as of December 31, 2023 in US dollars, Canadian, Australian and British pounds.<sup>27</sup>

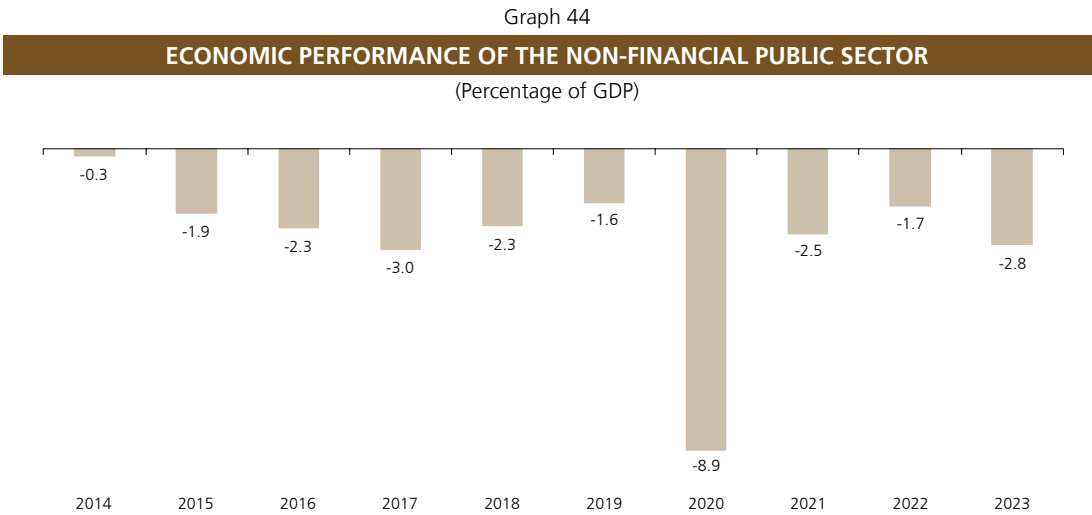
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<sup>27</sup> The exchange rate on December 31, 2023 was used to calculate the year-end USD balance, and the exchange rate on the day of purchase was used to convert purchases into currencies other than USD.

# 03. PUBLIC FINANCES

The fiscal deficit reached 2.8 percent of GDP in 2023, 1.1 percentage points higher than recorded in 2022. This increase is mainly attributed to the decline in economic activity, the fall in the value of imports and lower export prices, which resulted in a reduction in general government revenues. To a lesser extent, the higher interest payments on public debt, explained by the increase in indebtedness and interest rates, had a lesser influence.

This dynamic was partially mitigated by the reduction in Non-financial expenditure as a percentage of GDP due to the withdrawal of spending related to the health emergency, as well as lower current transfers for the stabilization of fuel prices and subsidies for the increase in food prices, and other capital expenditures, such as the support to Petroperu in the fourth quarter of 2022. In addition, a higher primary result of state-owned companies was observed, mainly explained by lower expenditures for current expenses.



Source: BCRP, MEF and Sunat.

**General Government current income** fell by 10.2 percent in real terms between 2022 and 2023, from 22.1 percent to 19.8 percent of GDP. This reduction was due to the lower level of economic activity, lower prices of export minerals and hydrocarbons, and the fall in the value of imports. In addition, this contraction was reinforced by the application of lower coefficients for payment on account of income tax and the use of credit balances in favor of the taxpayers. However, extraordinary revenues,

such as the advance of Banco de la Nación's profits to the Public Treasury, partially mitigated this contraction.

**Non-financial expenditures of the General Government** fell by 4.1 percent in real terms, from 22.0 to 21.0 percent of GDP. However, in nominal terms, this component increased by 1.5 percent due to higher spending on salaries, as a result of salary increases, in the acquisition of goods and services under the Con Punche Perú and La Niña event emergency programs, and in the National Government's gross capital formation, mainly. This dynamic was partially counterbalanced by the lower level of current transfers aimed at stabilizing fuel prices and subsidies for the increase in food prices, and other capital expenditures. Despite the slower pace of nonfinancial expenditure growth, the 2023 ratio over GDP continued to be higher than that recorded before the pandemic (19.9 percent in 2019).

Table 45

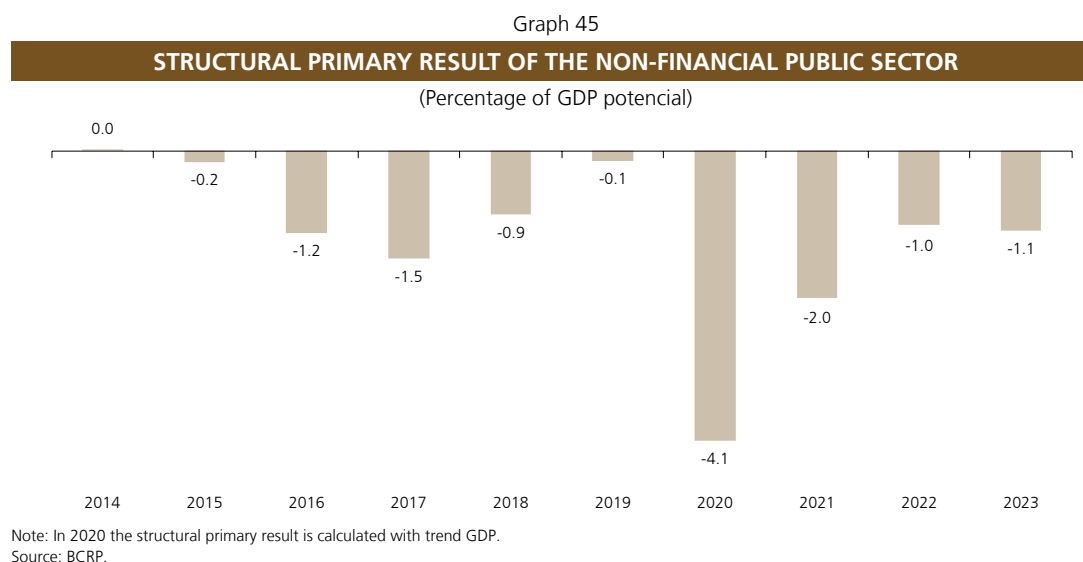
ECONOMIC PERFORMANCE OF THE NON-FINANCIAL PUBLIC SECTOR						
	Millions of soles			Percentage of GDP		
	2021	2022	2023	2021	2022	2023
<b>1. Current income of the General Government</b>	<b>183,874</b>	<b>207,124</b>	<b>197,815</b>	<b>20.9</b>	<b>22.1</b>	<b>19.8</b>
a. Tax revenues	143,147	161,242	150,985	16.3	17.2	15.1
b. Non-tax revenues	40,727	45,881	46,830	4.6	4.9	4.7
<b>2. Non-financial expenditures of the General Government</b>	<b>194,200</b>	<b>206,522</b>	<b>209,589</b>	<b>22.1</b>	<b>22.0</b>	<b>21.0</b>
a. Current Expenditure	150,235	149,625	156,416	17.1	16.0	15.7
b. Capital expenditures	43,965	56,897	53,173	5.0	6.1	5.3
- Gross capital formation	36,867	43,791	46,299	4.2	4.7	4.6
- Others	7,098	13,106	6,874	0.8	1.4	0.7
<b>3. Others</b>	<b>1,360</b>	<b>-1,895</b>	<b>301</b>	<b>0.2</b>	<b>-0.2</b>	<b>0.0</b>
<b>4. Primary result (1-2+3)</b>	<b>-8,965</b>	<b>-1,293</b>	<b>-11,473</b>	<b>-1.0</b>	<b>-0.1</b>	<b>-1.1</b>
<b>5. Interests</b>	<b>13,200</b>	<b>14,686</b>	<b>16,701</b>	<b>1.5</b>	<b>1.6</b>	<b>1.7</b>
a. External debt	4,729	5,838	7,339	0.5	0.6	0.7
b. Domestic debt	8,471	8,849	9,362	1.0	0.9	0.9
<b>6. Economic result</b>	<b>-22,166</b>	<b>-15,980</b>	<b>-28,174</b>	<b>-2.5</b>	<b>-1.7</b>	<b>-2.8</b>
<b>7. Net financing</b>	<b>22,166</b>	<b>15,980</b>	<b>28,174</b>	<b>2.5</b>	<b>1.7</b>	<b>2.8</b>
1. External	53,370	4,421	135	6.1	0.5	0.0
<i>In Millions of USD: (a-b+c)</i>	<i>13,705</i>	<i>1,153</i>	<i>21</i>			
a. Disbursements	13,961	1,838	1,993	6.2	0.8	0.7
b. Amortization	398	1,015	2,688	0.2	0.4	1.0
c. Others 1/	142	330	716	0.1	0.1	0.3
2. Internal	-31,332	11,453	27,960	-3.6	1.2	2.8
3. Privatization	127	106	78	0.0	0.0	0.0

1/ Includes exceptional financing and short-term financing.

Source: MEF, Banco de la Nación, BCRP, Sunat, EsHealth, state-owned companies, Fondo Nacional de Financiamiento de la Actividad Empresarial of Estado (FONAFE) and public institutions.

The **structural primary balance** is an indicator that makes it possible to identify the effect of discretionary fiscal policy changes on public sector accounts. To this end, it seeks to exclude from the economic result factors beyond the authorities' control over tax collection, such as export prices or the economy's position in the cycle, as well as interest on public debt, which reflect past decisions on the government's liability position. In 2023, this indicator recorded a deficit of 1.1 percent of potential GDP, 0.1 percentage points higher than in 2022. This increase is credited to the fiscal stimulus implemented by the government to reactivate the economy.

Likewise, the structural primary outcome in 2023 remains more in deficit than that observed in the pre-pandemic year (2019). This indicates that the Fiscal Stance has remained expansionary compared to that period.



The **financial requirement** measures the amount of resources needed by the Non-Financial Public Sector to finance the economic deficit and meet the amortization of domestic and external debt. In 2023, the requirement amounted to S/ 53,593 million, an amount equivalent to 5.4 percent of GDP and 3.2 percentage points higher than in 2022, due to the early service of financial obligations under the debt management operation (OAD) carried out in the second quarter and the higher level of the fiscal deficit.

Resources came mainly from sovereign bond placements under the OAD (S/ 16,358 million), carried out between May and June 2023, and from the Market Maker program (S/ 12,917 million). In addition, deposits from the Public Treasury (S/ 15,962 million) were used, mainly to finance the fiscal deficit.

Table 46

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

	Millions of soles			Percentage of GDP		
	2021	2022	2023	2021	2022	2023
<b>1. Economic result</b>	<b>-22,166</b>	<b>-15,980</b>	<b>-28,174</b>	<b>-2.5</b>	<b>-1.7</b>	<b>-2.8</b>
<b>2. Amortization</b>	<b>2,937</b>	<b>4,680</b>	<b>25,419</b>	<b>0.3</b>	<b>0.5</b>	<b>2.5</b>
Redemption of recognition bonuses	627	553	596	0.1	0.1	0.1
Internal 1/	756	234	14,913	0.1	0.0	1.5
External 1/	1,554	3,893	9,910	0.2	0.4	1.0
<b>3. Financial Requirement</b>	<b>25,103</b>	<b>20,660</b>	<b>53,593</b>	<b>2.9</b>	<b>2.2</b>	<b>5.4</b>
External disbursements	54,169	7,066	7,402	6.2	0.8	0.7
Free availability	53,028	5,522	5,766	6.0	0.6	0.6
Investment projects	1,140	1,544	1,636	0.1	0.2	0.2
Domestic bonds 1/	4,970	7,908	30,480	0.6	0.8	3.1
Privatization	127	106	78	0.0	0.0	0.0
Others 2/	-34,164	5,580	15,633	-3.9	0.6	1.6

1/ Includes amounts corresponding to debt management operations.

2/ Includes variation in deposits and float, among other concepts.

Source: MEF, Banco de la Nación, BCRP, Sunat, EsHealth, state-owned companies, FONAFE and public institutions.



# 1. GOVERNMENT REVENUES GENERAL

**General Government current income** was equivalent to 19.8 percent of GDP in 2023, a ratio 2.3 percentage points lower than recorded in 2022. Most of this decrease is attributed to the tax component, which was negatively affected by the decline in the level of economic activity, the fall in imports, and the reduction in the prices of industrial metals (such as copper and zinc) and hydrocarbons (such as natural gas and oil). This evolution was accentuated by the application of lower coefficients for payment on account in taxable year 2023 and the use of balances in favor of income tax payers.

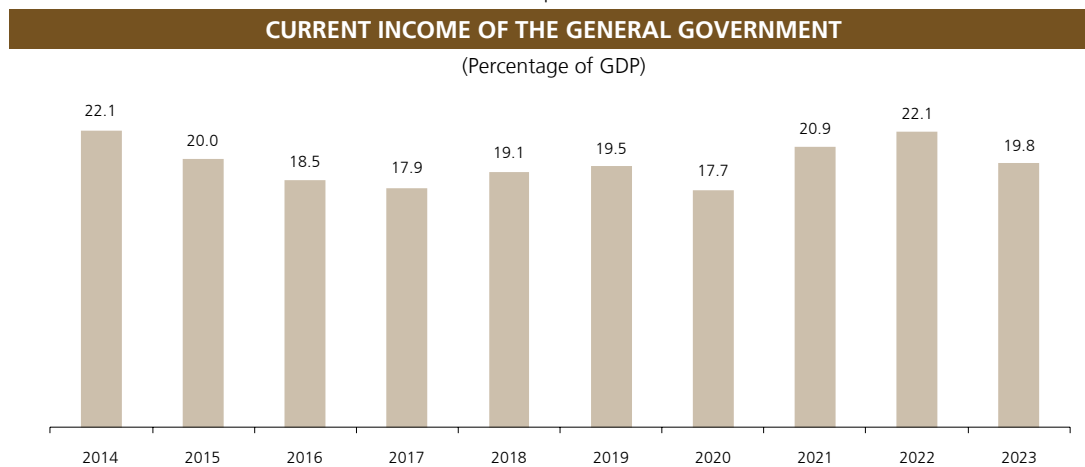
According to components, a lower income tax collection was recorded, mainly due to regularization payments for taxable year 2022 and, to a lesser extent, payments on account by domiciled legal entities. In addition, there was a drop in the general sales tax (IGV), particularly that applied to imports. Among non-tax revenues, there was a decrease in the collection of own resources, partly due to the application of DS 043-2022-EF (which reallocated a fraction of these resources as ordinary resources), as well as canon and oil and gas royalties. This evolution was partially offset by a lower level of tax refunds and higher revenues from transfers from public entities, including the advance of Banco de la Nación's profits to the Public Treasury in November 2023.

Table 47

CURRENT INCOME OF THE GENERAL GOVERNMENT								
	Millions of soles			Real % change		Percentage of GDP		
	2021	2022	2023	2022	2023	2021	2022	2023
<b>I. TAX REVENUES</b>	<b>143,147</b>	<b>161,242</b>	<b>150,985</b>	<b>4.7</b>	<b>-12.0</b>	<b>16.3</b>	<b>17.2</b>	<b>15.1</b>
1. Income taxes	54,877	69,922	62,809	18.6	-15.8	6.2	7.5	6.3
- Individuals	16,016	17,294	17,153	0.5	-7.0	1.8	1.8	1.7
- Legal Entities	29,822	37,605	36,164	17.1	-9.5	3.4	4.0	3.6
- Regularization	9,040	15,022	9,492	55.3	-41.4	1.0	1.6	0.9
2. Import taxes	1,465	1,806	1,547	14.6	-19.4	0.2	0.2	0.2
3. General Sales Tax (IGV)	78,098	88,305	83,444	5.0	-11.1	8.9	9.4	8.4
- Internal	42,608	47,375	48,052	3.2	-4.6	4.9	5.1	4.8
- Imports	35,490	40,930	35,393	7.1	-18.6	4.0	4.4	3.5
4. Selective Consumption Tax (ISC)	9,138	9,026	9,328	-8.3	-2.8	1.0	1.0	0.9
- Fuels	3,648	3,000	3,464	-23.8	8.6	0.4	0.3	0.3
- Others	5,490	6,026	5,864	1.9	-8.5	0.6	0.6	0.6
5. Other tax revenues	19,392	17,809	17,795	-14.7	-6.0	2.2	1.9	1.8
- National Government	16,106	14,253	13,960	-17.8	-7.7	1.8	1.5	1.4
- Local Governments	3,286	3,556	3,835	0.8	1.1	0.4	0.4	0.4
6. Tax refunds	-19,824	-25,625	-23,939	20.0	-12.2	-2.3	-2.7	-2.4
<b>II. NON-TAX REVENUES</b>	<b>40,727</b>	<b>45,881</b>	<b>46,830</b>	<b>4.6</b>	<b>-4.0</b>	<b>4.6</b>	<b>4.9</b>	<b>4.7</b>
1. EsHealth and ONP Contributions	18,054	18,770	19,628	-3.6	-1.6	2.1	2.0	2.0
2. Oil, gas and mining royalties	6,062	5,599	4,280	-13.6	-28.4	0.7	0.6	0.4
3. Petroleum Canon	2,600	3,959	2,754	42.5	-34.7	0.3	0.4	0.3
4. Other income 1/	14,011	17,554	20,167	16.1	8.1	1.6	1.9	2.0
<b>III. TOTAL (I+ II)</b>	<b>183,874</b>	<b>207,124</b>	<b>197,815</b>	<b>4.7</b>	<b>-10.2</b>	<b>20.9</b>	<b>22.1</b>	<b>19.8</b>

1/ Includes own resources, transfers from public entities, interest, income from regulatory, supervisory and registry agencies, among others.  
Source: Sunat, MEF, Banco de la Nación, BCRP, EsHealth, ONP, regulatory agencies, registry offices and charitable societies.

Graph 46



Source: BCRP.

**Income tax** collection contracted by 15.8 percent in real terms and was equivalent to 6.3 percent of GDP in 2023, 1.2 percentage points lower than in 2022. This evolution is mainly explained by the reduction of the regularized balance of the 2022 taxable year and lower payments on account by domiciled legal entities.

Table 48

<b>INCOME TAX BY CATEGORY</b>					
	Millions of soles			Real % change	
	2021	2022	2023	2022	2023
<b>Individuals</b>	<b>16,016</b>	<b>17,294</b>	<b>17,153</b>	<b>0.5</b>	<b>-7.0</b>
First Category (rentals)	616	679	736	2.3	2.0
Second Category (dividends)	3,835	3,605	3,244	-11.8	-16.1
Fourth Category (dependents)	1,328	1,410	1,329	-1.4	-11.3
Quinta Category (dependientes)	10,237	11,600	11,844	5.3	-4.2
<b>Legal Entities</b>	<b>29,822</b>	<b>37,605</b>	<b>36,164</b>	<b>17.1</b>	<b>-9.5</b>
Domiciled	25,397	32,850	31,150	20.1	-10.7
Third Category (companies)	22,786	29,821	28,176	21.6	-11.0
Others	2,611	3,029	2,973	7.6	-7.5
Of which: MYPE Tax Regime	1,941	2,281	2,261	9.0	-6.5
Non-domiciled	4,425	4,755	5,014	0.0	-0.8
<b>Regularization</b>	<b>9,040</b>	<b>15,022</b>	<b>9,492</b>	<b>55.3</b>	<b>-41.4</b>
Individuals	749	1,030	722	28.1	-35.1
Legal Entities	8,291	13,992	8,770	57.8	-41.9
<b>Total</b>	<b>54,877</b>	<b>69,922</b>	<b>62,809</b>	<b>18.6</b>	<b>-15.8</b>

Source: Sunat.

The decrease in **personal income** tax payments (-7.0 percent) was mainly due to the reduction in second category income tax revenues (-16.1 percent), explained by a lower amount of dividends distributed in 2023. For its part, the decrease in the level of government payments to personnel under Administrative Service Contracts (CAS) contributed to a reduction in fourth category income tax revenues (-11.3 percent).

The contraction in the **income of domiciled legal entities** (-10.7 percent) was the result of the downturn in economic activity and lower mineral and hydrocarbon export prices. These factors were compounded by the application of lower payment on account coefficients (due to the decrease in the level of profits in 2022) and the use of balances in favor of taxpayers, which was reflected in the reduction of income from the general or third category regime, particularly in the mining, commerce, hydrocarbons and manufacturing sectors. In addition, since August 2023, requests for reduction of the coefficients of payment on account were filed. **Income collection from non-domiciled legal entities** was reduced by 0.8 percent in real terms with respect to 2022.

The contraction in **income tax regularization** revenues (-41.4 percent) is related to the lower regularized balance of the 2022 taxable year, due to the high payments on account made in that year. The higher payments on account in 2022 are attributed to the favorable context of export prices and the recovery of economic activity during 2021 and early 2022, which generated higher revenues and profits for companies and, consequently, high payment on account ratios in 2022.

Table 49

**THIRD CATEGORY INCOME TAX BY SECTOR: PAYMENTS ON ACCOUNT**

	Millions of soles			Real % change	
	2021	2022	2023	2022	2023
Trade	4,528	6,059	5,290	24.2	-17.7
Mining	5,220	6,081	4,313	8.9	-33.3
Other services 1/	2,954	4,049	4,268	26.9	-0.5
Manufacturing	2,932	3,861	3,192	22.1	-22.0
Financial Services	1,788	1,723	2,991	-10.6	61.9
Hydrocarbons	1,231	3,104	2,421	134.7	-26.4
Electric power and water	1,536	1,842	2,345	11.0	19.9
Transportation	1,322	1,648	1,861	15.5	6.4
Construction	1,107	1,189	1,290	-0.2	1.9
Agriculture sector	64	131	138	90.5	-1.0
Fishing	103	134	67	21.3	-52.4
<b>Total</b>	<b>22,786</b>	<b>29,821</b>	<b>28,176</b>	<b>21.6</b>	<b>-11.0</b>

1/ Includes real estate, business and rental activities, telecommunications, health, social services, tourism and hospitality, and others.  
Source: Sunat.

**GST** collection recorded a real decrease of 11.1 percent and accounted for 8.4 percent of output, 1.0 percentage points lower than in 2022. By component, the reduction was largely due to the IGV applied to imports (-18.6 percent), and to a lesser extent to domestic IGV (-4.6 percent).

**IGV** revenues from **imports** declined due to the moderation of economic activity and domestic demand, which had a negative impact on the volume of imports of raw materials for industry, fuels, lubricants and related products, as well as consumer and capital goods. This factor was compounded by the lower prices of oil and its derivatives, as well as the appreciation of the Sol.

The real contraction in **domestic VAT** collection was due to the moderation of economic activity and the reduction in gas prices. It is worth mentioning that the fall was partially offset by a statistical

effect derived from the exoneration of the IGV for a group of foods in 2022 (Law 31452), effective between May 1 and July 31, 2022).

Table 50

INTERNAL IGV BY SECTOR					
	Millions of soles			Real % change	
	2021	2022	2023	2022	2023
Other services 1/	12,363	15,128	15,578	13.4	-2.9
Trade	8,676	8,190	8,630	-12.3	-1.1
Manufacturing	5,837	5,927	6,300	-6.0	0.1
Transportation	3,123	3,886	4,099	15.4	-0.6
Financial Services	2,660	2,843	3,184	-0.7	5.0
Construction	2,909	2,880	2,866	-8.2	-6.3
Electric power and water	2,120	2,389	2,522	4.5	-0.7
Hydrocarbons	1,745	3,462	2,039	85.9	-44.8
Mining	2,249	1,776	1,790	-26.3	-5.5
Agriculture sector	741	709	935	-10.8	23.6
Fishing	185	185	109	-7.2	-44.3
<b>Total</b>	<b>42,608</b>	<b>47,375</b>	<b>48,052</b>	<b>3.2</b>	<b>-4.6</b>

1/ Includes real estate, business and rental activities, telecommunications, health, social services, tourism and hospitality, and others.

Source: Sunat.

**ISC** revenue decreased by 2.8 percent in real terms and represented 0.9 percent of GDP in 2023, 0.1 percentage points lower than in 2022. This real reduction corresponded to lower revenues from soft drinks, beer and imported goods. In contrast, the ISC applied to fuels increased (8.6 percent), mainly from domestic sales, which mainly reflects the effect of the temporary exclusion of gasoline, gasohol and diesel 2 from the scope of application of the ISC between April and June 2022.

**Import tax** revenues recorded a real contraction of 19.4 percent and represented 0.2 percent of GDP in 2023, a similar level to the previous year. This result was influenced by the lower value of imports (lower import volume and prices) and the appreciation of the Sol.

**Other tax revenues** recorded a real contraction of 6.0 percent and represented 1.8 percent of GDP, 0.1 percentage points lower than in 2022. This decrease is mainly explained by a lower operating profit of mining companies, due to a context of lower export metal prices and the appreciation of the Sol, which resulted in a lower collection of the special mining tax. Likewise, there was a decrease in revenues from fines and road tax (affected by lower gasohol prices).

**Tax refunds** fell by 12.2 percent in real terms and represented 2.4 percent of GDP in 2023, 0.3 percentage points lower than in the previous year. This decrease was mainly observed in export refunds and, to a lesser extent, in early recovery of IGV, excess or undue payments and *drawback*.

**Non-tax revenues** decreased by 4.0 percent in real terms and accounted for 4.7 percent of GDP, 0.2 percentage points lower than in 2022. This result was mainly due to lower revenues from own

resources, as well as canon and oil and gas royalties due to the fall in hydrocarbon prices, particularly natural gas and oil. This dynamic was mitigated by the extraordinary transfer of profits from Banco de la Nación to the Public Treasury for S/ 1 billion, ordered at the end of November 2023 (DU 039-2023), as well as higher interest income from Public Treasury deposits.

## 2. GOVERNMENT EXPENDITURES GENERAL

**Non-financial expenditures of the General Government** fell by 4.1 percent in real terms and represented 21.0 percent of GDP, a ratio 1.0 percentage point of output lower than in 2022. This reflects the withdrawal of spending related to COVID-19 (health emergency and reactivation), as well as the lower level of current transfers for the stabilization of fuel prices and subsidies for the increase in food prices (food bonus and subsidies to beneficiaries of social programs), and other capital expenditures, due to the capital contribution to Petroperú for S/ 4 billion in October and November 2022 and the lower level of honoring state credit guarantees.

Table 51

NON-FINANCIAL EXPENDITURE OF THE GENERAL GOVERNMENT 1/								
	Millions of soles			Real % change		Percentage of GDP		
	2021	2022	2023	2022	2023	2021	2022	2023
<b>I. CURRENT EXPENDITURES</b>	<b>150,235</b>	<b>149,625</b>	<b>156,416</b>	<b>-7.7</b>	<b>-1.4</b>	<b>17.1</b>	<b>16.0</b>	<b>15.7</b>
<b>Remunerations</b>	<b>54,226</b>	<b>55,563</b>	<b>62,618</b>	<b>-5.0</b>	<b>6.2</b>	<b>6.2</b>	<b>5.9</b>	<b>6.3</b>
National Government	29,635	30,922	33,421	-3.3	1.8	3.4	3.3	3.3
Regional Governments	21,964	21,643	26,028	-8.5	13.3	2.5	2.3	2.6
Local Governments	2,628	2,997	3,169	5.6	-0.4	0.3	0.3	0.3
<b>Goods and Services</b>	<b>59,414</b>	<b>60,343</b>	<b>62,807</b>	<b>-5.9</b>	<b>-1.8</b>	<b>6.8</b>	<b>6.4</b>	<b>6.3</b>
National Government	39,316	38,949	40,290	-8.2	-2.4	4.5	4.2	4.0
Regional Governments	7,648	8,682	9,160	5.1	-0.3	0.9	0.9	0.9
Local Governments	12,451	12,712	13,357	-5.4	-0.9	1.4	1.4	1.3
<b>Transfers</b>	<b>36,595</b>	<b>33,719</b>	<b>30,990</b>	<b>-14.5</b>	<b>-13.3</b>	<b>4.2</b>	<b>3.6</b>	<b>3.1</b>
National Government	32,394	29,584	26,689	-15.3	-14.9	3.7	3.2	2.7
Regional Governments	3,356	3,118	3,315	-13.6	0.1	0.4	0.3	0.3
Local Governments	845	1,018	986	11.5	-8.7	0.1	0.1	0.1
<b>II. CAPITAL EXPENDITURE</b>	<b>43,965</b>	<b>56,897</b>	<b>53,173</b>	<b>19.4</b>	<b>-11.4</b>	<b>5.0</b>	<b>6.1</b>	<b>5.3</b>
<b>Gross capital formation</b>	<b>36,867</b>	<b>43,791</b>	<b>46,299</b>	<b>9.6</b>	<b>0.2</b>	<b>4.2</b>	<b>4.7</b>	<b>4.6</b>
National Government	14,084	14,280	17,481	-6.3	15.8	1.6	1.5	1.7
Regional Governments	7,081	9,081	10,723	18.3	11.9	0.8	1.0	1.1
Local Governments	15,703	20,430	18,095	20.0	-16.0	1.8	2.2	1.8
<b>Other capital expenditures</b>	<b>7,098</b>	<b>13,106</b>	<b>6,874</b>	<b>70.1</b>	<b>-49.9</b>	<b>0.8</b>	<b>1.4</b>	<b>0.7</b>
National Government	6,817	12,477	6,256	68.6	-52.0	0.8	1.3	0.6
Regional Governments	162	459	443	164.2	-9.6	0.0	0.0	0.0
Local Governments	119	169	175	30.8	-3.0	0.0	0.0	0.0
<b>III. TOTAL NONFINANCIAL EXPENDITURE (I + II)</b>	<b>194,200</b>	<b>206,522</b>	<b>209,589</b>	<b>-1.5</b>	<b>-4.1</b>	<b>22.1</b>	<b>22.0</b>	<b>21.0</b>
National Government	122,246	126,213	124,137	-4.4	-7.1	13.9	13.5	12.4
Regional Governments	40,209	42,983	49,670	-0.9	9.1	4.6	4.6	5.0
Local Governments	31,745	37,326	35,782	8.6	-9.3	3.6	4.0	3.6

1/ Net of commissions and intergovernmental transfers.

Source: MEF.

It is estimated that the General Government's non-financial spending to face the health and reactivation emergency represented 0.4 percent of GDP in 2023, a lower ratio than in 2022 (1.4 percent). This reduction corresponded mainly to lower spending on goods and services (purchases of medical supplies and payments for CAS personnel), and on other capital expenditures (honoring government loan guarantees, from S/ 3,885 million in 2022 to S/ 1,163 million in 2023). However, this decrease in transitorily spending was counterbalanced by the increase in spending for the Con Punche Peru and Emergencia-FEN programs, which accounted for 1.1 percent of GDP in 2023.

**General Government current expenditures** decreased by 1.4 percent in real terms, from 16.0 to 15.7 percent of GDP between 2022 and 2023. This reduction is mainly explained by lower current transfers.

The **compensation** component increased by 6.2 percent in real terms between 2022 and 2023 due to salary increases granted to personnel in the education and health sectors in 2022 and 2023, as well as to the different public sector labor regimes at the end of 2022. This dynamic was reinforced by higher payments for court rulings, mainly to personnel in the Education sector of the Regional Governments.

Spending on **goods and services** decreased by 1.8 percent in real terms, as a result of the higher inflation recorded in 2023. In nominal terms, this item increased by 4.1 percent, especially in the National Government. This nominal increase is explained by the recovery of non-COVID-19 spending (health emergency and reactivation), including expenditures under the Con Punche Perú and Emergencia-FEN programs, mainly in CAS payments, professional and technical services, and service rentals. There was also higher spending on non-financial assets in the Defense sector (strengthening of the naval industry).

**Transfers** contracted by 13.3 percent in real terms, mainly at the National Government level, due to the lower level of resources allocated to the Fuel Price Stabilization Fund (FEPC), and for the granting of subsidies to the population (food bonus for the increase in food prices and bonus to agriculture and livestock producers for the purchase of fertilizers).

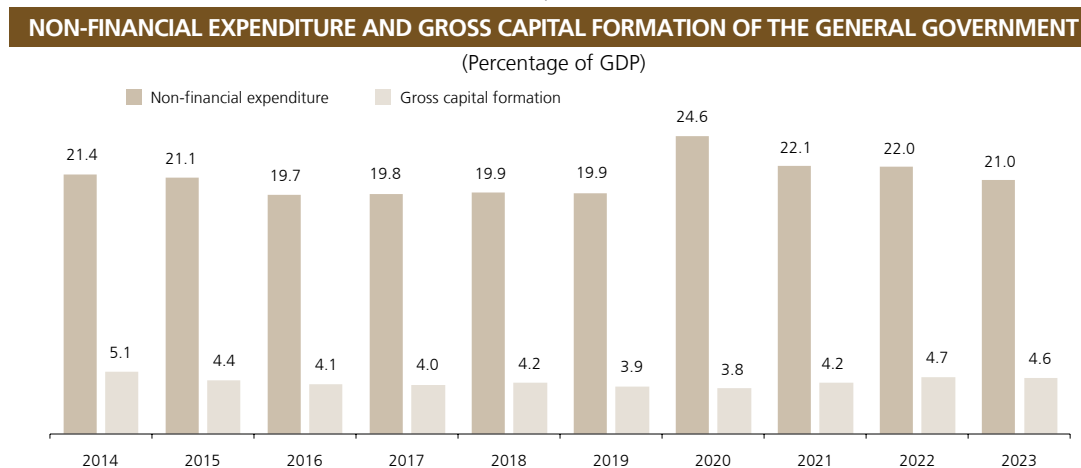
General Government **gross capital formation** increased slightly by 0.2 percent in real terms between 2022 and 2023, consistent with the higher level of spending by the National and Regional Governments. The increase recorded in the National Government was due to the "rest" group<sup>28</sup> of projects and activities, including Line 2 of the Lima and Callao Metro and the Bicentennial Schools project, as well as the Reconstruction group, under the Government-to-Government agreement with the United Kingdom, among others. Likewise, the earlier availability of resources and the support and training actions carried out by the MEF contributed to this evolution, especially in the Regional Governments, despite the fact that it was their first year of management.

**Other capital expenditures** decreased by 49.9 percent in real terms, mainly due to the following factors by a higher basis of comparison due to the capital contribution of the Public Treasury to

28 Reconstruction Group, includes the projects and activities under the Comprehensive Plan for the Reconstruction with Changes, which are executed within the framework of the Government to Government Agreement with the United Kingdom, under the responsibility of the PCM, and by the rest of the National Government entities, Regional Governments and Local Governments; response to COVID-19 (for example, acquisition of medical equipment to face the health emergency and devices such as tablets for the continuity of educational services); Reactivation (Arranca Perú, projects and activities oriented to the generation of employment and income, mainly in the functions of Sanitation, Housing and Urban Development, and Transportation); and "rest" (those that do not belong to the previous groups)

Petroperu by S/ 4,000 million in October and November 2022 (DU 023-2022), as well as a lower honoring of state credit guarantees, especially from the Reactiva Perú program.

Graph 47



Source: BCRP.

Table 52

GENERAL GOVERNMENT GROSS CAPITAL FORMATION					
	Millions of soles			Real % change	
	2021	2022	2023	2022	2023
<b>National Government</b>	<b>14,084</b>	<b>14,280</b>	<b>17,481</b>	<b>-6.3</b>	<b>15.8</b>
Reconstruction	2,835	3,832	4,315	25.0	6.3
Government to Government	2,001	3,299	3,956	52.4	13.2
Rest	834	533	360	-40.9	-36.3
Covid-19	866	203	13	-78.1	-94.2
Reactivation	4	0	0	-98.7	n.a.
Rest	10,378	10,245	13,153	-8.8	21.6
<b>Regional Governments</b>	<b>7,081</b>	<b>9,081</b>	<b>10,723</b>	<b>18.3</b>	<b>11.9</b>
Reconstruction	619	330	311	-50.7	-10.9
Covid-19	288	139	67	-55.9	-53.6
Reactivation	75	37	44	-55.1	13.0
Rest	6,099	8,576	10,301	29.7	13.8
<b>Local Governments</b>	<b>15,703</b>	<b>20,430</b>	<b>18,095</b>	<b>20.0</b>	<b>-16.0</b>
Reconstruction	2,764	2,295	1,480	-23.2	-38.9
Covid-19	26	8	2	-71.7	-81.9
Reactivation	1,742	312	105	-83.5	-68.2
Rest	11,171	17,815	16,508	47.1	-12.1
<b>TOTAL</b>	<b>36,867</b>	<b>43,791</b>	<b>46,299</b>	<b>9.6</b>	<b>0.2</b>
Reconstruction	6,218	6,458	6,107	-3.9	-10.6
Covid-19	1,180	349	81	-72.5	-78.1
Reactivation	1,821	348	149	-82.3	-59.7
Rest	27,648	36,636	39,962	22.3	3.4

Source: MEF.



## National Government

**Non-financial expenditures of the National Government** accounted for 12.4 percent of GDP, 1.1 percentage point lower than recorded in 2022. In real terms, spending decreased by 7.1 percent, mainly due to lower spending on other capital expenditures and current transfers.

**Compensation** spending increased by 1.8 percent in real terms, remaining constant with respect to GDP between 2022 and 2023 (3.3 percent). In nominal terms, this component grew by 8.1 percent, due to higher salaries in the Education and Health sectors, and the different labor regimes of public sector workers.

Expenditure on **goods and services** decreased by 2.4 percent in real terms, from 4.2 to 4.0 percent of GDP between 2022 and 2023. In nominal terms, it increased by 3.4 percent, with the increase in nonCOVID-19 spending in most items, particularly the acquisition of non-financial assets of the Defense and Interior sectors, and Emergency spending - El Niño event and Con Punche Perú, were offset in part by the withdrawal of spending for the health emergency, particularly on medical supplies and vaccines, and personnel payments, especially for the CAS system.

Spending on **current transfers** contracted by 14.9 percent in real terms, from 3.2 to 2.7 percent of Expenditure-side GDP between 2022 and 2023. This decrease is mainly explained by the lower level of transfers for fuel price stabilization and subsidies for the increase in food prices (food vouchers and subsidies to beneficiaries of social programs), in addition to the withdrawal of spending for the health emergency. This was partially offset by transfers made through Con Punche Perú (e.g., programs from the farm to the pot, food delivery to vulnerable families, purchases from MYPE through FONCODES, among others).

**Gross capital formation** grew by 15.8 percent in real terms, from 1.5 to 1.7 percent between 2022 and 2023. During the year, higher spending was recorded for the Public Order and Security and Education functions, and to a lesser extent Agriculture, Transportation and Sanitation, mainly, highlighting the execution of projects and activities included in the “rest” and Reconstruction groups within the framework of the Government to Government Agreement with the United Kingdom. In the “rest” group, progress was made in transportation infrastructure projects, including Line 2 of the Lima and Callao Metro, and educational infrastructure, particularly the special Bicentennial Schools project. For its part, the expenditure accrued for reconstruction under the Government to Government Agreement with the United Kingdom corresponded mainly to integral solutions projects, and to a lesser extent, the construction of health facilities and educational facilities.

The National Government’s **other capital expenditures** decreased by 52.0 percent in real terms, from 1.3 to 0.6 percent of GDP between 2022 and 2023, due to the recording of a capital contribution to Petroperu (S/. 4 billion in 2022) and the lower honoring of government credit guarantees, mainly from the Reactiva Peru program (S/. 3,885 million in 2022 compared to S/. 1,163 million in 2023).

Table 53

**MAIN INVESTMENT PROJECTS OF THE NATIONAL GOVERNMENT: 2023 1/**

(Millions of soles)

MAJOR PROJECTS	Amount
<b>TRANSPORTATION 2/</b>	<b>4,384</b>
Lima and Callao Subway Line	2,953
Huanuco - Conococha Highway, Huanuco	252
Chinchero International Airport, Cusco	213
Santa Maria Highway - Machu Picchu Hydroelectric Bridge, Cusco	146
Via Expresa Santa Rosa, Callao	122
Lima - Canta - La Viuda - Unish Highway	92
Emp Pe-3Sm Highway (Dv. Lirio) - Acoria, Huancavelica	84
New Central Highway	82
Acquisition of assets for the Dirección de Gestión Vial de Proviás Nacional (Road Management Directorate of Proviás Nacional)	78
Chuquicara Highway - Pallasca, Ancash	77
Dv. Chiguirip Highway - El Chirimoyo Crossroads, Cajamarca	62
Longitudinal Highway of the Northern Highlands, Cajamarca	61
Chimbote - Tocache Highway, San Martín	60
Highway Dv. Salcabamba - Pichiu, Huancavelica	57
Broadband, Amazonas	56
Broadband, Huanuco	56
Broadband, Junín	55
Pisac - Nuevo Eden Highway, Cusco	52
Rest	1,824
<b>RECONSTRUCTION - GOVERNMENT-TO-GOVERNMENT AGREEMENT WITH THE UNITED KINGDOM</b>	<b>3,956</b>
Flood protection in La Esperanza and Huanchaco, La Libertad	373
Support Hospital of Sullana, Piura	266
Protection against flooding in the Chico and Matagente river sections, Ica	207
Pomabamba Support Hospital, Ancash	143
Support Hospital of Recuay, Ancash	143
Flood protection on the Casma, Sechin and Grande rivers, Ancash	141
Protection of the banks of the Lacramarca River, Ancash	115
Flood protection on both banks of the Huarmey River, Ancash	115
Flood protection of the Cañete River, Lima	114
San Juan de Matucana Hospital, Lima	107
Support Hospital of Casma, Ancash	97
Support Hospital of Yungay, Ancash	86
San Juan de Dios Hospital, Caraz, Ancash	80
Flood protection services in Porvenir, Trujillo and Larco Herrera, La Libertad	77
Provincial Hospital of Cascas, La Libertad	77
Protection of the banks of the Huara River, Lima	76
Storm drainage in the urban areas of 4 districts in Lambayeque	70
Flood protection on both banks of the Chicama River, La Libertad	54
Rest	1,615
<b>EDUCATION</b>	<b>3,211</b>
Bicentennial Schools	1,258
Installed capacity for preparedness and response to emergencies and disasters	59
San Agustín National University Applied Research Center and Laboratories	59
Management of University and Technological Higher Education Services at the national level	51
Rest	1,783
<b>AGRICULTURE</b>	<b>1,401</b>
Fruit fly eradication in Piura, Tumbes, Cusco and others	92
Public Services for Local Productive Development	56
Water recharge and rainwater harvesting in 14 departments	54
Food safety in agriculture sector food production and processing	49
Riverine defense of the Zarumilla River, Tumbes	45
Flood and overflow control of the Pisco River, Ica	40
Rest	1,067
<b>SANITATION</b>	<b>965</b>
Drinking water and sewerage of Huarmey, Ancash	94
Drinking water in Calana, Tacna	40
Drinking water and sewerage in Huarochirí, Lima	25
Rest	805
<b>HEALTH</b>	<b>801</b>
Huari Health Establishment, Ancash	99
Antonio Lorena Hospital, Cusco	94
Improvement of health services at Huarmey hospital, Ancash	83
Uta Health Establishment, Huamán, Huánuco	62
Hospital of Tambopata, Cotabambas, Apurímac	27
Hospital de Bambamarca, Hualgayoc, Cajamarca	25
Rest	411
<b>OTHER</b>	<b>2,763</b>
<b>TOTAL</b>	<b>17,481</b>

1/ The projects listed under each function or item are those with the highest accruals for the year.

2/ Excludes payments for works carried out in previous years under the concession scheme, payments for expropriations and land releases, and advances on identified works.

Source: MEF.

## Regional Governments

**Non-financial expenditures by Regional Governments** represented 5.0 percent of GDP, 0.4 percentage points higher than in 2022. In real terms, spending increased 9.1 percent, due to higher spending on salaries and gross capital formation.

Spending on **salaries** increased by 13.3 percent in real terms, from 2.3 to 2.6 percent of Expenditureside GDP between 2022 and 2023. This development is explained by the increase granted to teachers and health personnel, mainly, as well as by a higher payment of sentences and arbitration awards, particularly to personnel in the education sector. Expenditure on **goods and services** decreased by 0.3 percent in real terms, and remained constant with respect to GDP (0.9 percent), while expenditure on **current transfers** increased by 0.1 percent in real terms, maintaining the ratio with respect to GDP (0.3 percent of GDP).

**Gross capital formation** grew by 11.9 percent in real terms, from 1.0 to 1.1 percent of GDP between 2022 and 2023. According to functions, the increase was generalized, highlighting the higher execution in projects and activities in Education, Transportation, Agriculture, Health and Public Order and Security; and according to groups, it corresponded to the “rest” group, highlighting the water consolidation projects of the Grande-Santa Cruz river account in Ica, departmental road JU-108 Palian-Pariahuanca in Junín and hospital Santiago Apóstol de Utcubamba in Amazonas. The increase was recorded in 17 of 25 departments, particularly in Cajamarca, Ica, Ucayali, Junín, Amazonas, Huánuco, La Libertad, Piura, Tumbes, Ayacucho, Cusco and Arequipa; and by sources of financing, it was mainly supported by the Regional Compensation Fund (FONCOR), and to a lesser extent by ordinary resources. Between 2022 and 2023, both the number of projects and activities and the average accrued expenditure increased.

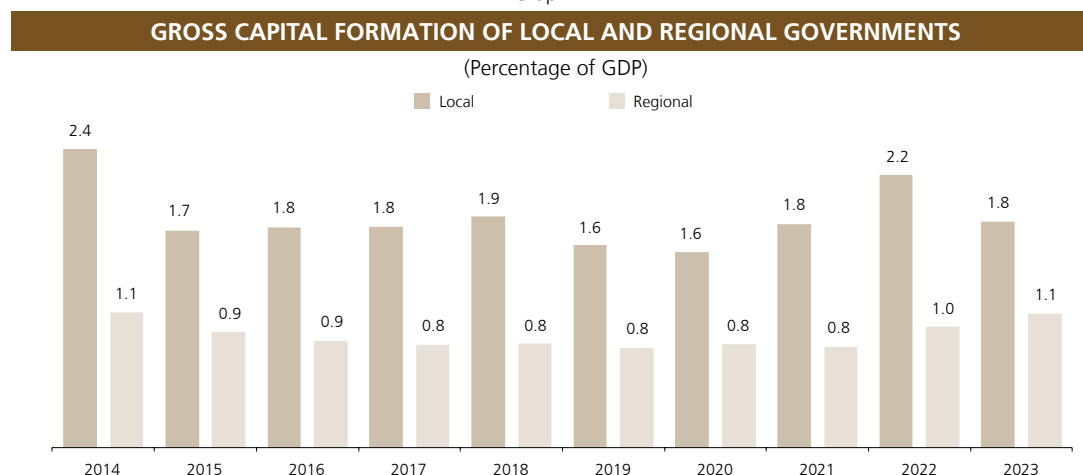
## Local Governments

**Non-financial expenditures of Local Governments** accounted for 3.6 percent of GDP in 2023, 0.4 percentage points of output lower than in 2022. In real terms, Non-financial expenditures of this level of government contracted by 9.3 percent, mainly due to the lower level of gross capital formation.

The components of current expenditure, remunerations, goods and services, and transfers, decreased in real terms (-0.4, -0.9 and -8.7 percent, respectively), while the ratios remained constant with respect to GDP, with the exception of the acquisition of goods and services, which went from 1.4 to 1.3 percent. The latter recorded a nominal increase, mainly due to the rental of services, professional and technical services, and rents, offset in part by lower spending on maintenance services, particularly in the context of Arranca Perú.

For its part, **gross capital formation** contracted by 16.0 percent in real terms, from 2.2 to 1.8 percent of GDP between 2022 and 2023, in the first year of management of the new municipal authorities. According to groups of projects and activities, the drop was recorded mainly in the “rest” and Reconstruction groups, and to a lesser extent reactivation (Arranca Perú), due to the withdrawal of spending for the Covid-19 pandemic. According to functions, the decrease was generalized, recorded particularly in the Transport, Education, Culture and Sports, Housing and Urban Development and Sanitation functions; and according to regions, in the municipalities of 22 out of 25 departments, particularly in Lima, Ancash, La Libertad, Apurímac, Cajamarca, Huanuco and Arequipa. Between 2022 and 2023, the number of projects and activities decreased, while the average accrued expenditure increased.

Graph 48



Source: BCRP.

### 3. STATE-OWNED COMPANIES

In 2023, the economic surplus on a cash basis of state-owned companies amounted to S/ 184 million, an amount that contrasts with the deficit recorded in 2022 (-S/ 2,566 million). This is explained by Petroperu's lower deficit and the surplus recorded by the "rest" of the companies, which contrasts with the deficit recorded in 2022 by this group of companies. On the other hand, Sedapal and Electroperu recorded a larger deficit, while the regional electricity companies recorded a smaller surplus.

Table 54

ECONOMIC RESULT ON CASH BASIS OF STATE-OWNED COMPANIES 1/						
	Millions of soles			Percentage of GDP		
	2021	2022	2023	2021	2022	2023
Petroperú	-1,107	-2,846	-1,313	-0.1	-0.3	-0.1
Electroperú	324	-219	-277	0.0	0.0	0.0
Regional Electricity	1,131	870	810	0.1	0.1	0.1
Sedapal	133	-180	-296	0.0	0.0	0.0
Other companies	-331	-192	1,259	0.0	0.0	0.1
<b>TOTAL</b>	<b>150</b>	<b>-2,566</b>	<b>184</b>	<b>0.0</b>	<b>-0.3</b>	<b>0.0</b>

1/ The economic result on to cash basis does not refer to the company's income statement.

Source: SOEs, FONAFE and MEF

In 2023, Petroperú recorded a deficit economic result of S/ 1,313 million, lower than that registered in 2022 (-S/ 2,846 million), which is mainly explained by lower expenses for expenses on goods and services (in S/ 12,049 million), which were partially offset by lower sales income (-S/ 6,129 million) and capital income (-S/ 4,000 million).

The drop in expenses from purchases of goods and services is explained by the reduction in the volumes of crude oil and products (-16 percent) and purchase prices (-21 percent), to which is added the rescheduling of payments for purchases of imported products and the longer payment term for purchases of crude oil. For its part, the drop in sales revenue is explained by lower volumes (-19 percent) and average sales prices (-14 percent), observing a reduction in the company's participation in the domestic market (from 29 percent in 2022 to 26 percent in 2023). Meanwhile, the lower level

of capital inflows (-S/ 4 billion) is explained by the fact that in October-November In November 2022, a capital contribution from the Public Treasury was recorded for such amount.

The new Talara refinery started operating gradually in the first quarter of 2023 and from the first quarter of According to the company, it is in the process of optimizing its operations.

**Sedapal recorded an economic deficit of S/ 296 million, higher than in 2022 (-S/ 180 million).**

This is explained by higher capital expenditures (S/. 455 million), which more than offset the higher level of savings in the current account (S/ 259 million), as a result of an increase in revenues greater than that of expenditures. Projects included the Nueva Rinconada drinking water and sewerage system, the Cerro Las Ánimas scheme and annexes, and improvements to the treatment plant and wastewater treatment plant in San Bartolo.

The increase in current income is mainly explained by higher income from sales of potable water and sewage service, and groundwater monitoring service, due to the increase in tariffs in May and August 2022. Expenses for current expenses increased mainly due to a higher payment of taxes on its own account, while expenses for goods and services decreased due to a lower installation of meters and the contracting of miscellaneous services.

**Electroperú recorded an economic loss of S/. 277 million, slightly higher than the previous year (-S/. 219 million).**

This development is explained by the higher level of expenses for goods and services (S/. 542 million), particularly in energy purchases for its own operations, higher volumes -due to the lower production of the Mantaro hydroelectric complex- and prices, and more energy and power purchases to meet Proinversión's commercialization order. This was counterbalanced by an improvement in sales revenues (S/. 149 million), particularly to end customers and for the marketing order, as well as by a lower level of profit transfer to the Consolidated Reserves Fund - FCR (-S/ 178 million) and a decrease in tax payments (-S/ 141 million), mainly.

**The regional electricity companies recorded an economic result of S/. 810 million, lower than in 2022 (S/. 870 million).**

This is explained by higher capital expenditures (S/ 97 million), particularly in gross capital formation, which more than offset the increase in the level of savings in the current account, as a result of an increase in revenues higher than that of expenditures.

The increase in current income is explained both by a higher level of sales revenues, due to higher volumes, prices and improved collection management, as well as other current income, including an arbitration award in favor of Empresa de Generación Eléctrica Machupicchu (EGEMSA), financial income from deposits and financial investments, and tax refunds to Empresa Regional de Servicio Público de Electricidad del Centro (Electrocentro), among others. The increase in expenditures for current expenses is related to the expansion of energy purchases and the payment of toll services, and the higher payment of taxes on its own account.

The **rest of the SOEs** recorded a surplus economic result of S/. 1,259 million in 2023, which contrasts with the deficit recorded in 2022 (-S/ 192 million). This is mainly explained by the operations of the company Sima Perú, which reported a higher level of income from the strengthening of the naval industry (S/ 1,507 million, having executed S/ 72 million in the year for this item). For its part, the group made up of municipal companies and decentralized public agencies recorded an economic surplus of S/ 239 million, higher than in 2022 (S/ 106 million), due to the increase in current income of municipal companies and, to a lesser extent, decentralized public agencies, and the decrease in the level of capital expenditures of the latter entities.

## 4. PUBLIC SECTOR DEBT NOT FINANCIAL

The **gross debt** of the Non-Financial Public Sector amounted to S/ 329,234 million at the end of 2023, an amount equivalent to 32.9 percent of GDP. This ratio is 1.0 percentage points of GDP lower than recorded at the end of 2022, which is explained by the higher level of nominal GDP.

In nominal terms, the gross debt balance increased by S/ 11,928 million between 2022 and 2023, due to the increase in the fiscal deficit, which was also financed with the use of deposits of the Non-Financial Public Sector. According to components, higher domestic debt was recorded, mainly due to sovereign bond placements in the OAD, and for deficit financing. On the contrary, external debt decreased due to the partial withdrawal of global bonds within the framework of the OAD and the effect of the appreciation of the Sol against the US dollar.

Table 55

BALANCE OF NONFINANCIAL PUBLIC SECTOR DEBT 1/						
	Millions of soles			Percentage of GDP		
	2021	2022	2023	2021	2022	2023
<b>PUBLIC DEBT (I + II)</b>	<b>314,890</b>	<b>317,305</b>	<b>329,234</b>	<b>35.8</b>	<b>33.9</b>	<b>32.9</b>
<b>I. EXTERNAL PUBLIC DEBT</b>	<b>170,438</b>	<b>164,527</b>	<b>158,335</b>	<b>19.4</b>	<b>17.6</b>	<b>15.8</b>
Credits	43,221	44,106	46,567	4.9	4.7	4.7
International organizations	34,378	35,292	38,236	3.9	3.8	3.8
Paris Club	3,656	4,411	4,580	0.4	0.5	0.5
International banking	5,187	4,403	3,751	0.6	0.5	0.4
Bonds	127,217	120,421	111,769	14.5	12.9	11.2
Global bonds	115,247	108,991	100,639	13.1	11.6	10.1
Non-financial public company bonds	11,970	11,430	11,130	1.4	1.2	1.1
<b>II. DOMESTIC PUBLIC DEBT</b>	<b>144,452</b>	<b>152,778</b>	<b>170,898</b>	<b>16.4</b>	<b>16.3</b>	<b>17.1</b>
<b>1. LONG TERM 2/</b>	<b>134,632</b>	<b>142,453</b>	<b>158,237</b>	<b>15.3</b>	<b>15.2</b>	<b>15.8</b>
Bank loans	1,295	1,132	1,429	0.1	0.1	0.1
Treasury Bonds	133,337	141,321	155,603	15.2	15.1	15.6
<i>Public debt swap with the Banco de la Nación</i>	295	295	38	0.0	0.0	0.0
<i>Sovereigns Recognition</i>	129,611	137,878	152,915	14.8	14.7	15.3
<i>Recognition</i>	3,432	3,148	2,650	0.4	0.3	0.3
Bonds of the Municipality of Lima	0	0	1,205	0.0	0.0	0.1
<b>2. SHORT-TERM</b>	<b>9,819</b>	<b>10,325</b>	<b>12,661</b>	<b>1.1</b>	<b>1.1</b>	<b>1.3</b>
Note:						
Public-Private Partnerships Obligations 3/	2,088	1,292	724	0.2	0.1	0.1
Fuel Price Stabilization Fund	-138	2,319	903	0.0	0.2	0.1
Cofide and Fondo Mivivienda's External Debt	11,240	11,471	12,422	1.3	1.2	1.2
<b>Global and Sovereign Bond Holdings</b>	<b>244,858</b>	<b>246,869</b>	<b>253,554</b>	<b>27.9</b>	<b>26.4</b>	<b>25.4</b>
Residents	69,760	84,843	100,408	7.9	9.1	10.0
No Residents	175,098	162,026	153,146	19.9	17.3	15.3
<b>Sovereign Bonds</b>	<b>129,611</b>	<b>137,878</b>	<b>152,915</b>	<b>14.8</b>	<b>14.7</b>	<b>15.3</b>
Residents	66,242	81,753	97,888	7.5	8.7	9.8
No Residents	63,368	56,125	55,027	7.2	6.0	5.5
<b>Global Bonds</b>	<b>115,247</b>	<b>108,991</b>	<b>100,639</b>	<b>13.1</b>	<b>11.6</b>	<b>10.1</b>
Residents	3,518	3,090	2,520	0.4	0.3	0.3
No Residents	111,729	105,902	98,118	12.7	11.3	9.8

1/ Includes the debt of the National Government, sub-national governments (regional and local) and non-financial public enterprises.

2/ Includes debt recognized with FONAVI, Law 29625.

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

Source: MEF, BCRP, Banco de la Nación, ONP, PetroPerú, Ministry of Transportation and Communications, Cofide and FMV.

It is worth mentioning that the OAD involved the issuance of a new Sovereign Bond 2033 and the redemption of part of the Sovereign Bonds 2023, 2024, 2026 and 2028, and of the Global Bonds 2025, 2026, 2027, 2030 and 2031, through repurchase and exchange operations. In this operation, the repurchase of global bonds for USD 1,628 million and sovereign bonds, including Global Depositary Notes (GDN), for S/ 6,913 million, and

the exchange of sovereign bonds for S/ 7,099 million were accepted. For this purpose, the Sovereign Bond 2033 was issued for a total of S/ 16,358 million and domestic currency deposits were withdrawn in the BCRP for S/ 3,988 million and in foreign currency for USD 78 million, including interest payments.

#### 4.1 PUBLIC DEBT EXTERNAL

At the end of 2023, the Non-Financial Public Sector **external debt** amounted to S/ 158,335 million, an amount that represents 15.8 percent of GDP, a ratio 1.8 percentage points lower than recorded at the end of 2022. This drop is explained by the effect of the appreciation of the Sol against the US dollar (estimated at -S/ 4,270 million) and by the partial retirement of global bonds 2026, 2027, 2030 and 2031 under the OAD (USD 1,628 million).

During the year, contingent and unrestricted credits were disbursed for USD 1,555 million, of which USD 1,420 million were granted by international organizations (USD 750 million by the World Bank-WB, USD 300 million by the Inter-American Development Bank-IDB and USD 370 million by the Andean Development Corporation-CAF). In addition, the State Development Bank of the Federal Republic of Germany-KfW, a member of the Paris Club, disbursed USD 135 million.

#### 4.2 DEBT INTERNAL

At the end of 2023, the **domestic debt** of the Non-Financial Public Sector amounted to S/ 170,898 million, equivalent to 17.1 percent of GDP, 0.8 percentage points higher than in December 2022.

In nominal terms, this component increased by S/ 18,120 million between the end of 2022 and 2023, mainly explained by the placement of sovereign bonds net of amortizations (S/ 15,038 million). This amount includes placements under the Market Makers program (S/ 12,917 million) and under the May-June 2023 OAD (S/ 16,358 million), counterbalanced by the partial withdrawal of sovereign bonds under this OAD (-S/ 14,012 million) and the amortization of the bond maturing in September 2023 (S/ 384 million). Likewise, by the increase in the expenditure float (S/ 2,488 million) and the placement of a bond maturing in 2043 by the Metropolitan Municipality of Lima (S/ 1,205 million).

#### 4.3 DEBT NET

The **net debt** of the Non-Financial Public Sector, defined as the difference between financial liabilities or total public debt and financial assets (total deposits in the financial system and other financial assets) increased from S/ 197 166 million in 2022 to S/ 225 270 million in 2023. This level represents 22.5 percent of GDP, which is 1.4 percentage points higher than in 2022.

Table 56

NET DEBT OF THE NON-FINANCIAL PUBLIC SECTOR						
Years (Balance as of December)	Millions of soles			Percentage of GDP		
	Assets	Liabilities	Net Debt	Assets	Liabilities	Net Debt
2014	96,994	114,432	17,438	16.8	19.8	3.0
2015	109,033	142,241	33,208	17.8	23.2	5.4
2016	111,649	156,663	45,014	16.8	23.6	6.8
2017	107,407	173,976	66,569	15.2	24.6	9.4
2018	107,091	190,789	83,698	14.3	25.5	11.2
2019	105,998	206,301	100,303	13.6	26.5	12.9
2020	89,019	249,197	160,177	12.3	34.5	22.2
2021	124,168	314,890	190,722	14.1	35.8	21.7
2022	120,140	317,305	197,166	12.8	33.9	21.1
2023	103,964	329,234	225,270	10.4	32.9	22.5

Source: MEF, BCRP, Banco de la Nación, Petroperú, ONP, EsHealth, Electroperú and FONAFE.

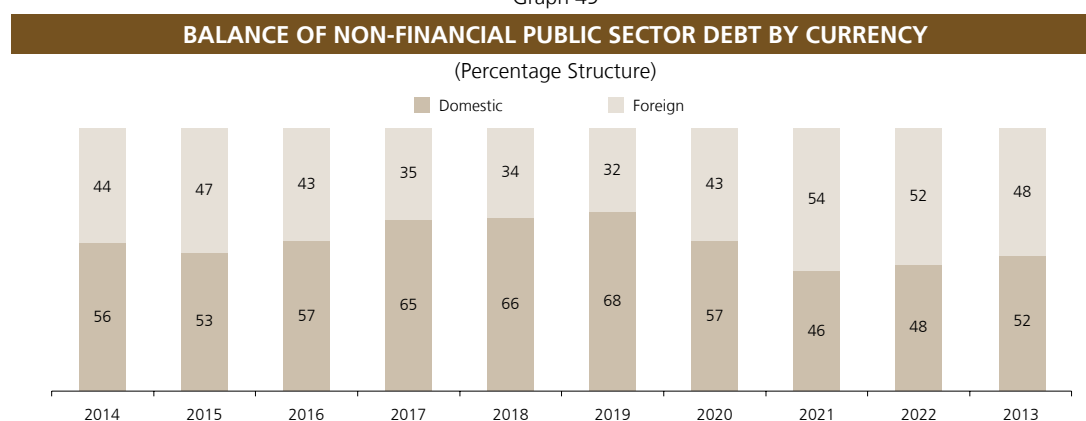


In nominal terms, the increase in net debt (S/ 28,104 million) is mainly explained by the increase in the fiscal deficit, which was financed by a greater use of deposits from the Non-Financial Public Sector deposits and by the year's indebtedness.

#### 4.4 DEBT BY CURRENCIES

The share of Non-Financial Public Sector debt in foreign currency decreased from 52.1 to 48.3 percent of total debt between 2022 and 2023, mainly due to the effect of the appreciation of the Sol against the U.S. dollar on the debt balance and the partial retirement of global bonds under the OAD. This reduction occurred despite disbursements recorded during the year for loans from international organizations and the Paris Club.

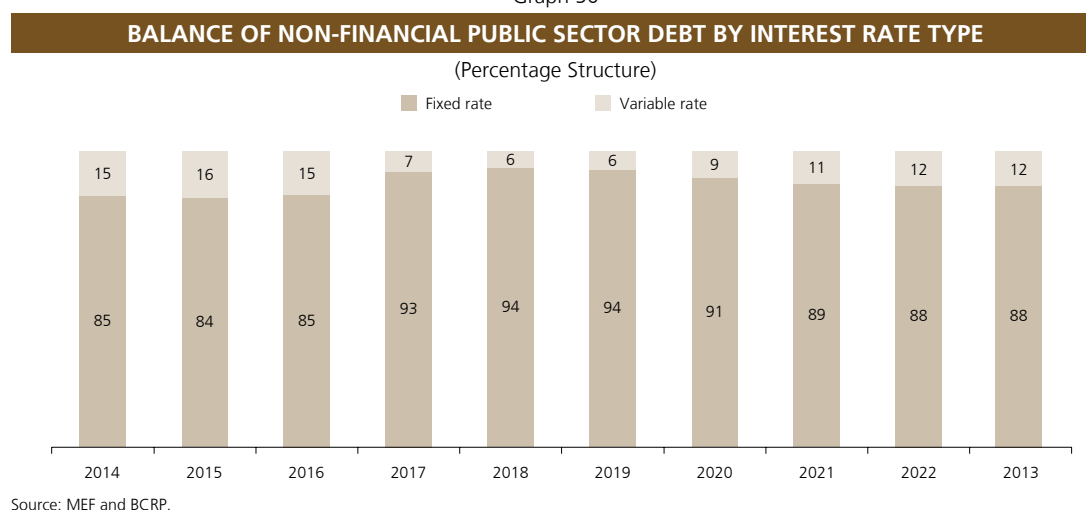
Graph 49



#### 4.5 DEBT BY TYPE OF INTEREST RATE

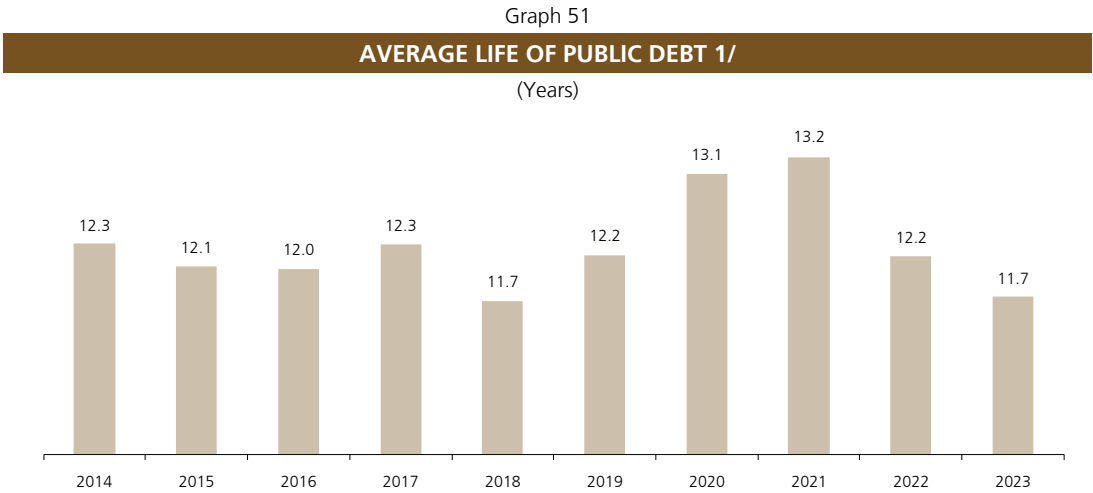
At the end of 2023, fixed-rate Non-Financial Public Sector debt represented 88 percent of total debt, a ratio similar to that of the previous year. This is due to the fact that fixed-rate placements, mainly of sovereign bonds, were offset by higher debt with international organizations and the Paris Club.

Graph 50



4.6 AVERAGE LIFE OF THE DEBT

At the end of 2023, the average life of total medium- and long-term public debt was 11.7 years, which represents a decrease compared to the end of 2022 (12.2 years). The average life of domestic public debt was 9.6 years (9.5 years in 2022), while the average life of external public debt was 13.7 years (14.2 years in 2022).



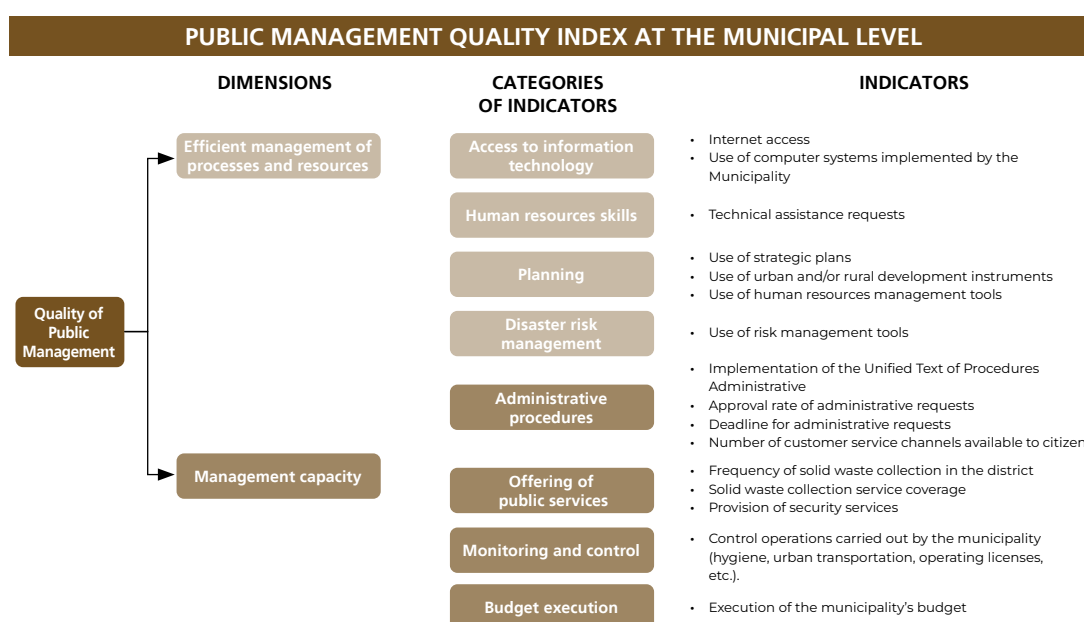
1/ Calculated by MEF and refers to medium and long-term financial and non-financial public sector debt.  
Source: MEF.

## Box 3

## QUALITY OF MUNICIPAL PUBLIC MANAGEMENT AT THE DISTRICT AND PROVINCIAL LEVELS

The **Public Management Quality Index (ICGP)** is a synthetic indicator constructed by the BCRP's Department of Social and Regional Policies, which approximates the concept of municipal management quality based on two dimensions: efficiency in the administration of resources and processes; and capacity to execute public policies and provide public services. To measure these two dimensions, a set of indicators were used for each of them, which are mainly taken from the survey of the National Registry of Municipalities (RENAMU).

1. To measure efficiency in resource management, four sets of indicators are used: access to information technologies (2 indicators), human resource skills (1 indicator), planning (3 indicators), and disaster risk management (1 indicator).
2. Four sets of indicators are also used to measure government capacity: performance of administrative procedures (4 indicators), provision of public services (3 indicators), performance of monitoring and oversight activities (1 indicator), and budget execution (1 indicator).



3. A methodology similar to that used by the World Bank in the calculation of the *Doing Business* indicator is used to construct the GPCI. The process is carried out in two stages.

First, an individual score normalized to a common unit is calculated for each indicator. This is achieved by the following linear transformation:

$$\hat{y} = \frac{y - y_{\min}}{y_{\max} - y_{\min}} * 100,$$

where,  $y_{\min}$  represents the lowest value of the indicator among subnational governments in a base year, and  $y_{\max}$ <sup>29</sup>, the highest.<sup>30</sup> If it happens that a variable is measured in such a way that a lower

<sup>29</sup> 2015 was chosen as the base year for this exercise for both  $y_{\min}$  and  $y_{\max}$ .

<sup>30</sup> In the case of budget execution, it is assigned as  $y_{\max}$  at 100 percent execution, and  $y_{\min}$  as 0 percent, so that the normalized variable measures the gap with respect to the ideal situation. Therefore, it is possible that the best government in terms of public management does not obtain an indicator of 100.

value expresses a better management (e.g., days needed to carry out a procedure), the formula for normalization is:

$$\hat{y} = \left(1 - \frac{y - y_{\min}}{y_{\max} - y_{\min}}\right) * 100$$

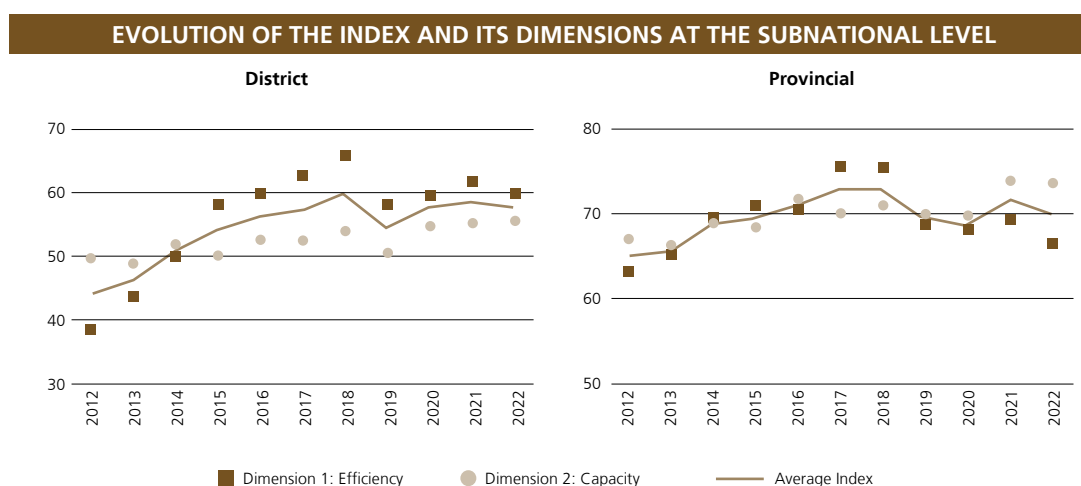
In this way, a higher score is assigned to the values close to the maximum in the distribution. In the event that in any specific year occur that  $y < y_{\min}$  or  $y > y_{\max}$ , scores of 0 and 100, respectively, are assigned.

In a second stage, the normalized indicators are aggregated. To do this, a simple average is calculated within each dimension, due to the lack of *a priori* knowledge of the relative importance of each indicator. Under a similar logic, once the indices per dimension have been calculated, a simple average is again applied between the dimensions to obtain the public management quality index.

## Results

The results show that there was an increasing trend in municipal quality until 2018 and then a drop in 2019. Subsequently, district-level quality has been recovering, while provincial quality has had an oscillating behavior. Likewise, it should be noted that provincial public management quality was higher than district quality throughout the period.

It is observed that, for both district and provincial levels, there was a slight reduction in the indicator in 2022 with respect to 2021. As shown in the graph below, the reduction in the municipal public management quality index in 2022 was mainly driven by a deterioration in the efficiency dimension, both for the case of districts and provinces. On the other hand, the management capacity dimension remained stable in the last year.

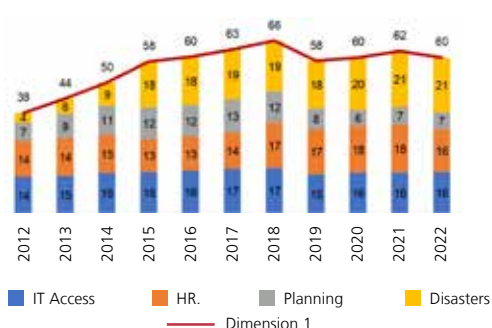


A breakdown of the average scores for each dimension shows that the decline in efficiency in 2022 was due to a deterioration in human resource capacity at both the district and provincial levels. It should be noted that disaster risk management has improved considerably over the last decade. Regarding the management capacity dimension, no considerable changes are observed in any of the specific categories that compose it in 2022 with respect to 2021.

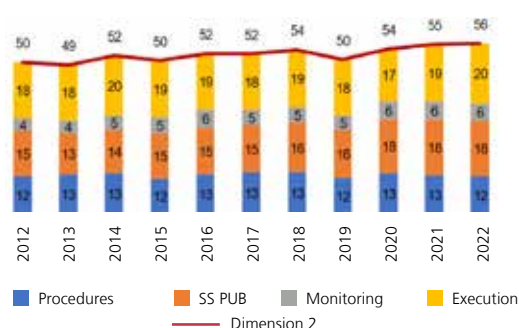
## EVOLUTION OF DIMENSIONS DISAGGREGATED BY CATEGORY AT THE SUBNATIONAL LEVEL

## AT THE LEVEL OF DISTRICT MUNICIPALITIES

## Dimension 1: Efficiency of administration



## Dimension 2: Management capacity

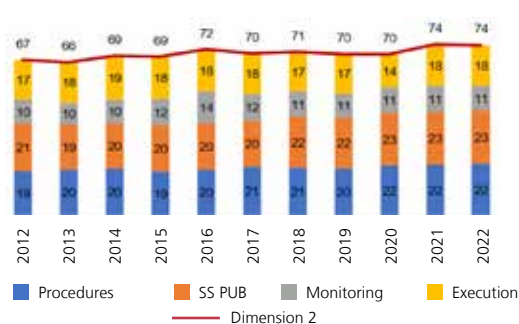


## AT THE LEVEL OF PROVINCIAL MUNICIPALITIES

## Dimension 1: Efficiency of administration



## Dimension 2: Management capacity



Note: Each category has a weight of 0.25 within each dimension. After this transformation, the score per category goes from a range of 0 to 100 to a range of 0 to 100.

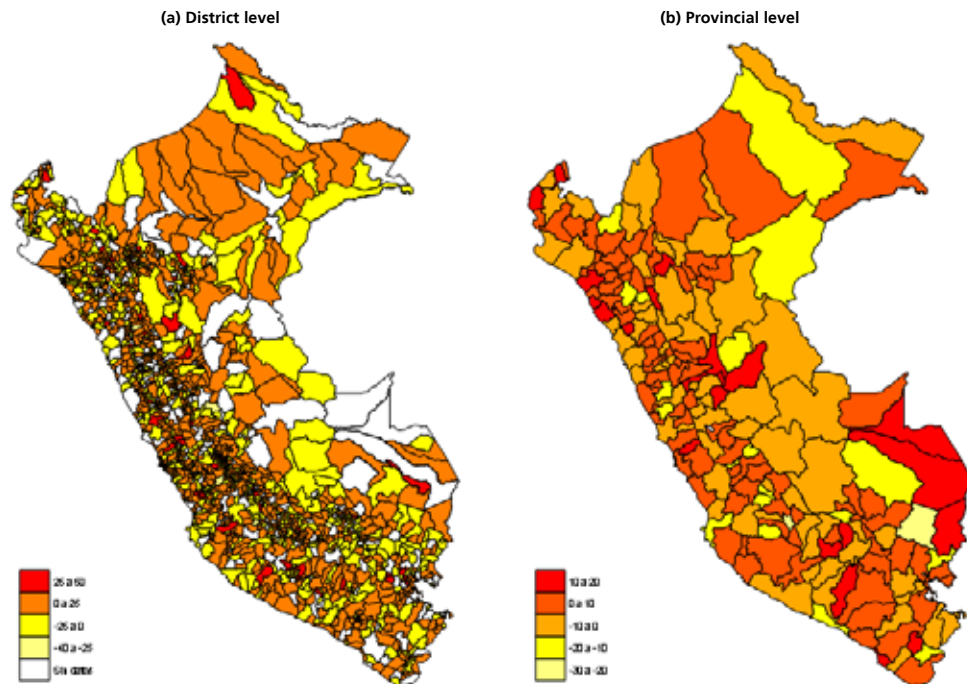
To deepen the analysis, the following table shows the results of the ICGP by natural region for 2022. As can be seen, the provincial and district municipalities of the coast are the ones that obtained the highest quality of public management in 2022. In contrast, municipalities in the highlands are the ones that obtain the lowest results.

## ICGP DISAGGREGATED BY NATURAL REGIONS - 2022

	Costa	Sierra	Jungle	Peru
<b>ICGP at district level</b>				
Average	64	56	59	58
Median	64	57	60	59
Minimum	34	23	29	23
Maximum	87	84	82	87
<b>ICGP at provincial level</b>				
Average	74	69	72	70
Median	73	69	72	71
Minimum	58	43	40	40
Maximum	88	87	82	88

In order to compare the quality of management between 2019 and 2022, the following graph shows heat maps of the variation of the ICGP at the district and provincial levels. At the district level, the municipalities with the highest increase in the indicator value were La Morada (Marañón, Huánuco), Upahuacho (Parinacochas, Ayacucho), San Luis (Lima, Lima), Agua Blanca (El Dorado, San Martín) and Saucepampa (Santa Cruz, Cajamarca). For its part, the provincial municipalities with the greatest progress were Ilo (Moquegua), Dos de Mayo (Huánuco), Tumbes (Tumbes), Antabamba (Apurímac) and Julcán (La Libertad).

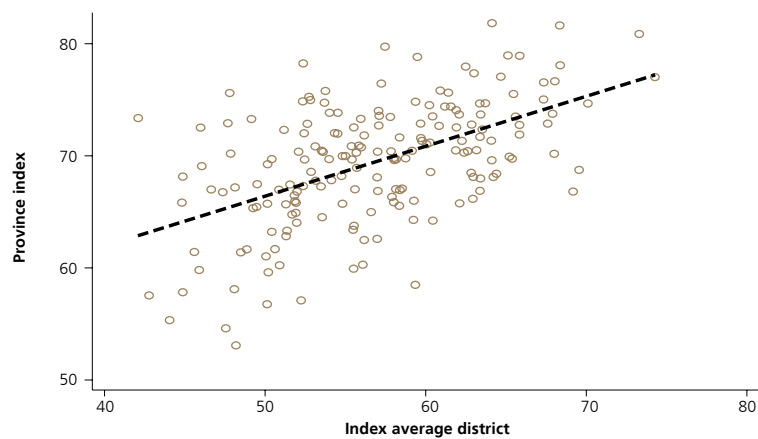
HEAT MAPS OF THE IGCP VARIATION BETWEEN 2019 AND 2022



Note: The index variation measures the simple difference between the 2022 score and the 2019 score. Thus, it indicates by how much the gap was reduced with respect to the best possible management in 2015 (base year).

Finally, an exercise relevant to public policy is to assess the relationship of the quality of governance between different levels of government within the same politically binding area. The following graph shows that there is a positive relationship between the average quality of governance of districts within a province and the quality of governance of the respective provincial municipality.

AVERAGE SCORE OF DISTRICT MUNICIPALITIES WITHIN TO PROVINCE AND AVERAGE SCORE OF THE RESPECTIVE PROVINCIAL MUNICIPALITY, 2012-2022

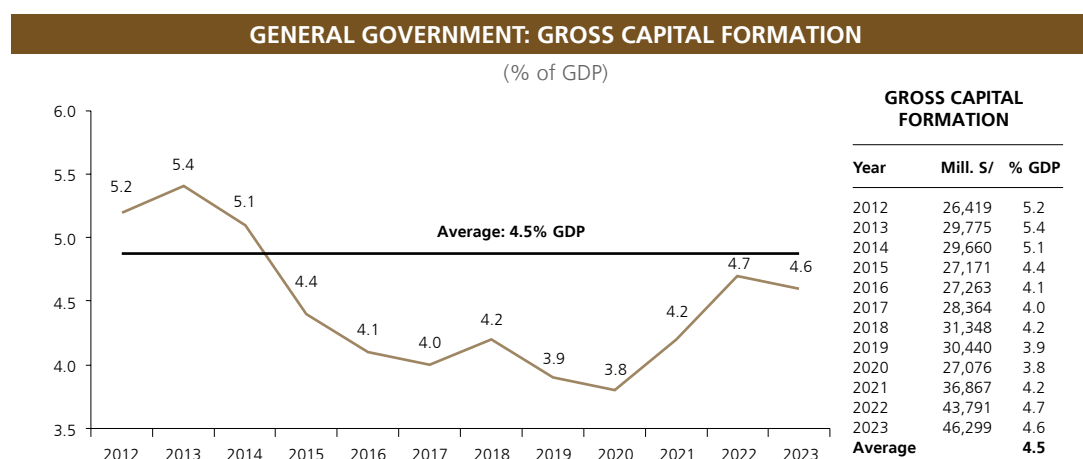


Note: The correlation coefficient is 0.53.

In summary, in 2022 the quality of public management of subnational governments declined, although it is significantly above 2012 levels. There is a disparity in quality between provincial and district municipalities, as well as between natural region categories. Likewise, district municipal quality is correlated with provincial quality within a geographic region. In prospective terms, it is advisable to promote the strengthening of the qualities of subnational governments in order to ensure the provision of quality public services and to save state resources.

### Box 4 DIFFICULTIES IN THE EXECUTION OF PUBLIC INVESTMENT IN PERU

Public investment, measured by the financial execution at the General Government level of the gross capital formation item, is an important component of GDP on the expenditure side. In the 2012-2023 period, this variable represented, on average, 4.5 percent of GDP.



Source: BCRP and MEF.

Compared to the Pacific Alliance countries, according to figures from the IMF's Government Finance Statistics Database, Peru recorded the highest General Government public investment expressed as a percentage of GDP (4.2 percent) in 2021<sup>31</sup>.

GENERAL GOVERNMENT INVESTMENT	
(% GDP)	
	2021
Peru	4.2
Chile	2.0
Colombia	2.2
Mexico	1.6
Simple Average	2.5

Source: GFS-IMF.

Although this indicator shows Peru above the Pacific Alliance average, public investment in our country faces a set of problems that occur throughout the different phases of a project. In this regard, some of the problems associated with the low quality of public investment are the following:

- 1. Planning stage:** Absence of development plans, in addition to the incompatibility between objectives of different levels of government.
- 2. Pre-investment phase:** Deficiencies in the project profiles or project fiches. Arbitrary decisions of the authorities (Videnza (2023)<sup>32</sup>).
- 3. Contracting phase:** Weaknesses in the preparation of bidding documents and inappropriate use of the direct administration mechanism.

<sup>31</sup> Latest year with information for all Pacific Alliance countries in the IMF database.

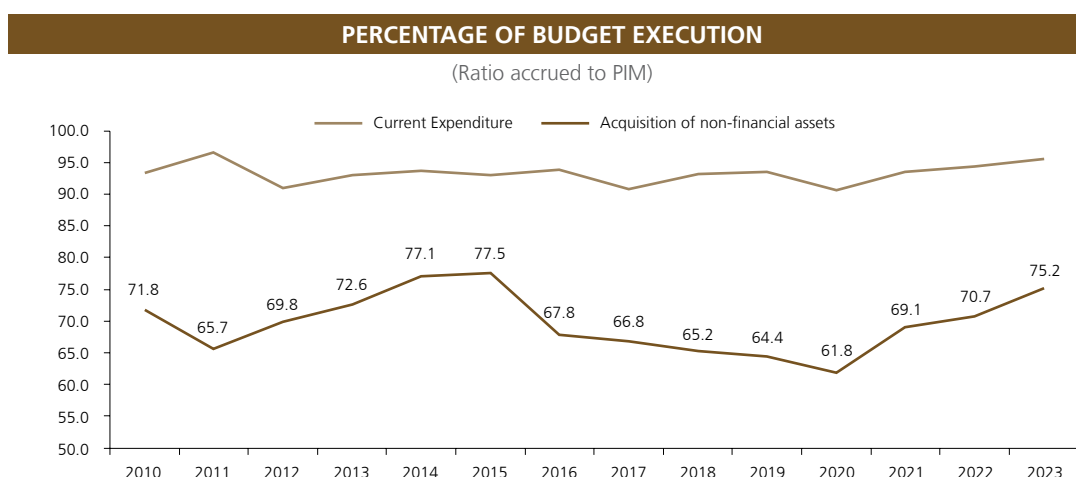
<sup>32</sup> Videnza (2023): Public infrastructure in Peru: Current situation and opportunities.



4. **Execution Phase:** Inadequate technical or financial capacity of the contractor and standstills of works.
5. **Operation phase (operation):** Absence of monitoring of the quality of investments delivered.

A recurrent problem that affects the quality of spending in each of the phases is the insufficient number of trained officials to conduct the different processes. With regard to **the planning and preinvestment phases**, it is necessary to strengthen the mechanisms for prioritizing projects given the restrictions on the availability of resources, incorporating the obligation to link the preparation of the budget to the prioritized investments. This will restrict the possibility of allocating resources to projects that have not been selected based on technical criteria.

In addition, the high volatility in available resources at the budget level can lead to low execution levels, because it makes it difficult to plan spending. From the budgetary point of view, investment is a component with the lowest execution performance, measured as the ratio of accrued expenditure to the modified institutional budget (MIP). This level of execution is not only low, but also more volatile than that observed in current (non-financial) spending. The average execution rate for investment in 2010-2023 was 69.7 percent, while that of current spending was 93.3 percent.

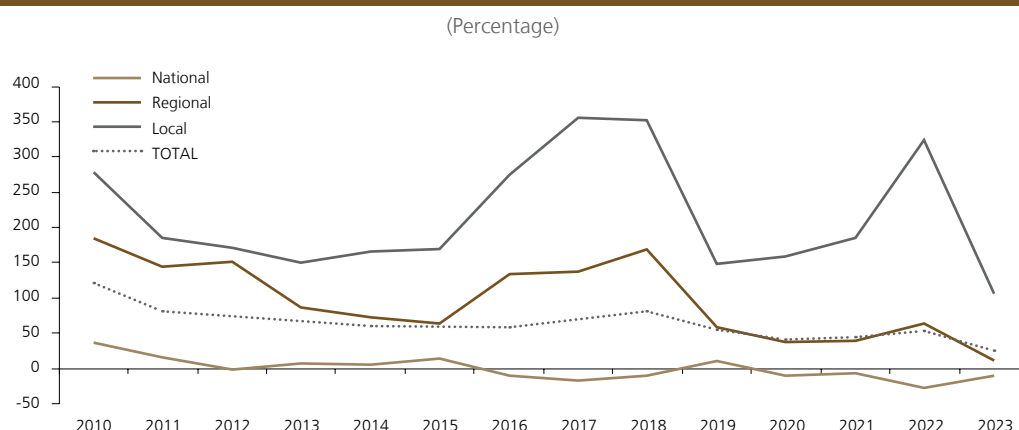


Although the execution percentage is usually linked to the capacity of the entities to organize their processes and meet their investment goals, the magnitude of the variations in the investment budget (the percentage variation between the MIP and the IPA of each level of government) during each budget year is usually very high. At the aggregate investment level the investment budget undergoes changes in the order of 64 percent on average in 2010-2023.

The enormous gap between the modified budget (MIP) and the initial budget (IPA) is observed especially at the subnational level<sup>33</sup>. From the point of view of the design of budgetary processes, this is problematic, as it first limits the usefulness of the budget approved each year in Congress as an instrument to establish ceilings for each type of expenditure at all levels of government, while the ability to substantially increase the MIP may induce subnational entities to inappropriately spend their resources, if the set of projects under execution is changed without a clear technical criteria.

<sup>33</sup> This reflects the autonomy of municipalities and regions to modify their budgets, mainly with sources of funding other than Regular Resources

## BUDGET CHANGES BY LEVEL OF GOVERNMENT



In the **contracting phase**, there is evidence of a high degree of discretion in determining the competition factors in the bidding process. In this regard, Castro and Villavicencio (2021)<sup>34</sup> document that price is usually the most important factor considered in tenders, leaving aside other factors associated with sustainability. Likewise, the officials who prepare the bidding conditions may design procedures that limit free competition by benefiting single bidders. The proposal of these authors is to rethink the competition factor so that all costs incurred during the execution and useful life of the project are evaluated as a whole.

Likewise, in the contracting phase, the reduction and simplification of excessively strict and cumbersome regulatory processes could be evaluated in order to provide greater flexibility, but accompanied by monitoring. According to Huamán Ordoñez (2023)<sup>35</sup>, procurement rules are already well defined, but more monitoring and supervision is required by the State Contracting Supervisory Body (OSCE). Likewise, this author stresses the need for a database to identify certified professionals who accredit their competencies in public procurement. These certifications would contribute to improve the predictability and coherence of procurement policies. Likewise, it is suggested that other contracting modalities such as NEC (*New Engineering Contract*) contracts be more actively incorporated.

In the **execution phase** there are multiple inconveniences that may have originated in previous stages, one of the most important of which is the standstill of a work. According to the Report on Stalled Works in the National Territory as of December 2023 of the Comptroller General's Office, 2,298 stalled works were identified at the end of 2023, representing an updated cost of S/. 26,992 million and a balance of S/. 13,772 million (51 percent of the updated cost). By level of government, it can be seen that the proportion (in updated cost) of standstill works is mainly concentrated in the national and regional governments.

The causes of the standstills may be due to several factors, such as a deficient selection process that resulted in the signing of contracts with companies without technical or financial solvency, or poor planning of the availability of resources, but also the inadequate use of a contracting modality.

34 Castro Barriga, C. D. A., & Villavicencio Benites, L. F. (2021). Good Governance in Government Procurement: The Total Cost of Ownership methodology as a proposal to improve the determination and application of bid evaluation factors. Research Group on Law and Public Governance of the Pontificia Universidad Católica del Perú. IUS ET VERITAS, (62), 60-81. <https://revistas.pucp.edu.pe/index.php/iusetveritas/article/download/23895/22733/>

35 Huamán Ordoñez, L. A. (2023). The tiered certification versus the fight against corruption. The case of the Organismo Supervisor de las Contrataciones del Estado (OSCE). Official Journal of the Judiciary, 15(19), 185-210. <https://revistas.pj.gob.pe/revista/index.php/ropj/article/view/721/999/>

As can be seen in the following table, the highest number of standstills of works (1,270 of 2,298) corresponds to the direct administration modality, particularly in subnational governments.

NUMBER OF STANDSTILLSTILLS, BY EXECUTION MODE AND LEVEL OF GOVERNMENT										
	National Government		Regional Government		Local Government		Total			
	Nº	Updated cost*	Nº	Updated cost*	Nº	Updated cost*	Nº	%	Updated cost*	%
Direct Administration	27	151	59	604	1,184	2,037	1,270	55.3%	2,793	10.3%
Contract	260	9,448	162	3,935	527	5,100	949	41.3%	18,483	68.5%
Executing Nuclei	73	73	-	-	1	1	74	3.2%	75	0.3%
Works by tax	1	12	-	-	2	26	3	0.1%	39	0.1%
APP/Concessions	-	-	2	5,604	-	0	2	0.1%	5,604	20.8%
<b>Total</b>	<b>361</b>	<b>9,685</b>	<b>223</b>	<b>10,142</b>	<b>1,714</b>	<b>7,165</b>	<b>2,298</b>	<b>100%</b>	<b>26,992</b>	<b>100%</b>

\* In Millions of soles.

With the role of restricting the use of this modality, the Comptroller's Office presented a bill that was approved in September 2023 (Law 31876) prohibiting the use of direct administration for investments over 50 UIT (S/ 247,500 in 2023). This law was later repealed due to the rejection of mayors and regional governors.

Although measures of this type are advisable to prevent future standstills of works, it would be important to include a gradual implementation schedule that contributes to the adaptation of the executing units (the limit set forth in the repealed regulation was to be applicable to 74.3 percent of the projects under direct administration<sup>36</sup>).

In addition, it is important to take into consideration that the follow-up of execution should be refocused on the physical progress of the works, in contrast to the monitoring of budget progress, which is currently the most commonly used, since both indicators are not always in line with each other, due to advances or delays in construction.

Finally, in the **operation phase**, the adoption of methodologies for the evaluation of service levels of works in operation would be useful to measure the quality of the operational works, considering an evaluation horizon that corresponds to the useful life of the project and not only at the time of delivery of the work.

36 At the date of the entry into force of this law, the number of investments under direct administration in the MEF's Project Bank, which had a modified institutional budget, was 13,330; of which 9,907 investments had an updated cost of more than 50 UIT.

# 04. INFLATION

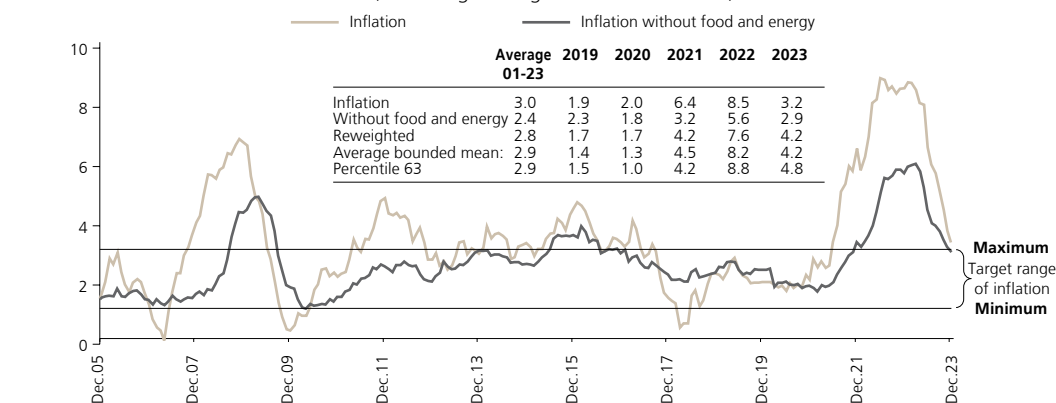
Annual inflation, as measured by the percentage change in the consumer price index (CPI) for Metropolitan Lima, decreased from 8.5 percent in 2022 to 3.2 percent in 2023, bringing it slightly above the target range (between 1 and 3 percent) and at its lowest level since May 2021. At the national level, the CPI variation reached 3.4 percent (8.6 percent in 2022).

Inflation recorded a slowdown throughout 2023, as a result of lower *commodity* prices, which was reflected in the deceleration of food prices with high imported content. For its part, energy prices declined in line with the evolution of international oil prices. In the case of food prices, they increased in the first half of the year, affected by the climatic alterations caused by the El Niño phenomenon, the drought at the end of 2022 and avian flu, and partially reversed in the second half of the year.

Graph 52

## INFLATION

(Percentage change last twelve months)



Source: INEI.

Statistical trend measures recorded rates between 2.9 and 4.8 percent, which were above the target range, with the exception of the CPI without food and energy. However, all indicators showed a marked downward trend. Inflation excluding food and energy was 2.9 percent (5.6

percent in 2022). For its part, the variation in food and energy prices was 3.6 percent (12.0 percent in 2022).

Table 57

ANNUAL TREND INFLATION INDICATORS					
(Percentage change 12 months)					
	CPI	Reweighted 1/	Constrained mean 2/	Percentile 63 3/	CPI excluding food and energy 4/
2001-2023					
Average % chg.	3.0	2.8	2.9	2.9	2.4
Standard deviation	0.3	0.2	0.2	0.2	0.2
Dec.19	1.9	1.7	1.4	1.5	2.3
Dec.20	2.0	1.7	1.3	1.0	1.8
Dec.21	6.4	4.2	4.5	4.2	3.2
Dec.22	8.5	7.6	8.2	8.8	5.6
Jan.23	8.7	7.6	8.1	8.7	5.8
Feb.23	8.6	7.5	8.0	8.7	5.9
Mar.23	8.4	7.5	7.7	8.7	5.9
Apr.23	8.0	7.2	7.4	8.3	5.7
May.23	7.9	6.8	7.0	7.7	5.1
Jun.23	6.5	6.3	6.4	7.1	4.4
Jul.23	5.9	5.9	5.9	6.5	3.9
Aug.23	5.6	5.6	5.6	6.3	3.8
Sep.23	5.0	5.3	5.4	6.1	3.6
Oct.23	4.3	5.0	5.1	5.8	3.3
Nov.23	3.6	4.6	4.7	5.3	3.1
Dec.23	3.2	4.2	4.2	4.8	2.9

1/ Re-weighted: Reduces the weight of the most volatile items by dividing the original weights of each item by the standard deviation of their monthly percentage variations.

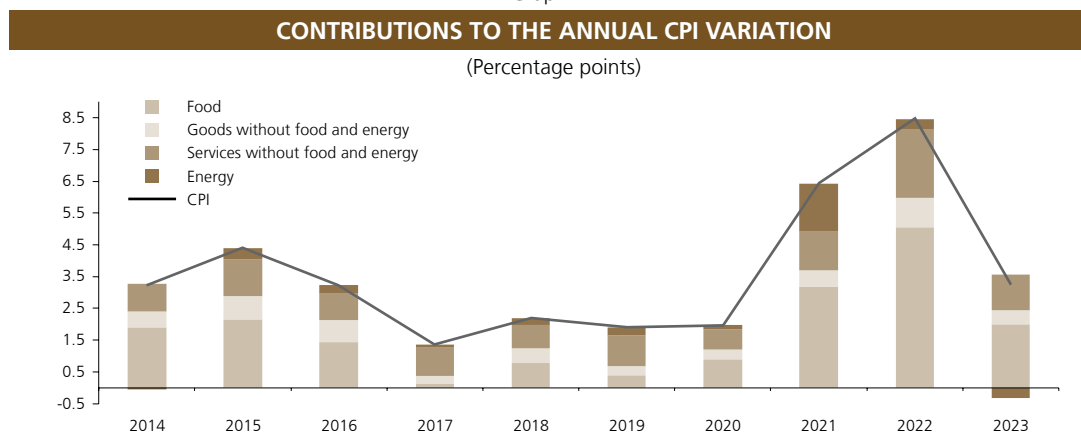
2/ Narrow average: Weighted average of the percentage variations of prices located between the 34th and 84th percentiles.

3/ Percentile 63: Corresponds to the percentage variation of the item located in the 63rd percentile.

4/ CPI excluding food and energy: CPI excluding food, fuel and electricity.

Source: INEI and BCRP.

Graph 53



Source: INEI.

Table 58

INFLATION						
(Percentage changes)						
	Peso	2020	2021	2022	2023	% chg. prom. 2014-2023 1/
<b>CPI</b>	<b>100.0</b>	<b>2.0</b>	<b>6.4</b>	<b>8.5</b>	<b>3.2</b>	<b>3.6</b>
<b>1. CPI excluding food and energy</b>	<b>55.3</b>	<b>1.8</b>	<b>3.2</b>	<b>5.6</b>	<b>2.9</b>	<b>2.9</b>
<b>a. Goods</b>	<b>17.4</b>	<b>1.5</b>	<b>2.6</b>	<b>5.3</b>	<b>2.7</b>	<b>2.6</b>
Textile and Footwear	4.1	0.1	1.1	2.5	2.7	1.6
Household appliances	0.5	-0.4	4.1	4.5	0.7	1.6
Other industrialists	12.8	2.2	3.1	6.2	2.7	3.1
<b>b. Services</b>	<b>37.9</b>	<b>1.9</b>	<b>3.6</b>	<b>5.7</b>	<b>3.0</b>	<b>3.0</b>
<i>Of which</i>						
Education	8.6	2.0	1.6	3.9	6.4	4.3
Rentals	4.5	0.5	1.8	2.4	-0.2	1.5
Health	1.5	1.2	2.8	7.3	3.3	3.4
Transportation	9.1	2.5	3.7	12.3	2.9	3.2
Water supply	1.4	3.0	11.6	7.9	1.3	4.9
<b>2. Food and energy</b>	<b>44.7</b>	<b>2.2</b>	<b>10.2</b>	<b>12.0</b>	<b>3.6</b>	<b>4.5</b>
<b>a. Food and beverages</b>	<b>40.0</b>	<b>2.2</b>	<b>8.0</b>	<b>12.6</b>	<b>4.8</b>	<b>4.4</b>
<i>Of which</i>						
Chicken meat	2.7	6.6	23.4	-1.0	8.0	3.6
Bread	1.4	0.3	15.5	18.8	0.7	3.9
Rice	1.2	3.3	5.2	4.4	9.1	3.1
Sugar	0.4	16.4	12.7	31.7	5.4	6.7
Noodles	0.3	5.6	10.4	52.7	3.6	7.7
Oil	0.4	4.1	63.5	10.9	-9.2	5.6
Potato	0.7	-18.7	11.9	93.9	-21.2	6.8
Lemon	0.2	13.7	-13.2	63.8	-39.9	-2.4
Maritime fish	0.7	-0.1	14.5	9.7	-17.4	0.2
Meals away from home	15.5	1.0	4.5	9.7	6.6	4.4
<b>b. Fuels and Electricity</b>	<b>4.8</b>	<b>2.1</b>	<b>24.4</b>	<b>6.8</b>	<b>-6.8</b>	<b>4.3</b>
<b>Fuels</b>	<b>2.1</b>	<b>-4.2</b>	<b>47.2</b>	<b>1.0</b>	<b>-6.4</b>	<b>2.6</b>
Vehicle fuels	1.1	-11.2	46.4	11.6	-8.4	1.9
Domestic gas	0.8	2.0	51.0	-9.2	-5.8	2.9
<b>Electricity</b>	<b>2.6</b>	<b>6.7</b>	<b>9.5</b>	<b>11.5</b>	<b>-7.1</b>	<b>5.9</b>

Source: INEI.

The items with the highest positive contribution to inflation were meals away from home (1.03 percentage points), education (0.53 percentage points), local transportation (0.30 percentage points), chicken meat (0.20 percentage points) and personal care products (0.19 percentage points). On the other hand, among the products with the highest negative contribution were potatoes (-0.27 percentage points), electricity (-0.19 percentage points), lemons (-0.12 percentage points), fish (-0.12 percentage points) and fuel for vehicles (-0.09 percentage points).

Table 59

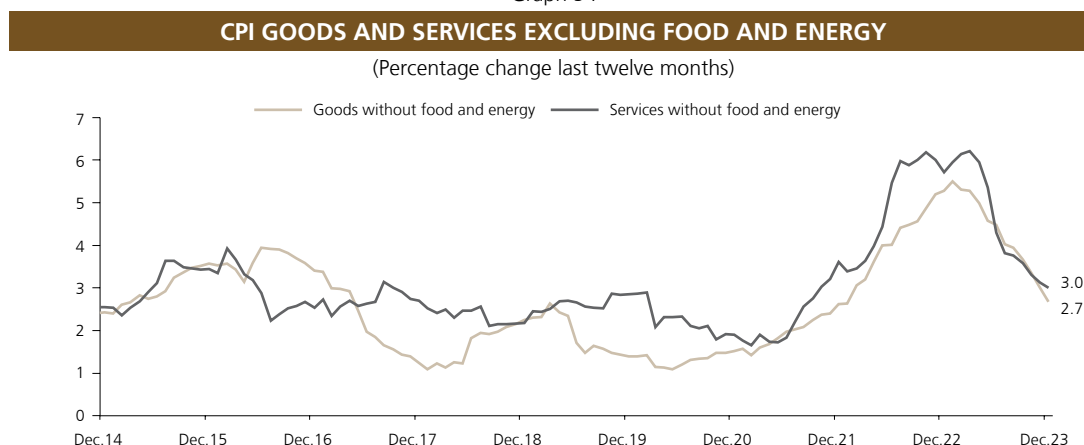
WEIGHTED CONTRIBUTION TO INFLATION: 2023							
Positive	Weight	% chg.	Contribution	Negative	Weight	% chg.	Contribution
Meals away from home	15.5	6.6	1.03	Potato	0.7	-21.2	-0.27
Education	8.6	6.4	0.53	Electricity	2.6	-7.1	-0.19
Local transportation	8.1	3.5	0.30	Lemon	0.2	-39.9	-0.12
Chicken meat	2.7	8.0	0.20	Fresh marine fish	0.7	-17.4	-0.12
Personal care products	4.0	4.8	0.19	Vehicle fuels	1.1	-8.4	-0.09
Other fresh fruits	0.6	20.2	0.13	International air transportation	0.5	-9.1	-0.05
Rice	1.2	9.1	0.11	Domestic gas	0.8	-5.8	-0.04
Beef	1.0	10.8	0.10	Vegetable oil	0.4	-9.2	-0.04
Corn	0.1	83.3	0.10	Camote	0.1	-22.6	-0.02
Cultural Services	1.1	5.6	0.06	Passion Fruit	0.1	-22.4	-0.02
<b>Total</b>			<b>2.75</b>	<b>Total</b>			<b>-0.96</b>

Source: INEI.

## 1. INFLATION WITHOUT FOOD AND ENERGY

Inflation excluding food and energy, an indicator that reflects trend inflation, entered the target range in December for the first time since November 2021. The increase in goods prices fell from 5.3 percent in 2022 to 2.7 percent in 2023, where the largest contribution came from the slowdown in the prices of personal care products (from 8.6 percent in 2022 to 4.8 percent in 2023) and motor vehicles (from 7.4 percent in 2022 to 0.1 percent in 2023). The services component decreased from 5.7 percent in 2022 to 3.0 percent in 2023, influenced by the slowdown in transportation prices (from 12.3 percent in 2022 to 2.9 percent in 2023), rents (from 2.4 percent in 2022 to -0.2 percent in 2023) and health (from 7.3 percent in 2022 to 3.3 percent in 2023).

Graph 54



Source: INEI.

### Goods

The change in goods prices was 2.7 percent in 2023, driven mainly by personal care products (4.8 percent) and household cleaning and maintenance products (4.7 percent). However, these increases were lower than those observed in 2022.

The prices of personal care products - personal hygiene products that are imported and to a lesser extent manufactured in the country with imported inputs - recorded increases throughout 2023, mainly in hair shampoo, toilet soaps and disposable diapers.

### Services

The 3.0 percent growth in prices for services in 2023 reflected increases in transportation (3.5 percent), education (6.4 percent) and cultural services (5.6 percent).

The increase in local transportation was recorded mainly in motorcycle cab and cab fares. The increases were related to the higher price of some fuels in certain months of the year, such as the increase of liquefied petroleum gas for vehicles in September, due to the lower supply of the imported product due to the lower disembarkation due to the occurrence of abnormal waves; and natural gas for vehicles.

The price of school education rose 6.4 percent due to the increase in tuition fees for the beginning of the school year, and the increase in pensions due to the return of daily classes. In 2022 face-to-face classes were held only on some days of the week, and were complemented with virtual classes.

## 2. VARIATION OF FOOD PRICES AND ENERGY

Food and energy prices, whose variations are mainly related to supply factors, increased by 3.6 percent in 2023 (12.0 percent in 2022).

Food and beverage prices increased by 4.8 percent (12.6 percent in 2022), while energy prices decreased by 6.8 percent (up 6.8 percent in 2022). In the energy category, electricity prices fell 7.1 percent, while fuel prices fell 6.4 percent.

### Food

The price of chicken meat increased 8.0 percent in 2023. This development was explained by mainly due to increased bird mortality caused by avian influenza.

The item “other fresh fruits” also recorded a positive variation (20.2 percent) mainly due to price increases in February and March. The supply of crops such as strawberries, which come from the valleys of the Lima region, decreased due to the rains that devastated crops. Mango was another product affected by climatic disturbances; flooding of plantations in Piura due to rains and overflowing rivers, hindered crops. However, from July onwards, prices of this product began to decrease due to the greater seasonal supply and the lesser impact of climatic changes on the flowering process of some mango varieties such as Edward.

Potato prices showed a negative variation of 21.2 percent in the year, partially reversing the 94 percent increase recorded in 2022. This result was influenced by higher availability and lower fertilizer prices.

The price of lemons decreased 39.9% in the year, as supplies normalized in the last quarter of the year. Supply was affected during most of the year by high temperatures, heavy rains and floods, which destroyed crops on the northern coast of the country. However, supply of this product returned to normal in October.

The prices of foodstuffs with a high imported content, such as vegetable oil, noodles and bread recorded a lower variation than in 2022, which was influenced by the decrease in the international price of the inputs used in their production. The 9.2 percent reduction in the price of vegetable oil, associated with the lower price of soybean oil, its main input, stood out.

Dining out was the largest positive contributor to inflation in 2023. The year-over-year increase since October was greater than that of food and beverages inside the home, reflecting the highest restaurant attendance since the end of the pandemic.

### Energy

Electricity rates decreased 7.1 percent, mainly due to the decrease in the Distribution Added Value (VAD) and in the updating factors such as the exchange rate and the Wholesale Price Index (IPM), recording the largest reductions in February and August.



The readjustment in February (-4.0 percent) also included a reduction in the premium for renewable energy resources (RER), due to an increase in the spot price; it was also due to a quarterly adjustment of the price at the generation level, the revision of the charges levied in the main transmission component, as well as the lower surcharge for the Electric Social Compensation Fund (FOSE). Subsequently, in August (-4.4 percent) generation prices were revised considering the quarterly settlement for the February-April 2023 period of the compensation mechanism between regulated users; on that occasion, the reduction of the FOSE surcharge factor was also considered.

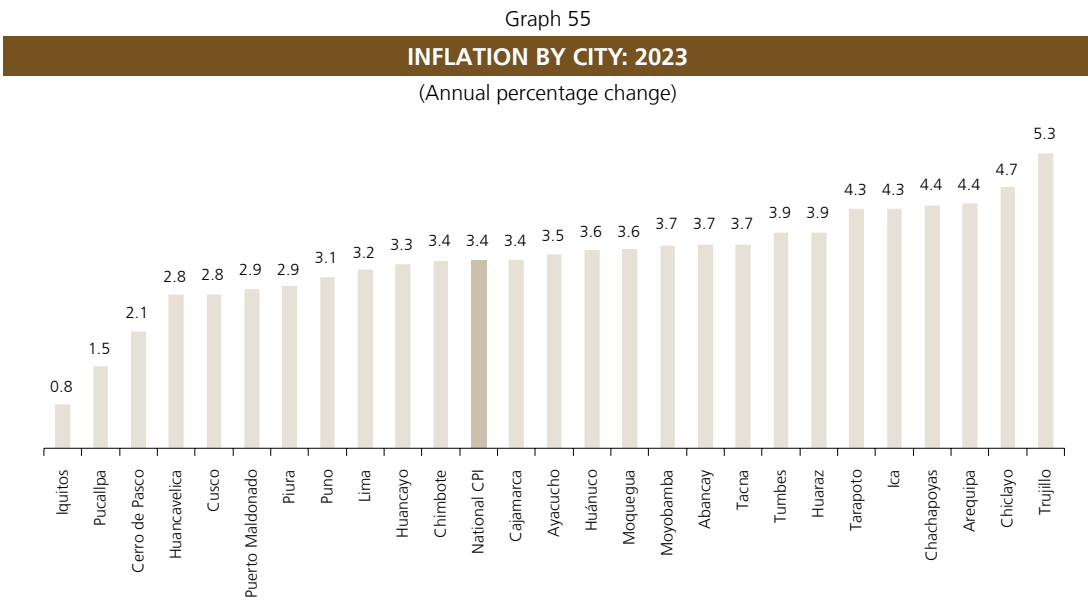
The average price of liquid fuels decreased 8.4 percent in 2023, reflecting the lower price of gasohol. This result was influenced by the lower refinery price, which followed the downward trend of the international parity price, but with a smaller magnitude; the gap between both prices remained high. On the other hand, the retail margin recorded a recovery, which prevented a further decrease in the final price.

The price of domestic gas decreased 5.8 percent due to price band readjustments throughout the period, partially offset by an increase in the packaging, marketing and distribution margin.

### 3. INFLATION NATIONAL

In 2023, national inflation was 3.4 percent year-on-year, lower than the 2022 result of 8.6 percent. one hundred.

National inflation is calculated as the weighted average of inflation in the country's 26 main cities. In 2023, 17 cities recorded higher inflation rates than Lima and 8 cities presented lower variations.



Source: INEI.

The cities with the highest inflation in 2023 were Trujillo (5.3 percent), Chiclayo (4.7 percent), Arequipa (5.3 percent), and San Pedro Sula (4.7 percent).

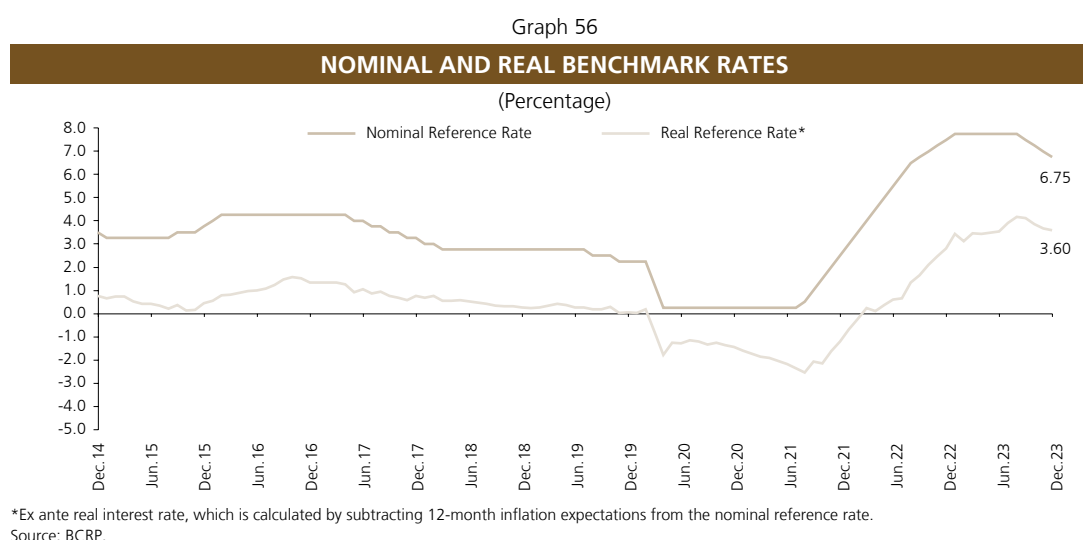
(4.4 percent) and Chachapoyas (4.4 percent).

# 05. LIQUIDITY AND CREDIT

## 1. MONETARY POLICY

In January 2023, the Board of Directors of BCRP agreed to raise the BCRP benchmark rate by 25 basis points to 7.75 percent, continuing the sequence of rate hikes initiated in August 2021, in response to the significant increase in inflation at the global level. Subsequently, between February and August 2023, the Board decided to keep the benchmark rate unchanged, and then between September and December 2023 reduced it by 25 basis points each time, bringing the benchmark rate from 7.75 to 6.75 percent (a 100 basis point cut).

The monthly decision on the benchmark rate takes into account inflation forecasts and inflation determinants, such as the evolution of the output gap, changes in international prices, the exchange rate, supply factors and inflation expectations of economic agents.



The decisions to **maintain** the benchmark rate, **adopted between February and August 2023**, were based on the following information:

- i. The twelve-month inflation rate decreased from 8.66 percent in January 2023 to 5.88 percent in July 2023. The twelve-month non-food and energy inflation rate decreased from 5.80 percent in January 2023 to 3.89 percent in July 2023. Both indicators declined from 5.80 percent in

January 2023 to 3.89 percent between June and July 2023, but continued to remain above the upper limit of the inflation target range.

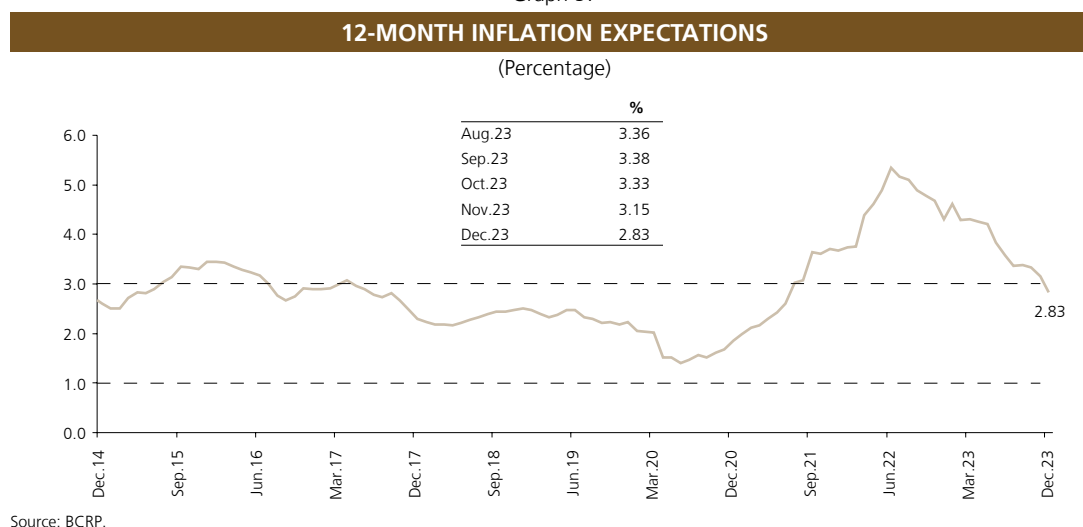
- ii. The strong increase in international energy and food prices since the second half of 2021, accentuated by international conflicts, led to a strong increase in global inflation rates at the global level in magnitudes not seen in many years and towards levels significantly above the inflation targets of central banks, although in most countries a downward trend had been observed. In the Peruvian case, there were recorded transitorily effects on inflation due to restrictions in the supply of some food products, which began to dissipate in June.
- iii. It was projected that year-on-year inflation would continue to decline in the following months, which would be close to the target range by the end of the year and would reach that range at the beginning of next year, due to the moderation of the effect of international food and energy prices, the reversion of supply shocks in the agriculture sector and a reduction in inflation expectations for the rest of 2023. However, there were risks associated with climatic factors.
- iv. Twelve-month inflation expectations declined from 4.62 percent in January 2023 to 3.57 percent in July 2023, still above the inflation target range.
- v. Most leading indicators and expectations for the economy were in the pessimistic range. Shocks related to social conflicts and the coastal El Niño had a greater impact on economic activity and domestic demand than expected.
- vi. The outlook for growth in world economic activity pointed to a moderation, although global risk remained due to the effects of restrictive monetary policy in advanced economies and international conflicts.

For its part, the decisions to **reduce** the benchmark rate, **adopted between September and December 2023**, took into account the following:

- i. The twelve-month inflation rate decreased from 5.58 percent in August 2023 to 3.64 percent in November 2023. The twelve-month non-food and energy inflation rate decreased from 3.81 percent in August 2023 to 3.09 percent in November 2023. Both indicators have declined since the beginning of 2023, but remained above the upper limit of the inflation target range.
- ii. After the significant increase in inflation rates at the global level since the second half of 2021, in most countries a downward trend was observed during the year, more marked since June in the Peruvian case, as some of the transitory effects on inflation due to restrictions in the supply of certain foodstuffs dissipated.
- iii. Year-on-year inflation was projected to reach the target range in early 2024 and year-on-year inflation excluding food and energy was projected to be within the target range by the end of 2023. This was explained by the moderation of the effect of international prices of several items, the reversal of supply shocks in the agricultural sector and the projected reduction in inflation expectations. However, there were risks associated with climatic factors, mainly from the El Niño phenomenon.
- iv. Twelve-month inflation expectations were reduced from 3.36 percent in August 2023 to 3.15 percent in November 2023, still above the inflation target range. It is worth mentioning that, as of December 2023, twelve-month inflation expectations stood at 2.83 percent, within the BCRP's target range.
- v. Most leading indicators and expectations for the economy were in the pessimistic range. Economic activity and domestic demand were affected by shocks derived from social conflicts and the coastal El Niño, which had a greater impact than expected.

- vi. The growth outlook for world economic activity pointed to a moderation. In addition, there was greater volatility in international financial markets and there was still global risk due to the effects of international conflicts and lower growth in China.

Graph 57

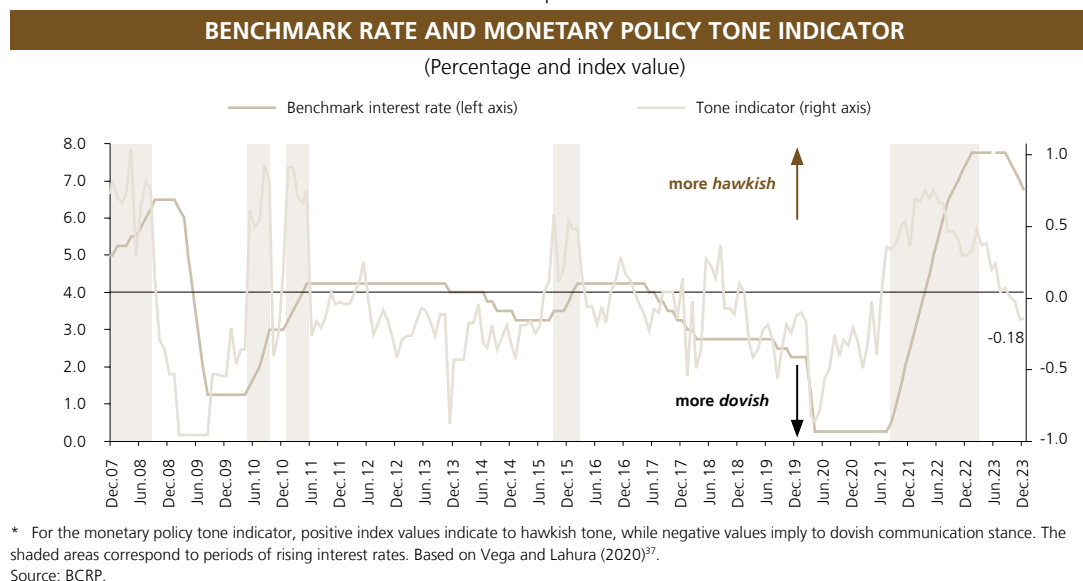


In terms of communication, the Monetary Program briefing notes stated that the future guidance on monetary policy the following:

- In February 2023, in line with the beginning of the pause in the benchmark rate, it was stated that “This decision (the word *pause* was used only in February) does not necessarily imply the end of the cycle of interest rate hikes” and that “Future adjustments in the benchmark rate will be conditional on new information on inflation and its determinants, including the macroeconomic effects of recent social developments”.
- The previous statements maintained the same tenor (except for the allusion to social events, which was removed in May) until August, when the clarification that “this decision does not necessarily imply the end of the interest rate hike cycle” was eliminated.
- In September, with the beginning of the reductions in the reference rate, the statement “This decision does not necessarily imply a cycle of successive interest rate reductions” was added, which was maintained for the rest of the year.
- Throughout the year, the paragraph referring to “The Board of Directors is particularly attentive to new information regarding inflation and its determinants, including the evolution of inflation expectations and economic activity, in order to consider, if necessary, changes in the monetary policy stance. The Board reaffirms its commitment to take the necessary actions to ensure the return of inflation to the target range over the forecasts horizon”. The only modification was made in February when the condition “if necessary” was added.

Regarding the tone and communication signals of monetary policy, the tone indicator used by the BCRP recorded a decreasing trend during 2023, and reached between November and December its lowest levels of the year. Since September 2023, coinciding with the first decision to reduce the reference rate, this index was compatible with a *dovish* monetary policy stance.

Graph 58

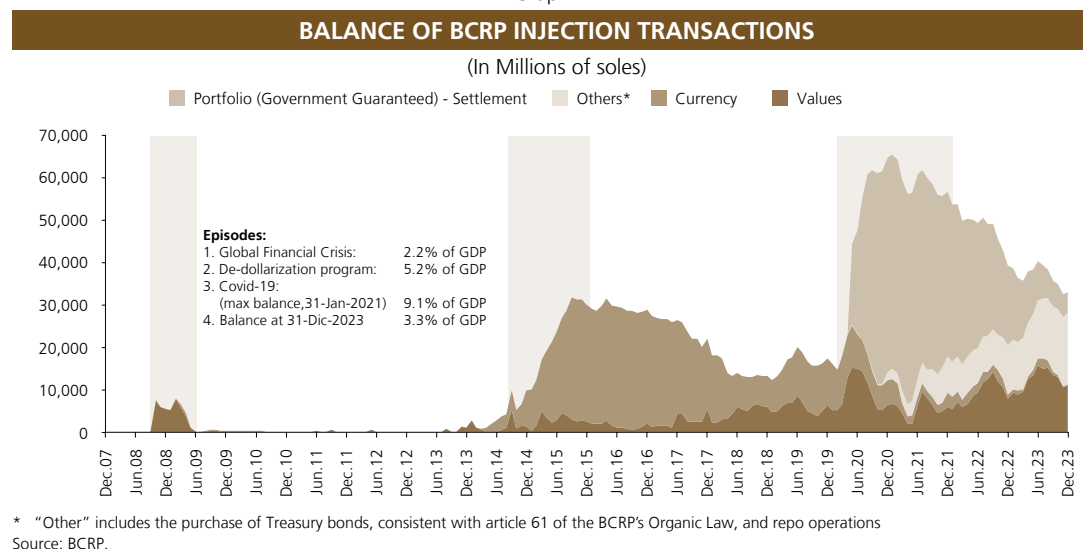


## Monetary operations

The balance of liquidity injection operations in domestic currency decreased from S/ 39,288 million at the end of 2022 to S/ 33,052 million at December 31, 2023, mainly explained by the amortization of Loan portfolio repos guaranteed by the National Government- from the Reactiva Perú program (S/ 13,884 million). This balance of liquidity injection operations is equivalent to 3.3 percent of GDP, of which S/ 4,837 million corresponds to the amount settled of government-secured repos of credit portfolio.

In comparative terms, the total balance of liquidity injection operations at the end of 2023 is 4.2 times higher than the maximum balance of these operations reached during the 2008-2009 international financial crisis (S/ 7,877 million), 1.0 times the maximum balance reached during the period of falling commodity prices (2013-2016) and the de-dollarization program (S/ 31,789 million), and 0.5 times the maximum balance recorded during the COVID-19 pandemic (S/ 65,339 million).

Graph 59



<sup>37</sup> Vega, M. and E: Lahura (2020). Assessing central bank communication through monetary policy statements: Results for Colombia, Chile and Peru. Working Papers 2020-017, Central Reserve Bank of Peru

Table 60

BALANCE OF BCRP INJECTION TRANSACTIONS									
(In Millions of soles)									
Episode	Date	Values	Currency (Regular)	Currency (Expansion)	Currency (Replacement)	Portfolio (Warranty and Alternative)	Portfolio (Warranty State) - Liquidation	Others*	Total
Financial Crisis 2008-2009	Oct.08	7,383	300	0	0	0	0	0	7,683
	Nov.08	5,959	30	0	0	0	0	0	5,989
	Dec.08	5,412	0	0	0	0	0	0	5,412
	Jan.09	5,239	0	0	0	0	0	0	5,239
	Feb.09	7,877	0	0	0	0	0	0	7,877
	Mar.09	5,989	735	0	0	0	0	0	6,724
De-dollarization Program	Dec.14	1,300	8,600	0	0	0	0	0	9,900
	Mar.15	4,900	8,600	2,200	1,500	0	0	0	17,200
	Jun.15	2,631	11,500	5,100	4,305	0	0	0	23,536
	Sep.15	3,034	16,050	7,900	4,805	0	0	0	31,789
	Dec.15	2,500	14,900	7,900	4,805	0	0	0	30,105
COVID-19 crisis	Jun.20	14,947	8,095	0	0	260	24,338	0	47,640
	Sep.20	8,604	5,895	0	0	304	47,002	0	61,805
	Dec.20	6,309	5,970	0	0	464	50,729	1,321	64,793
	Mar.21	4,454	2,430	0	0	1,491	49,907	1,321	59,603
	Jun.21	6,476	1,922	0	0	2,330	47,968	2,078	60,773
	Sep.21	6,470	1,842	0	0	4,512	43,770	2,078	58,672
	Dec.21	5,963	3,342	0	0	6,441	38,827	2,078	56,651
Post-pandemic	Jan.23	9,348	782	0	0	6,335	16,892	5,313	38,670
	Feb.23	8,908	782	0	0	6,329	15,075	5,313	36,407
	Mar.23	9,508	582	0	0	6,320	13,478	5,823	35,712
	Apr.23	12,458	482	0	0	6,315	12,075	6,464	37,794
	May.23	13,358	1,197	0	0	6,310	10,311	7,087	38,263
	Jun.23	15,558	1,797	0	0	6,306	9,224	7,483	40,368
	Jul.23	15,003	2,257	0	0	6,299	7,785	7,869	39,214
	Aug.23	15,203	1,697	0	0	6,292	6,919	8,333	38,445
	Sep.23	13,492	732	0	0	6,287	6,328	8,935	35,774
	Oct.23	13,042	317	0	0	6,280	5,736	9,553	34,929
	Nov.23	10,517	262	0	0	6,272	5,285	10,095	32,431
	Dec.23	11,032	227	0	0	6,264	4,837	10,692	33,052

\* The item "Others" includes the purchase of Public Treasury bonds, in line with article 61 of the BCRP's Organic Law.  
Source: BCRP.

The balance of injection operations has been decreasing, given the amortizations of the Reactiva Perú program that imply a decrease in the balance of credit repos guaranteed by the National Government. This dynamic was partially offset by purchases of Public Treasury Bonds and the periodic placement of injection instruments such as Securities Repo.

Table 61

LIQUIDITY INJECTION PROGRAMS					
(In Billions of soles)					
Program	Dec.19	Dec.20	Dec.21	Dec.22	Dec.23
Credit repos guaranteed by the National Government	0.0	50.7	38.8	18.7	4.8
of which: repo balance for rescheduling	0.0	0.0	14.1	11.3	4.7
Credit rescheduling repos	0.0	0.5	4.8	4.7	4.6
Long-term credit expansion repos	0.0	1.3	5.5	5.4	5.0
Purchase of Treasury Bonds*	0.0	1.3	2.1	5.3	10.7
Rest **	17.4	11.0	5.4	5.2	7.9
<b>Total</b>	<b>17.4</b>	<b>64.8</b>	<b>56.7</b>	<b>39.3</b>	<b>33.1</b>

\* At liquidated value.

\*\* Regular repos such as securities and currency repos.

Source: BCRP.

During 2023, the BCRP purchased Public Treasury Bonds (BTP) with maturities between 2028 and 2040. These operations are part of the group of instruments available to the BCRP to permanently inject liquidity into the financial system. In circumstances in which they are considered necessary, these operations are carried out in a preventive manner and are specifically oriented to an adequate regulation of the financial system's liquidity. Thus, since March 2023, BTP auctions were called for a total settled value of S/ 5,379 million. This value, added to the purchases made in previous years, implies a settled balance of BTP purchases by the BCRP of S/ 10,692 million at the end of 2023.

Likewise, the increase in 2023 of holdings of securities issued by the Public Treasury in the secondary market amounted to S/ 4,573 million, where such flow considers the repurchase of global bonds by the Public Treasury from the BCRP in June 2023 (amount equivalent to S/ 806 million at the original settlement exchange rate) within the framework of the OAD. It should be pointed out that Article 61 of the BCRP's Organic Law establishes that the issuing entity is empowered to purchase in the secondary market securities issued by the Public Treasury, as long as the annual increase in the holdings of such securities, valued at their acquisition price, does not exceed 5 percent of the balance of the monetary base at the close of the preceding year.

Table 62

PURCHASES OF TREASURY BONDS				
(In Millions of soles)				
Bond	Expiration Date	Nominal Amount	Settlement Amount	Operations
BTP 2028	12 Aug.28	254	238	6
BTP 2029	12 Feb.29	1,075	1,052	24
BTP 2031	12 Aug.31	979	943	22
BTP 2032	12 Aug.32	970	973	23
BTP 2033	12 Aug.33	873	911	27
BTP 2034	12 Aug.34	432	374	13
BTP 2037	12 Aug.37	479	476	15
BTP 2040	12 Aug.40	489	413	14
<b>TOTAL 2023</b>		<b>5,551</b>	<b>5,379</b>	<b>144</b>

Source: BCRP.

## Reserves

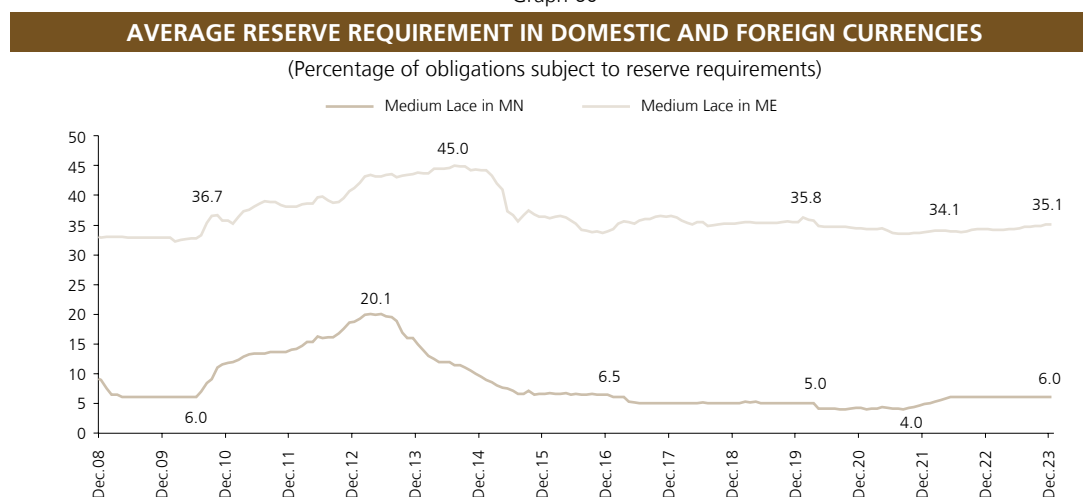
In June 2023, **Circular 0011-BCRP** on Reserve requirements in foreign currency was approved. This Circular indicated that, as of July 2023, the computation of the additional reserve requirement has been modified based on the evolution of total credit in foreign currency. Thus, for those financial institutions whose average daily balance of total credits in foreign currency is lower than USD 200 million as of June 2023, the limit will be USD 200 million. For the rest, the limit in force as of June 2023 will apply. These limits will be increased by an amount equivalent to 30 percent of the accumulated flow of average credit in domestic currency as of June 2023, provided it is positive.

The following are excluded from the calculation of the average daily balance of total credits in foreign currency: (i) credits destined to foreign trade and those granted as of January 1, 2015 with a term greater than 3 years and an amount greater than USD 10 million; (ii) up to USD 500 million, credits granted as of July 1, 2023 with a term greater than 1 year and an amount greater than USD 5 million. For the calculation of the average accumulated flow of credit in domestic currency, loans under the Reactiva Perú Program, mortgage, consumer and foreign trade loans are excluded.

Additionally, the aforementioned Circular established an increase in the reserve requirement rate for obligations with average maturity terms equal to or less than 2 years with foreign financial institutions (special reserve requirement regime) from 9 to 35 percent, for obligations contracted as of July 1, 2023. At the end of 2023, the average reserve requirement rates in Sol and dollars are 6.0 and 35.1 percent, respectively. It should be noted that the reserve requirement rate in dollars is

higher than that in Sol for macroprudential purposes in order to promote financial intermediation in Sol, since the BCRP is the lender of last resort. Sol only in domestic currency.

Graph 60



Source: BCRP.

## 2. INTEREST RATES

The evolution of the interbank rate closely followed the BCRP monetary policy benchmark rate. During the year, there was an increase of 0.25 percentage points in January and, subsequently, a reduction of 1.0 percentage point between September and December of the same year. Coincidentally, the monthly average interbank interest rate in Sol decreased 0.6 percentage points, to accumulate an annual average of 6.9 percent. Interest rates on deposits and loans in Sol recorded mixed variations depending on the type of deposit or loan. On the one hand, interest rates paid by preferential clients, as well as those paid by large and medium-sized companies, were reduced. On the other hand, interest rates for microcredits and consumer loans increased.

Table 63

INTEREST RATES FOR SOL OPERATIONS				
(Percentages)				
	2021	2022	2023	Percentage points change 2023/2022
Interbank	2.3	7.5	6.9	-0.6
Deposits up to 30 days 1/	0.7	3.7	3.3	-0.4
Deposits from 30 to 60 days 1/	0.8	3.7	6.1	2.4
Deposits from 60 to 180 days 1/	0.9	4.8	5.9	1.1
Deposits from 180 to 360 days 1/	2.9	6.9	5.0	-1.9
Deposits over 360 days 1/	3.1	5.9	5.0	-0.9
Preferred 90-day asset	2.9	8.7	7.7	-1.1
Large companies	5.7	10.6	10.2	-0.4
Medium-sized enterprises	8.8	14.1	13.3	-0.8
Small business	19.3	22.5	22.9	0.3
Micro business	32.3	36.3	37.7	1.4
Micro business 2/	38.8	39.3	43.9	4.6
Consumer	41.8	49.6	56.9	7.3
Consumer 2/	40.4	47.7	54.3	6.6
Mortgage	6.9	9.9	9.1	-0.8
FTAMN 3/	20.8	28.3	28.4	0.1

1/ Deposit rates correspond to natural persons.

2/ Corresponds to the average interest rates of the financial system.

3/ Average market lending rate for the last 30 days.

Source: SBS - Average interest rates of banks



For its part, interest rates in dollars did not have a defined trend and their behavior was associated with the evolution of international interest rates and the margins of each line of business.

Table 64

INTEREST RATES FOR OPERATIONS IN DOLLARS				
(Percentages)				
	2021	2022	2023	Variation in percentage points 2023/2022
3-month Libor	0.2	4.7	5.6	0.9
Interbank	0.3	4.2	5.5	1.3
Deposits up to 30 days 1/	0.1	1.1	3.4	2.3
Deposits from 30 to 60 days 1/	0.2	1.7	3.8	2.1
Deposits from 60 to 180 days 1/	0.3	2.1	3.2	1.2
Deposits from 180 to 360 days 1/	0.4	3.2	2.7	-0.6
Deposits over 360 days 1/	0.8	2.9	3.0	0.1
Preferred 90-day asset	1.0	5.5	6.3	0.8
Large companies	4.3	7.8	8.8	1.0
Medium-sized enterprises	5.9	8.8	9.8	1.1
Small business	10.3	12.2	13.2	1.0
Micro business	7.4	12.7	15.5	2.8
Micro business 2/	17.1	9.4	16.1	6.7
Consumer	33.4	41.0	45.9	4.9
Consumer 2/	33.9	37.1	40.8	3.7
Mortgage	5.0	8.3	7.9	-0.4
FTAMEX 3/	8.0	11.4	13.5	2.1

1/ Deposit rates correspond to natural persons.  
2/ Corresponds to the average interest rates of the financial system.  
3/ Average market lending rate for the last 30 days.  
Source: SBS - Average interest rates of banks.

### 3. MONETARY AGGREGATES AND CREDIT

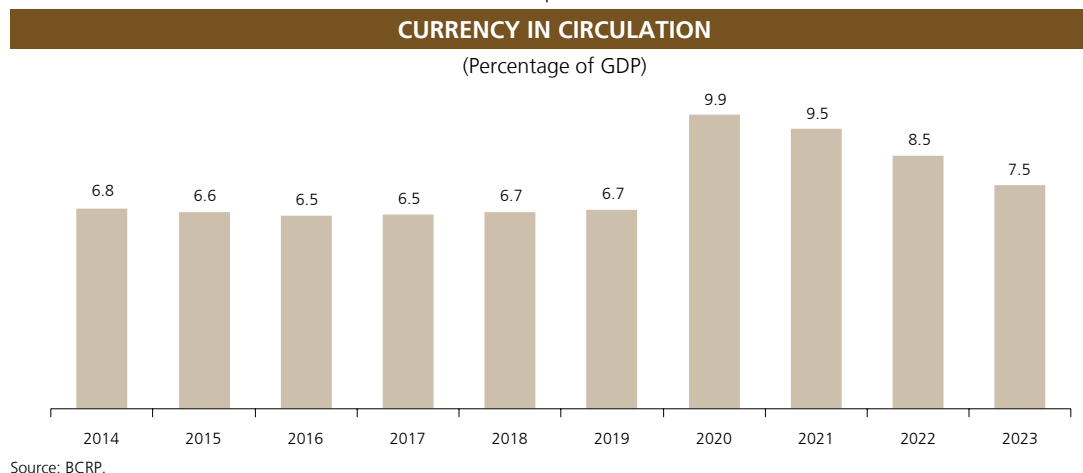
Credit growth to the private sector was lower than in previous years. This was due to the amortization of credits granted by the financial reactivation programs promoted by the government to counterbalance the recessionary effect of the COVID-19 pandemic. This caused credit to companies to shrink by 2.3 percent per year, and an expansion of 3.7 percent if the amortization of loans from the aforementioned programs is not taken into account. This particularly affected credit to the medium-size business sector, which recorded a contraction of 11.7 percent per year compared to a possible expansion of 1.5 percent without the amortizations of loans granted under the programs with National Government guarantees.

The lower dynamism of credit was observed mainly in domestic currency, which grew by 0.8 percent, while credit in dollars increased by 3.1 percent. Thus, the dollarization ratio of credit increased from 22.9 percent in December 2022 to 23.3 percent in December 2023.

#### 3.1 CURRENCY IN CIRCULATION

Currency in circulation in the hands of the public as of December 2023 represented 7.5 percent of GDP, a decrease from the value recorded in December 2022 (8.5 percent).

Graph 61



### 3.2 LIQUIDITY

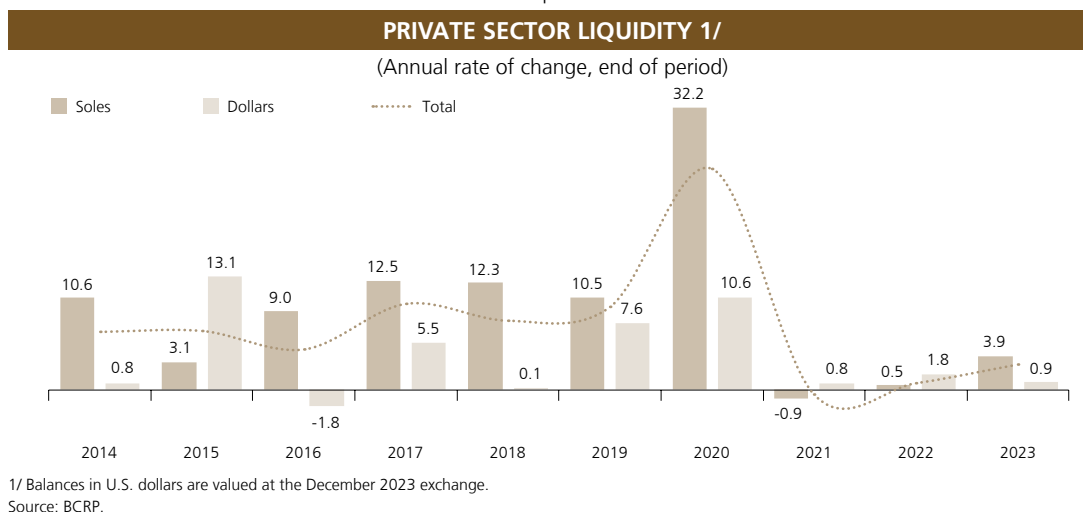
During 2023 private sector liquidity recorded a growth rate of 3.0 percent, however, as a percentage of GDP, the value of that aggregate decreased from 47.5 percent in 2022 to 45.5 percent in 2023.

By type of liabilities, the components that grew the most were demand and term deposits, excluding in the latter case deposits for service time compensation (CTS). Savings deposits, on the other hand, decreased. According to currencies, the growth of deposits in Sol was higher than that of dollar deposits: 5.2 percent versus 1.2 percent.

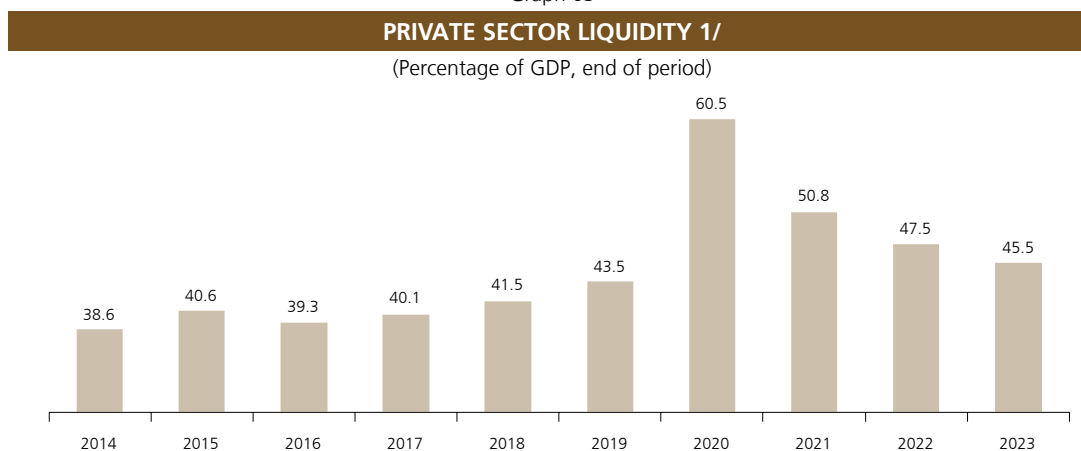
By type of depositor, deposits held by individuals and non-profit legal entities increased (3.5 percent), as did those held by companies (4.2 percent).

The dollarization ratio of liquidity at constant exchange rates declined by an average of 0.6 percentage points, from 29.1 percent in December 2022 to 28.5 percent in December 2023. For deposits, dollarization decreased from 35.0 percent to 34.1 percent. The dollarization of nonprofit deposits decreased from 31.4 percent to 31.3 percent, while that of for-profit deposits decreased from 40.5 percent to 38.4 percent.

Graph 62



Graph 63



1/ Balances in dollars are valued at the average end-of-period buying and selling exchange rates.  
Source: BCRP.

Table 65

	Balances in millions of soles			Growth rates (%)	
	2021	2022	2023	2022	2023
<b>Currency in circulation</b>	<b>83,058</b>	<b>79,890</b>	<b>75,399</b>	<b>-3.8</b>	<b>-5.6</b>
<b>Money</b>	<b>144,621</b>	<b>136,968</b>	<b>137,087</b>	<b>-5.3</b>	<b>0.1</b>
<b>Deposits 1/</b>	<b>347,334</b>	<b>352,503</b>	<b>365,931</b>	<b>1.5</b>	<b>3.8</b>
<b>In Domestic currency</b>	<b>225,538</b>	<b>229,083</b>	<b>240,993</b>	<b>1.6</b>	<b>5.2</b>
Demand deposits	61,563	57,078	61,688	-7.3	8.1
Savings deposits	106,469	95,254	91,641	-10.5	-3.8
Term deposits	57,506	76,751	87,665	33.5	14.2
Term deposits excluding CTS	48,226	68,259	80,507	41.5	17.9
CTS	9,280	8,492	7,157	-8.5	-15.7
<b>In Foreign currency (Mills USD)</b>	<b>32,829</b>	<b>33,267</b>	<b>33,676</b>	<b>1.3</b>	<b>1.2</b>
Demand deposits	13,523	11,887	12,080	-12.1	1.6
Savings deposits	12,035	12,135	10,667	0.8	-12.1
Term deposits	7,271	9,244	10,930	27.1	18.2
Term deposits excluding CTS	6,531	8,567	10,387	31.2	21.2
CTS	740	677	542	-8.4	-19.9
<b>Liquidity 1/</b>	<b>437,552</b>	<b>441,420</b>	<b>454,702</b>	<b>0.9</b>	<b>3.0</b>
In soles	311,331	312,966	325,057	0.5	3.9
In dollars (Millions of USD)	34,022	34,624	34,945	1.8	0.9

1/ Balances in U.S. dollars are valued at the December 2023 exchange rate.  
Source: BCRP.

Table 66

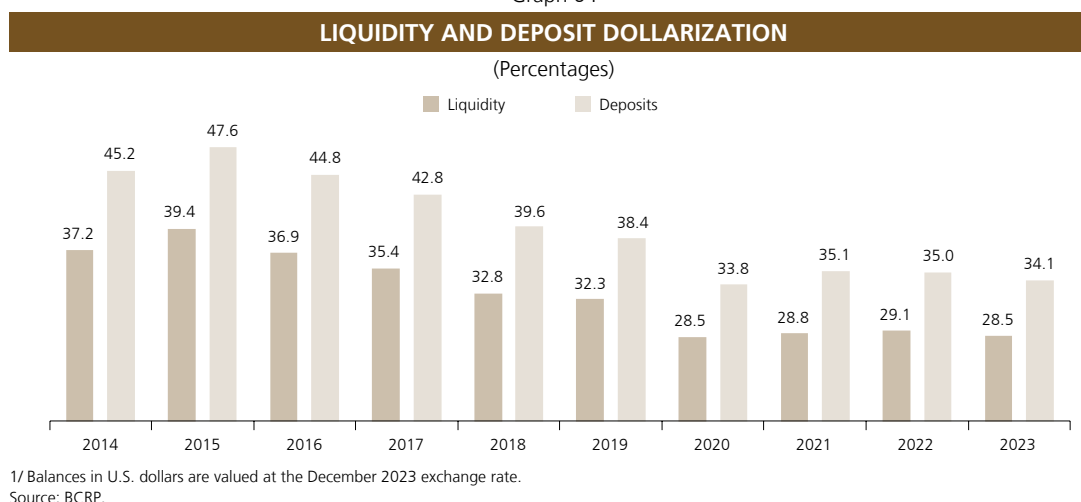
	Balances in Millions of soles			Growth rates (%)	
	2021	2022	2023	2022	2023
<b>Individuals 2/</b>	<b>203,002</b>	<b>212,144</b>	<b>219,667</b>	<b>4.5</b>	<b>3.5</b>
In soles	142,160	145,520	150,876	2.4	3.7
In dollars (Millions of USD)	16,399	17,958	18,542	9.5	3.3
<b>Companies</b>	<b>144,332</b>	<b>140,359</b>	<b>146,264</b>	<b>-2.8</b>	<b>4.2</b>
In soles	83,378	83,563	90,117	0.2	7.8
In dollars (Millions of USD)	16,430	15,309	15,134	-6.8	-1.1
<b>Total</b>	<b>347,334</b>	<b>352,503</b>	<b>365,931</b>	<b>1.5</b>	<b>3.8</b>
In soles	225,538	229,083	240,993	1.6	5.2
In dollars (Millions of USD)	32,829	33,267	33,676	1.3	1.2

1/ Balances in dollars are valued at the exchange rate of December 2023.

2/ Includes non-profit legal entities.

Source: BCRP.

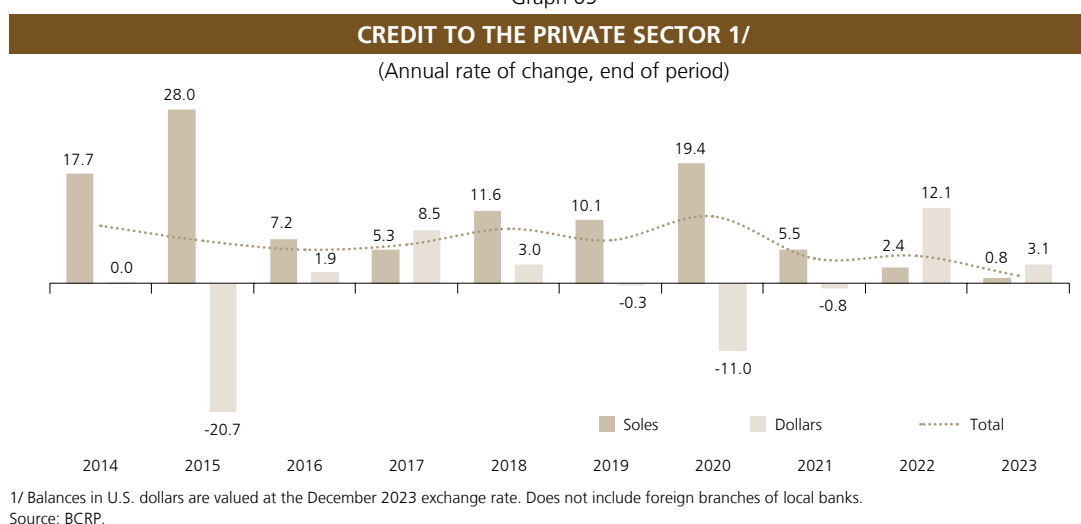
Graph 64



### 3.3 CREDIT TO THE PRIVATE SECTOR

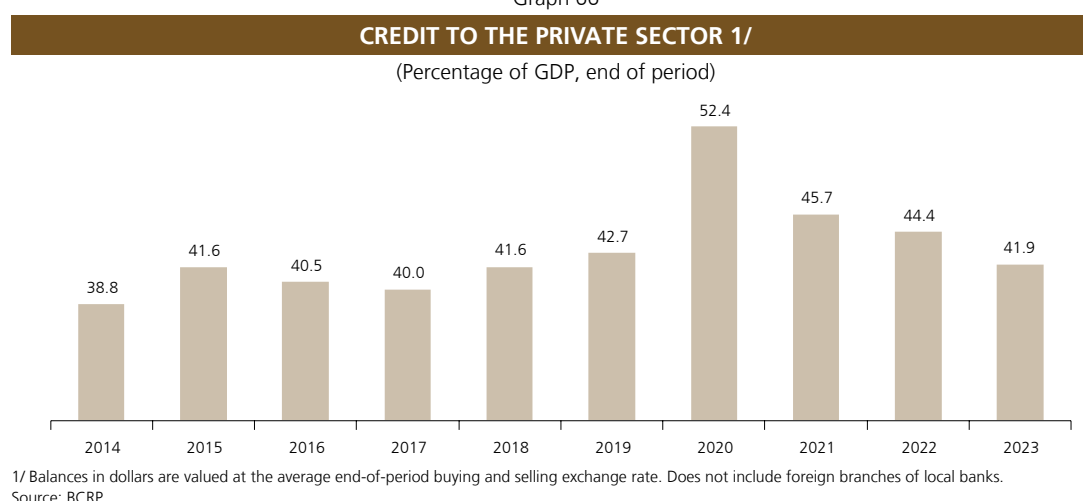
The balance of total credit to the private sector from deposit-creating corporations increased 1.3 percent in 2023, which represented a slowdown from the previous year's expansion (4.5 percent). As a percentage of GDP, the balance of credit to the private sector represented 41.9 percent, down from 44.4 percent in 2022. The non-performing loans rate of deposit-creating corporations increased from 4.0 percent to 4.3 percent.

Graph 65



The slowdown in lending during the year was mainly due to a lower level of economic activity and was reflected in a 2.3 percent drop in the balance of loans to companies. Personal loans, on the other hand, continued to grow (7.1 percent), although at a slower rate than in the previous year.

Graph 66



In the segment of loans to companies, credit to the corporate sector and large companies - which represents the largest percentage of the total - decreased 0.3 percent during the year, despite the fact that the nonperforming loans rate in this segment fell from 1.4 percent to 1.0 percent. Lending to the small and microenterprise segment grew 2.2 percent versus the previous year, even though the non-performing loans rate in this segment increased from 6.4 to 6.9 percent. The medium-sized business segment suffered the largest contraction in loans (-11.7 percent), which was due to the strong increase in its non-performing loans rate, which rose from 11.6 to 13.4 percent.

With respect to personal loans, consumer credit grew 8.3 percent (21.8 percent in 2022) despite an increase in its non-performing loans rate from 2.5 to 3.6 percent (1.1 percentage point). Mortgage credit grew 5.4 percent (8.0 percent in 2022) with a slight increase in its non-performing loans from 2.6 to 2.7 percent. Within consumer loans, vehicle loans increased 11.4 percent (16.0 percent in 2022) and credit card loans rose 10.4 percent (32.7 percent in the previous year).

Table 67

<b>CREDIT TO THE PRIVATE SECTOR TOTAL 1/</b>					
	Balances in Millions of soles			Growth rates (%)	
	2021	2022	2023	2022	2023
<b>Companies</b>	<b>258,616</b>	<b>254,715</b>	<b>248,742</b>	<b>-1.5</b>	<b>-2.3</b>
Corporate and large companies	130,381	131,575	131,242	0.9	-0.3
Medium-sized enterprises	69,852	60,234	53,184	-13.8	-11.7
Small and micro business	58,383	62,906	64,316	7.7	2.2
<b>Individuals</b>	<b>136,690</b>	<b>158,385</b>	<b>169,674</b>	<b>15.9</b>	<b>7.1</b>
Consumer	78,051	95,043	102,925	21.8	8.3
Car loans	2,519	2,922	3,256	16.0	11.4
Credit cards	12,765	16,934	18,693	32.7	10.4
Rest	62,767	75,187	80,976	19.8	7.7
Mortgage	58,638	63,342	66,749	8.0	5.4
<b>TOTAL</b>	<b>395,306</b>	<b>413,100</b>	<b>418,416</b>	<b>4.5</b>	<b>1.3</b>

1/ Balances in U.S. dollars are valued at the December 2023 exchange rate. Does not include foreign branches of local banks.  
Source: BCRP.

By currencies, credit to the private sector in domestic currency grew 0.8 percent during 2023 and credit in dollars grew 3.1 percent. As expected, credit growth in Sol was directed more towards microcredit (small and microenterprise plus personal loans). The expansion of dollar loans was concentrated in the corporate segments and also in consumer loans. The dollarization ratio of credit -valued at constant December 2023 exchange rates- rose from 22.9 percent to 23.3 percent. The dollarization of credit to companies rose from 33.0 percent to 34.9 percent, while the dollarization of credit to individuals fell from 6.7 percent to 6.3 percent

Table 68

CREDIT TO THE PRIVATE SECTOR IN DOMESTIC CURRENCY					
	Balances in Millions of soles			Growth rates (%)	
	2021	2022	2023	2022	2023
<b>Companies</b>	<b>184,127</b>	<b>170,588</b>	<b>161,830</b>	<b>-7.4</b>	<b>-5.1</b>
Corporate and large companies	73,186	64,563	61,316	-11.8	-5.0
Medium-sized enterprises	54,310	44,803	37,845	-17.5	-15.5
Small and micro business	56,631	61,223	62,669	8.1	2.4
<b>Individuals</b>	<b>126,663</b>	<b>147,787</b>	<b>158,948</b>	<b>16.7</b>	<b>7.6</b>
Consumer	73,860	89,929	97,421	21.8	8.3
Car loans	2,164	2,609	2,930	20.5	12.3
Credit cards	11,162	15,018	16,534	34.6	10.1
Rest	60,534	72,302	77,957	19.4	7.8
Mortgage	52,803	57,858	61,527	9.6	6.3
<b>TOTAL</b>	<b>310,790</b>	<b>318,375</b>	<b>320,779</b>	<b>2.4</b>	<b>0.8</b>

Source: BCRP.

Table 69

CREDIT TO THE PRIVATE SECTOR IN FOREIGN CURRENCY 1/					
	Balances in Millions of US dollars			Growth rates (%)	
	2021	2022	2023	2022	2023
<b>Companies</b>	<b>20,078</b>	<b>22,676</b>	<b>23,426</b>	<b>12.9</b>	<b>3.3</b>
Corporate and large companies	15,416	18,063	18,848	17.2	4.3
Medium-sized enterprises	4,189	4,159	4,135	-0.7	-0.6
Small and micro business	472	454	444	-4.0	-2.1
<b>Individuals</b>	<b>2,703</b>	<b>2,856</b>	<b>2,891</b>	<b>5.7</b>	<b>1.2</b>
Consumer	1,130	1,379	1,483	22.0	7.6
Car loans	96	84	88	-11.8	4.0
Credit cards	432	516	582	19.5	12.7
Rest	602	778	814	29.2	4.6
Mortgage	1,573	1,478	1,408	-6.0	-4.8
<b>TOTAL</b>	<b>22,781</b>	<b>25,532</b>	<b>26,317</b>	<b>12.1</b>	<b>3.1</b>

1/ Does not include foreign branches of local banks.

Source: BCRP.

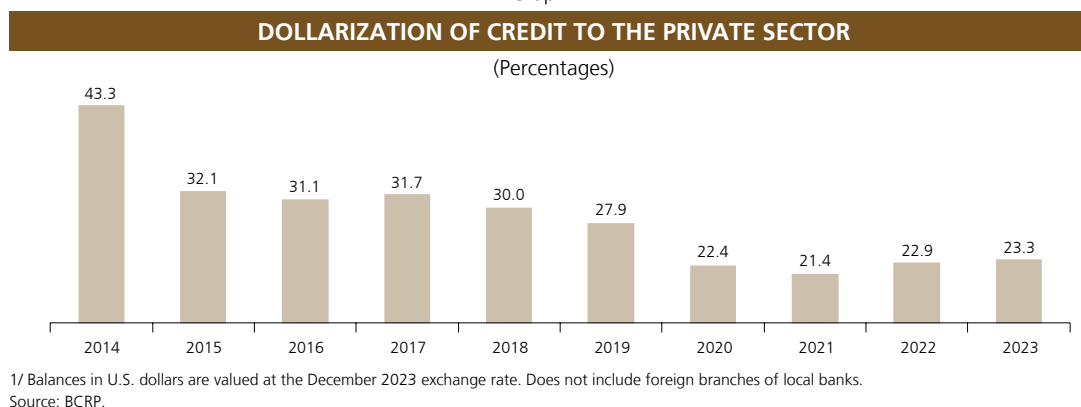
Table 70

DOLLARIZATION OF CREDIT TO THE PRIVATE SECTOR 1/			
(Percentage)			
	2021	2022	2023
<b>Companies</b>	<b>28.8</b>	<b>33.0</b>	<b>34.9</b>
Corporate and large companies	43.9	50.9	53.3
Medium-sized enterprises	22.2	25.6	28.8
Small and micro business	3.0	2.7	2.6
<b>Individuals</b>	<b>7.3</b>	<b>6.7</b>	<b>6.3</b>
Consumer	5.4	5.4	5.3
Vehicular	14.1	10.7	10.0
Credit cards	12.6	11.3	11.5
Rest	3.6	3.8	3.7
Mortgage	10.0	8.7	7.8
<b>TOTAL</b>	<b>21.4</b>	<b>22.9</b>	<b>23.3</b>

1/ Balances in U.S. dollars are valued at the December 2023 exchange rate. Does not include foreign branches of local banks.

Source: BCRP.

Graph 67



As of 2023, the annual rate of change of credit in domestic currency for the corporate and large company segment was -5.0 percent; for medium-size companies, -15.5 percent; and for MSEs, 2.4 percent. However, if the effect of reclassification between enterprise segments is omitted, the corporate and large enterprise segment would have decreased by 6.1 percent, the medium enterprise segment would have decreased by 19.2 percent, and MSEs would have grown by 6.2 percent. A company could move to a higher (lower) segment if its level of indebtedness or level of sales increases (falls).

Table 71

	Balances (Millions of S/)			Growth rates (%)					
	Dec.21	Dec.22	Dec.23	Dec.21/Dec.20		Dec.22/Dec.21		Dec.23/Dec.22	
				Without Reclassif.	With Reclassif.	Without Reclassif.	With Reclassif.	Without Reclassif.	With Reclassif.
<b>Credit to companies</b>	<b>184,127</b>	<b>170,588</b>	<b>161,830</b>	<b>4.8</b>	<b>4.8</b>	<b>-7.4</b>	<b>-7.4</b>	<b>-5.1</b>	<b>-5.1</b>
Corporate and large companies	73,186	64,563	61,316	7.0	10.5	-11.5	-11.8	-6.1	-5.0
Medium-sized enterprises	54,310	44,803	37,845	-3.3	2.2	-22.0	-17.5	-19.2	-15.5
Small and microbusiness	56,631	61,223	62,669	9.7	0.4	12.1	8.1	6.2	2.4

Source: CCR and Trial Balance.

The variation in loans to medium-sized companies in domestic currency is mainly explained by the variation in the credit balances of the Reactiva program, since, in 2020, the increase was due to this liquidity injection program and, on the other hand, between 2022 and 2023, the negative flows go hand in hand with the amortizations and cancellations of Reactiva. The latter was in part offset in part by new loans to this segment and by the balances of companies reclassified to this segment.

Table 72

	Flows (Millions of S/)			
	2020/2019	2021/2020	2022/2021	2023/2022
<b>Total</b>	<b>25,384</b>	<b>1,212</b>	<b>-9,121</b>	<b>-6,845</b>
Reactiva	25,652	-3,006	-11,203	-7,612
New credits 1/	5,182	5,776	5,367	5,162
Reclassification 2/	6,342	2,949	2,414	1,630
Punished 3/	-78	-159	-562	-215
Rest 4/	-11,714	-4,348	-5,137	-5,811
<b>Total Balance</b>	<b>52,714</b>	<b>53,926</b>	<b>44,805</b>	<b>37,960</b>

1/ Compares both months in question. Excludes new loans associated with Reactiva.

2/ Represents the difference between the balances reclassified to medium-size companies minus what was no longer in that segment.

3/ Change in the balance of written-off loans (as to contribution to EBITDA).

4/ Includes amortizations, cancellations, among others

Source: CCR.

### 3.4 CREDITS REPROGRAMMED

One of the measures to mitigate the effect of the COVID-19 pandemic during 2020 was the rescheduling of loans. Consistent with the normalization of the health situation, during the course of the year, a decrease in the number of rescheduled loans continued to be observed. When analyzed by segment, the largest reduction between the end of 2022 and 2023 occurred in loans granted to small and medium-sized companies. Likewise, during the period between November and December 2023, these two segments experienced the largest decrease in loan rescheduling.

Table 73

BALANCE OF RESCHEDULED LOANS 1/										
	Balances (Millions S/)								Flows (Millions S/)	
	Dec.22	Jun.23	Jul.23	Aug.23	Sep.23	Oct.23	Nov.23	Dec.23	Dec.23/ Dec.22	Dec.23/ Nov.23
Corporate	619	122	118	115	98	91	87	70	-550	-17
Large	1,241	879	815	802	779	751	584	529	-712	-55
Medium	3,535	2,939	2,785	2,689	2,550	2,488	2,000	1,863	-1,672	-137
Small	2,059	1,407	1,254	1,148	1,028	983	661	565	-1,494	-96
Micro	189	142	121	103	87	84	53	45	-145	-8
Consumer	1,704	1,073	987	917	842	791	623	550	-1,153	-72
Mortgage	3,636	3,211	3,131	3,048	2,971	2,926	2,624	2,547	-1,088	-77
Total	12,982	9,773	9,211	8,822	8,356	8,114	6,632	6,169	-6,813	-463

1/ Balances in U.S. dollars are valued at the period-end accounting exchange rate.  
Source: Audited balance sheets of depository corporations.

Meanwhile, by type of financial institutions, the largest declines occurred in banks and municipal savings banks compared to 2022 and in rural banks and savings banks compared to November 2023.

Table 74

Table 74

BALANCE OF RESCHEDULED LOANS 1/										
	Balances (Millions S/)								Flows (Millions S/)	
	Dec.22	Jun.23	Jul.23	Aug.23	Sep.23	Oct.23	Nov.23	Dec.23	Dec.23/ Dec.22	Dec.23/ Nov.23
Banks	10,105	7,993	7,564	7,324	7,005	6,806	5,821	5,513	-4,591	-307
Financial	448	227	215	195	174	168	128	98	-349	-30
Municipal cash registers	2,201	1,439	1,320	1,222	1,096	1,060	605	551	-1,650	-54
Rural banks	229	114	112	81	81	80	78	6	-223	-72
<b>Total</b>	<b>12,982</b>	<b>9,773</b>	<b>9,211</b>	<b>8,822</b>	<b>8,356</b>	<b>8,114</b>	<b>6,632</b>	<b>6,169</b>	<b>-6,813</b>	<b>-463</b>

1/ Balances in U.S. dollars are valued at the period-end accounting exchange rate.  
Source: Audited balance sheets of depository corporations.

## 4. GLOBAL FINANCING TO THE PRIVATE SECTOR

In addition to credit from deposit-creating corporations, global financing to the private sector includes financing through other financial institutions such as mutual funds, insurance companies and private pension funds, as well as direct foreign loans to companies. During the year, overall financing grew 1.4 percent (2.8 percent in 2022).



Table 75

FINANCING EXTENDED TO THE PRIVATE SECTOR 1/					
	Balances in Millions of soles			Growth rates (%)	
	2021	2022	2023	2022	2023
<b>I. CREDIT OF DEPOSITORY CORPORATIONS</b>	<b>395,306</b>	<b>413,100</b>	<b>418,416</b>	<b>4.5</b>	<b>1.3</b>
Domestic currency	310,790	318,375	320,779	2.4	0.8
Foreign currency (Millions of USD)	22,781	25,532	26,317	12.1	3.1
Dollarization (%)	21.4	22.9	23.3		
<b>II. CREDIT FROM OTHER FINANCIAL COMPANIES 2/</b>	<b>42,520</b>	<b>41,058</b>	<b>40,855</b>	<b>-3.4</b>	<b>-0.5</b>
Domestic currency	26,594	25,961	26,464	-2.4	1.9
Foreign currency (Millions of USD)	4,293	4,069	3,879	-5.2	-4.7
Dollarization (%)	37.5	36.8	35.2		
Of which:				-	-
AFPs Credit	17,415	14,341	13,185	-17.7	-8.1
Mutual fund credit	2,471	2,152	1,917	-12.9	-10.9
Insurance credit	15,484	16,836	18,761	8.7	11.4
<b>III. EXTERNAL INDEBTEDNESS (Millions of USD)</b>	<b>105,626</b>	<b>104,356</b>	<b>107,013</b>	<b>-1.2</b>	<b>2.5</b>
	<b>28,471</b>	<b>28,128</b>	<b>28,844</b>	<b>-1.2</b>	<b>2.5</b>
Short-term (Millions of USD)	4,334	3,958	4,216	-8.7	6.5
Medium and long term (Millions of USD)	24,137	24,170	24,628	0.1	1.9
<b>IV. TOTAL</b>	<b>543,452</b>	<b>558,514</b>	<b>566,284</b>	<b>2.8</b>	<b>1.4</b>
Domestic currency	337,383	344,336	347,243	2.1	0.8
Foreign currency (Millions of USD)	55,544	57,730	59,041	3.9	2.3
Dollarization (%)	37.9	38.3	38.7		

1/ Balances in U.S. dollars are valued at the December 2023 exchange rate.

2/ Includes loans and fixed-income investments by institutional investors.

Source: BCRP.

The main component of global financing is credit granted by deposit-creating corporations, whose annual growth was 1.3 percent. The second largest component was direct financing obtained by companies from abroad, whose annual expansion was 2.5 percent (-1.2 percent in 2022).

The third component of global financing is direct domestic financing obtained by companies through the capital markets. This source comprises local issues of bonds and other assets through public or private offerings to be acquired by local institutional investors such as AFPs, mutual funds and insurance companies. The balance of this financing decreased 0.5 percent compared to the previous year, which implies that the amount of new issues is lower than the amount of issues redeemed, due to the lower dynamism of the stock market. In other words, companies find it less advantageous under current conditions to finance themselves by issuing securities than by using regular credit channels.

## 5. FINANCIAL INDICATORS

During 2023, the financial system recorded a slight decrease in profitability levels. This was the result of the increase in provision expenses due to the deterioration of credit risk indicators, which occurred in an environment of lower economic growth and due to the effects of weather phenomena and social conflicts. However, the system's main strength remains its comfortable solvency levels.

Bank solvency, measured by the overall capital ratio, remains above the current legal minimum (9 percent until August 2024). This higher level is due, in part, to the regulatory change for the adaptation to Basel III standards, implemented by the SBS since the beginning of 2023. This modification allowed, among other things, to compute all the profits for the year within the Equity.

Table 76

FINANCIAL INDICATORS OF THE BANKS 1/				
(Percentage)				
	2021	2022	2023	Average 2014-2023
Overall capital ratio	14.9	14.4	16.4	14.9
Overdue portfolio/gross placements 2/	3.8	4.0	4.3	3.3
High-risk portfolio/gross placements 3/	5.6	5.7	6.4	4.8
Provision for high-risk placements/portfolio	103.8	102.3	97.7	108.2
Return on equity ratio (ROE)	13.3	17.3	14.3	16.6
Return on Assets Ratio (ROA)	1.4	2.0	1.8	1.8

1/ Includes Bank of China as of 2020, and Bci as of 2022.

2/ The past-due portfolio is equal to the past-due portfolio and the portfolio in judicial collection.

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

Source: Superintendency of Banking, Insurance and AFPs.

In 2023, banks' non-performing loans ratio recorded a moderate increase, mainly due to consumer loans (the non-performing loans ratio increased from 2.7 to 4.0 percent) and, to a lesser extent, to the arrears observed in small and medium-sized companies. As a result, banks have been making larger write-offs in order to control credit risk indicators.

Table 77

BANKS: OVERDUE PORTFOLIO BY DEBTOR TYPE AND SIZE 1/				
(Percentage)				
	2021	2022	2023	Average 2014-2023
Corporate loans	0.6	0.8	0.3	0.3
Credits to large companies	1.4	1.9	1.9	1.3
Credits to medium-sized enterprises	9.5	11.5	13.4	7.9
Credits to small business	9.4	8.2	9.7	8.8
Credits to microbusiness	4.4	4.9	4.3	3.7
Consumer loans	2.5	2.7	4.0	3.5
Mortgage loans	3.1	2.6	2.7	2.6
<b>Total direct loans</b>	<b>3.8</b>	<b>3.9</b>	<b>4.3</b>	<b>3.3</b>

1/ Includes Bank of China as of 2020, and Bci as of 2022.

Source: Superintendency of Banking, Insurance and AFPs.

Non-bank entities were the most affected by economic conditions in 2023, because their loan portfolios have greater exposure to borrowers who are more vulnerable to changes in the economic cycle and have lower incomes. Financial companies, cajas municipales and credit companies generated profits during the year, but these were lower than those reported in the previous year. On the other hand, rural savings banks recorded higher losses. These results are explained by the increase in provision expenses, as well as lower loan income due to the slow down in loan growth and loan rescheduling.

Table 78

FINANCIAL INDICATORS OF NON-BANK ENTITIES				
	(Percentage)			
	2021	2022	2023	Average 2014-2023
<b>Overdue portfolio/gross placements 1/</b>				
Financial companies	5.4	5.5	6.8	6.1
Municipal cash registers	5.0	5.4	5.7	5.7
Rural banks 2/	7.6	6.4	6.1	6.6
Credit companies 3/	5.1	5.3	6.9	4.3
<b>Provision for high-risk investments/portfolio 4/</b>				
Financial companies	112.3	119.7	107.4	116.8
Municipal cash registers	123.6	104.9	96.6	106.2
Rural banks 2/	107.0	112.7	105.2	112.9
Credit companies 3/	87.6	99.8	93.2	127.5
<b>Return on equity ratio (ROE)</b>				
Financial companies	5.2	15.0	3.8	10.6
Municipal cash registers	3.1	8.8	3.4	9.6
Rural banks 2/	-15.2	-1.4	-11.6	-4.0
Credit companies 3/	13.8	7.8	6.4	9.5

1/ Overdue receivables and receivables in judicial collection.

2/ CRAC Sipán and CRAC Raíz are excluded in all years. The SBS authorized the voluntary dissolution of Sipán in September 2021. In 2023, the SBS intervened in Raíz.

3/ GMG, Progreso, BBVA Consumer, Credivisión and Acceso Crediticio are excluded in all years. In 2021, the SBS authorized the voluntary dissolution of GMG and Progreso, which ceased to be supervised companies in May and August, respectively. In 2022, the SBS authorized the voluntary dissolution of BBVA Consumer and Credivisión, which ceased to be supervised companies since February and October, respectively. In 2023, the SBS withdrew Acceso Crediticio's operating license as a credit company. In 2021, TOTAL Servicios Financieros is included, and in 2022 Volvo Financial Services.

4/ The high-risk portfolio is equal to the overdue portfolio plus the refinanced and restructured portfolio.

Source: Superintendency of Banking, Insurance and AFPs.

In general terms, non-banks recorded a larger overdue portfolio compared to the previous year, which resulted in a lower coverage of their high-risk portfolio with their provisions and, in some cases, lower solvency levels. As a result, this group of institutions continued to take measures to strengthen their equity, including the extension of maturities and the issuance of new subordinated debt, as well as capital contributions made by shareholders.

## 6. TYPE OF CHANGE

In 2023, the Peruvian Sol appreciated 2.6 percent against the US dollar in nominal terms (from S/ 3.81 to S/ 3.71 per dollar), in a year of high volatility of risk assets and dollar oscillations at the global level.

In the first half of 2023, the exchange rate showed a downward trend, in an environment of a weakening dollar at the global level and high volatility in the local and foreign markets due to: (i) the expectation of a moderation in the US monetary policy due to the correction of different inflation metrics and a decrease in the perception of recession risk in said country; (ii) banking tensions in the United States in the first quarter; (iii) the risk of lower growth in China; (iv) the greater local political noise in the first quarter due to the lack of consensus between the Executive and the Legislative to determine the date for the early elections; and (v) the high demand for dollars from the corporate sector.

On the other hand, in the second half of 2023 the exchange rate presented an upward trend due to: (i) the strengthening of the dollar at the global level (DXY), mainly in the third quarter; (ii) changes in the expectation of the start of monetary easing in the United States, where it was internalized that interest rates would remain high for longer; (iii) the high demand for dollars from the corporate sector in the spot market and from non-resident investors in the derivatives market; (iv) the slowdown of economic growth in China; and (v) the start of the monetary policy interest rate reduction cycle in Peru since September.

Table 79

EXCHANGE RATES 1/ AND COMMODITY PRICES 2/		Dec.20	Dec.21	Dec.22	Dec.23	% chg. Dec.23 vs		
						Dec.22	Dec.21	Dec.20
<b>Dollar Index</b>	UM per USD	90	96	104	101	-2.1	5.9	12.7
<b>Eurozone</b>	Euro*	1.222	1.137	1.071	1.104	3.1	-2.9	-9.6
<b>Japan</b>	Yen	103.3	115.1	131.1	141.0	7.6	22.6	36.6
<b>Brazil</b>	Real	5.19	5.57	5.29	4.85	-8.2	-12.9	-6.6
<b>Chile</b>	Peso	710	851	848	881	3.9	3.5	24.1
<b>Colombia</b>	Peso	3,415	4,065	4,847	3,873	-20.1	-4.7	13.4
<b>Mexico</b>	Peso	19.87	20.49	19.47	16.95	-12.9	-17.2	-14.7
<b>Peru</b>	Sol	3.62	3.99	3.81	3.71	-2.6	-7.1	2.4
<b>Copper</b>	cUSD/pound	352	446	381	389	2.1	-12.8	10.6
<b>Gold</b>	USD/tr ou	1,898	1,829	1,824	2,063	13.1	12.8	8.7
<b>Oil</b>	USD/barrel	48.5	75.2	80.3	71.7	-10.7	-4.7	47.7

1/ In all cases a positive percentage change implies an appreciation of the dollar, except for the euro.

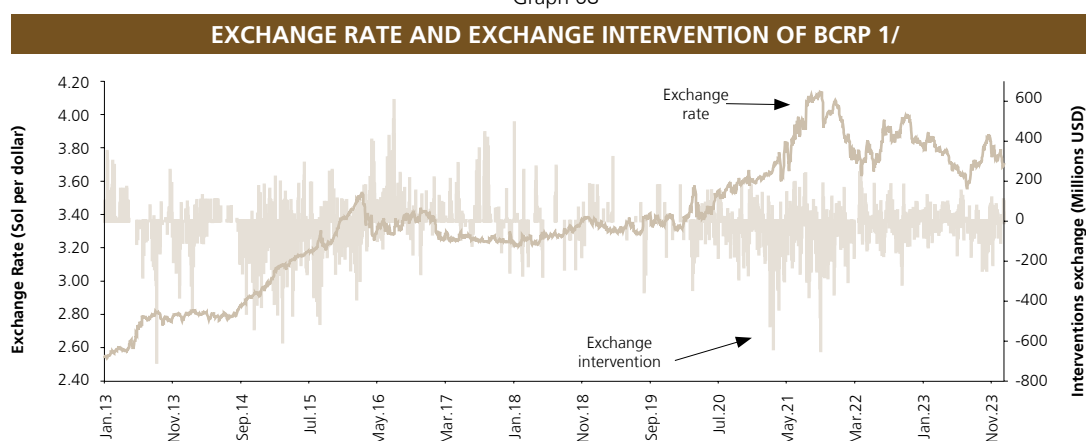
2/ End of period.

Source: Reuters.

The Peruvian Sol stands out against other currencies in the region with the lowest annual volatility. In terms of performance, the greater demand for dollars from the non-financial sector and the beginning of the easing of the benchmark interest rate, and with it the reduction in the monetary policy rate differential, partly explain the upward trend in the Peruvian PEN exchange rate during the second half of 2023.

Flows in the foreign exchange market in 2023 were a net demand of USD 2,836 million, while the BCRP presented a net supply of USD 2,433 million. This net demand for dollars is broken down into: (i) net demand in the derivatives market for USD 2,765 million, mainly from non-resident investors and the corporate sector; and (ii) net demand for dollars in the *spot market* for USD 71 million, mainly from companies in the corporate sector, which were offset by net supply from mining companies (USD 10,024 million) and retailers (USD 4,098 million). The AFPs net demanded USD 1,105 million in the *spot market* and net bid around USD 1,658 million in the derivatives market. In contrast with previous years, the AFPs net bought foreign securities for a total of USD 2,161 million.

Graph 68



1/ Includes: Purchases/sales of dollars in the spot market; net maturities of foreign exchange swap sales and CDR-BCRP; and net CDLD BCRP and swap placements.

Source: BCRP.

For its part, non-resident investors in 2023 demanded dollars in the *spot* and derivatives markets for USD 932 million and USD 2,319 million, respectively. In a context of uncertainty in the international market and a reduction in the interest rate differential, investments in local government bonds decreased by S/. 4,676 million. In the case of banks, the overall position decreased by USD 403 million in 2023 (in 2022 this position decreased by USD 120 million).

## 7. FINANCIAL SAVINGS AND CAPITAL MARKETS

Financial savings include the total assets held by firms and households in the financial system. These savings can take the form of deposit holdings (mainly savings, time deposits, among others), securities holdings, mutual fund shares, life insurance and contributions to private pension funds. In 2023, the balance of this aggregate increased 8.8 percent, mainly due to the increase in retirement funds, whose value grew 16.2 percent.

Table 80

FINANCIAL SAVINGS COMPONENTS 1/					
	Balances in Millions of soles			Growth rates (%)	
	2021	2022	2023	2022	2023
Savings deposits	151,118	140,277	131,213	-7.2	-6.5
Term deposits	84,482	111,048	128,214	31.4	15.5
Mutual fund shares	28,688	25,409	30,410	-11.4	19.7
Direct holdings of securities	5,103	6,969	11,264	36.6	61.6
Participation in life insurance reserves	12,391	13,989	15,144	12.9	8.3
Participation in private pension funds	131,918	104,630	121,586	-20.7	16.2
Rest	2,970	3,203	3,411	7.9	6.5
<b>TOTAL</b>	<b>416,670</b>	<b>405,526</b>	<b>441,242</b>	<b>-2.7</b>	<b>8.8</b>

1/ Balances in U.S. dollars are valued at the December 2023 exchange rate.  
Source: BCRP.

By currency, financial savings in soles grew more (10.3 percent per year) than financial savings in dollars (4.8 percent per year), which was partly due to the fact that pension savings in soles were higher than those in dollars (4.8 percent per year) -which represents 27 percent of the total- is always counted in Sol. Other components of financial savings, such as public deposits or mutual fund shares, had a relatively higher growth in dollars.

Table 81

FINANCIAL SAVINGS			
(End of period balances)			
	Domestic currency (mill S/)	Foreign currency (mill USD)	Total 1/ (mill S/)
2013	184,630	18,849	254,560
2014	206,279	18,962	276,628
2015	217,189	22,255	299,756
2016	242,734	22,114	324,775
2017	278,771	24,556	369,873
2018	289,978	24,278	380,050
2019	328,583	27,218	429,562
2020	357,861	29,340	466,713
2021	315,967	27,144	416,670
2022	296,622	29,354	405,526
2023	327,121	30,760	441,242
<b>Growth rates</b>			
2022	-6.1	8.1	-2.7
2023	10.3	4.8	8.8

1/ Balances in U.S. dollars are valued at the December 2023 exchange rate.  
Source: BCRP.

## 7.1 PRIMARY FIXED INCOME MARKET

At the end of 2023, the balance of outstanding fixed-income securities issued through public offerings in the local market totaled S/ 22,107 million, which implies a decrease of 3.9 percent with respect to the balance at the end of 2022 (S/ 23,012 million). These figures include both bonds and short-term instruments in circulation, placed through public offerings by non-government issuers and therefore exclude sovereign bonds regularly issued by the Public Treasury.

The flow of securities placed during the year was S/ 4,107 million, higher than the previous year (S/ 1,873 million in 2022), but even lower than the amounts recorded in years prior to COVID-19 (S/ 5,971 million per year average issued between 2016 and 2019). A total of 64 fixed-income issues were recorded through public offerings. Almost all of these issues were short-term (one year or less) and there were only two issues for terms longer than 1 year.

Table 82

PRIVATE SECTOR FIXED-INCOME SECURITIES 1/					
	Annual amount			Growth rates (%)	
	2021	2022	2023	2022	2023
<b>End of period balances</b>					
<b>(Millions soles)</b>	<b>24,844</b>	<b>23,012</b>	<b>22,107</b>	<b>-7.4</b>	<b>-3.9</b>
Non-financial issuers	14,590	13,448	12,899	-7.8	-4.1
Financial issuers 2/	10,254	9,564	9,208	-6.7	-3.7
<b>Currency composition</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>		
Soles	85.1	84.6	85.4		
Soles, Fixed rate	80.9	79.9	81.3		
Soles, VAC-indexed rate	4.2	4.7	4.1		
Dollars	14.9	15.4	14.6		
Balances as percentages of GDP	2.8	2.5	2.2		

1/ Balances in U.S. dollars are valued at the December 2023 exchange rate.

2/ Securities issued or originated by financial system companies, including Banco de la Nación, Cofide and Mivivienda.

Source: BCRP and Superintendencia del Mercado de Valores (SMV)

By type of issuer, non-financial private companies placed public offerings for an equivalent value of S/ 1,211 million (S/ 173 million in 2022). With this, the balance of securities of these companies recorded a 4.1 percent decrease compared to the previous year. For its part, financial system companies placed securities for a value of S/ 2,896 million (in 2022 they placed securities for S/ 1,700 million), ending with a balance of outstanding securities of S/ 9,208 million. The largest single issue was made by the insurance company Pacífico Peruano Suiza in May for the equivalent of S/ 221 million (USD 60 million), followed closely by Alicorp with an issue of S/ 175 million in December.

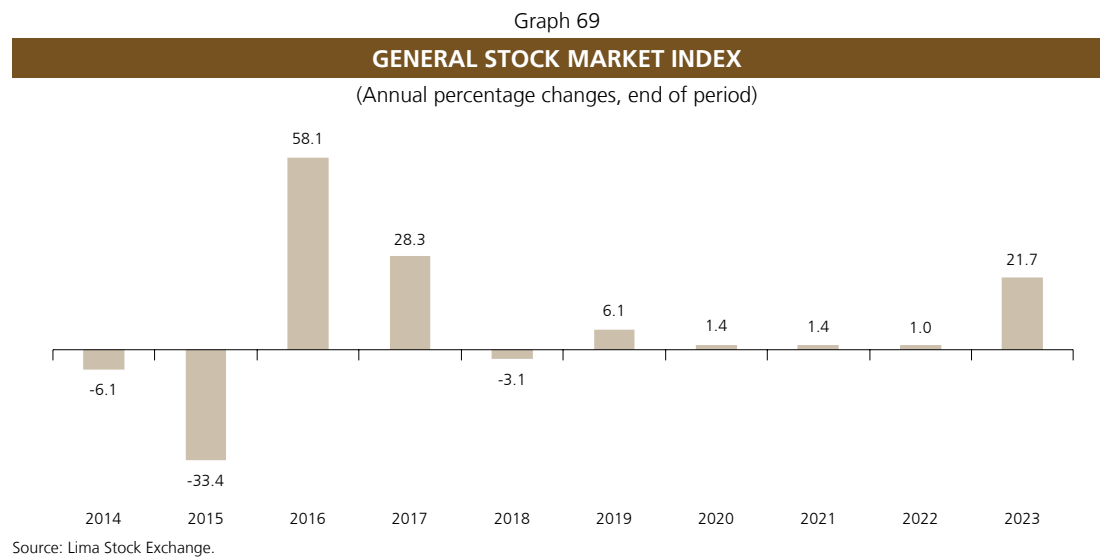
By currency, Sol bonds accounted for 85.4 percent of the outstanding balance (84.6 percent at the end of 2022) and dollar-denominated bonds for 14.6 percent (15.4 percent in 2022). Fixed-rate Sol bonds accounted for 81.3 percent of the balance (79.9 percent in 2022), while inflation-indexed bonds -VAC- represented 4.1 percent (4.7 percent in 2022).

The average term of the flow of placements, weighted by the amount placed, was 1.5 years for Sol securities and 7.4 years for dollar securities. The longest placement term in 2023 was 12 years, which corresponded to Alicorp in December.

7.2 STOCK MARKET

During the year, the Lima Stock Exchange (BVL) posted positive results. The main index, the SP/BVL PERU GENERAL or general index, had a positive annual return of 21.7 percent, higher than the previous year (1.0 percent). The selective SP/BVL LIMA 25 index recorded an annual gain of 9.6 percent, after declining 0.5 percent in 2022. And finally, the SP/BVL PERU SELECT index had an annual increase of 21.0 percent (its return was negative 1.3 percent in 2022).

The economic context was mainly marked by a lower level of domestic economic activity, greater social conflicts and high but decreasing inflation rates, both domestically and abroad. The markets have been waiting for the US Federal Reserve to begin cutting interest rates. The stock market rally in December -which was a determining factor in the annual results- responds in large part to the perception that this expected cut would begin soon during 2024.



At the sector level, the indices with the highest returns were mining (45.4 percent) and services (31.5 percent), while the index with the highest losses was construction (-11.5 percent).

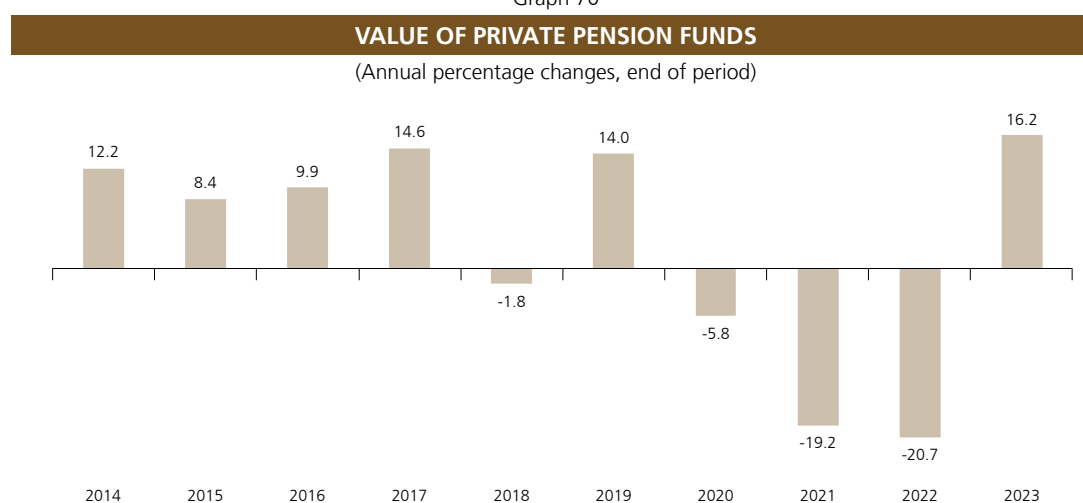
Trading volumes were lower than in the previous year. Equity trading decreased 29.1 percent compared to 2023, totaling S/ 7,452 million. Bond trading decreased 50.4 percent, reaching a total of S/ 1,590 million per year. Market capitalization at the end of the year was S/ 657,589 million, 21.7 percent higher than the value recorded at the end of 2022 (S/ 540,354 million).

The amount of dematerialized shares (those recorded electronically in Cavali) was S/ 215,361 million at the end of 2023, equivalent to 32.8 percent of market capitalization (35.4 percent in 2022). The share of non-resident investors in total dematerialized shares decreased from 34.1 percent in 2022 to 31.3 percent in 2023.

### 7.3 PRIVATE SYSTEM OF PENSIONS

The value of private pension fund assets increased 16.2 percent during 2023, recording a value of S/ 121,586 million in December (S/ 104,630 million in 2022). The number of members of the system increased 5.3 percent and reached 9.3 million people. The percentage of contributing members in relation to the total number of members rose from 39.5 percent in December 2022 to 40.7 percent in September 2023 (latest available data), still below the situation that existed before the pandemic (the ratio of contributing members was 44 percent in December 2019).

Graph 70



Source: Superintendency of Banking, Insurance and AFPs (SBS).

The real return of the private pension funds was positive. Pension fund type 2 - which accounts for twothirds of the total and is therefore the most representative - had a real return of 6.5 percent per year. The other fund types also had positive real returns.

Table 83

<b>PORTFOLIO OF PRIVATE PENSION FUNDS</b>			
(Percentage Structure)			
	2021	2022	2023
<b>I. DOMESTIC INVESTMENTS</b>	<b>56.1</b>	<b>63.2</b>	<b>61.1</b>
Deposits	3.7	4.8	3.4
In soles	3.3	4.3	3.3
In dollars	0.5	0.5	0.1
Bonds and Fixed income	27.9	32.1	34.6
BCRP Instruments	-	-	-
Sovereign Bonds	15.6	19.2	24.4
Private bonds	12.3	12.9	10.1
Stocks and equities	24.4	26.3	23.1
Shares	17.8	19.8	17.8
Investment funds and securitization instruments	6.6	6.5	5.3
<b>II. INVESTMENTS ABROAD</b>	<b>43.4</b>	<b>36.9</b>	<b>39.8</b>
<b>III. TRANSIT OPERATIONS</b>	<b>0.6</b>	<b>-0.1</b>	<b>-0.9</b>
<b>IV. TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Fund assets (millions of Soles)</b>	<b>131,918</b>	<b>104,630</b>	<b>121,586</b>
As a percentage of GDP	15.0	11.2	12.2

Source: Superintendency of Banking, Insurance and AFPs (SBS).



The percentage of investments made abroad increased from 36.9 percent to 39.8 percent during 2023, almost 3 percentage points. On the other hand, the weight of local assets decreased. Even so, within the local components, the weight of fixed-income instruments increased (from 32.1 percent to 34.6 percent), mainly due to higher purchases of government bonds.

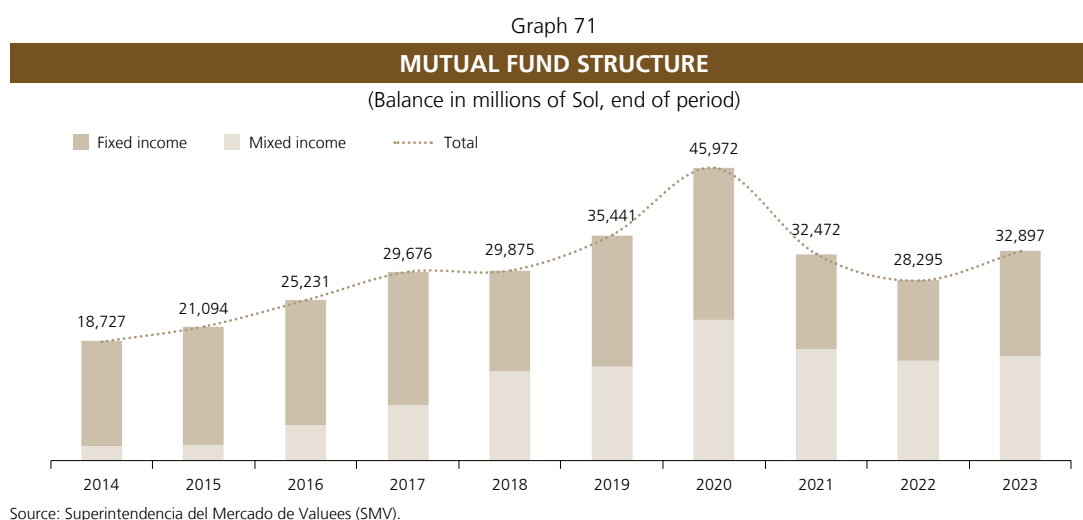
By fund type, the type 2 or mixed fund (which has a maximum of 45 percent in equities) accounted for 66.7 percent of the total value of the funds and had a real return of 6.5 percent per year. The type 3 fund or capital appreciation fund (which has a maximum of 80 percent in equities) accounted for 12.1 percent and had a real return of 1.9 percent per year. The type 1 fund or capital preservation fund (which has a maximum of 10 percent in equities) accounted for 16.5 percent and had a real return of 12.4 percent. For its part, the zero fund or capital protection fund (which invests only in fixed income) had a share of 4.7 percent and its real return was 5.1 percent.

The balance of voluntary contributions amounted to S/ 2,008 million (S/ 2,110 million in 2022), which represented 1.6 percent of the total accumulated funds (2.0 percent in 2022). Most of these contributions were for non-pension purposes (S/ 1,803 million).

#### 7.4 MUTUAL FUNDS OF INVESTMENT

The combined assets of mutual funds increased 16.3 percent over the previous year and closed 2023 with a balance of S/. 32,897 million (3.3 percent of GDP). The number of participants increased 1.9 percent to 348 thousand people at the end of the year (341 thousand in 2022). The number of mutual funds operating at the end of the year was 252 funds, of which 50 are Sol-denominated mutual funds and 202 are dollar-denominated funds.

In terms of assets under management, by currency, the relative share of Sol mutual funds decreased from 29.8 percent to 28.2 percent, while the percentage share of dollar mutual funds increased from 70.2 percent to 71.8 percent.



The share of mutual funds' foreign investments decreased from 54.4 percent to 51.4 percent over 2023. Among domestic investments, the share of deposits increased (from 30.4 percent to 37.7 percent) and of equity instruments (from 2.2 percent to 2.4 percent). Investment in local domestic fixed-income instruments decreased from 10.5 to 7.9 percent.

Table 84

MUTUAL FUND PORTFOLIO			
(Percentage Structure)			
	2021	2022	2023
<b>I. DOMESTIC INVESTMENTS</b>	<b>51.6</b>	<b>45.6</b>	<b>48.6</b>
Deposits	33.8	30.4	37.7
In soles	18.0	18.8	22.7
In dollars	15.8	11.6	15.0
Bonds and Fixed income	11.1	10.5	7.9
BCRP Instruments	0.4	-	-
Sovereign Bonds	0.3	0.3	0.6
Private bonds	10.4	10.1	7.3
Stocks and equities	3.3	2.2	2.4
Others	3.4	2.5	0.6
<b>II. INVESTMENTS ABROAD</b>	<b>48.4</b>	<b>54.4</b>	<b>51.4</b>
<b>III. TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Mutual fund assets (millions of Soles)</b>	<b>32,472</b>	<b>28,295</b>	<b>32,897</b>
As a percentage of GDP	3.7	3.0	3.3

Source: Superintendencia del Mercado de Valores (SMV).

## 8. PAYMENT SYSTEMS

### High and Low Value Payments

In 2023, the growing trend of digital payment adoption in the country continues, increasing by 77 percent in the number of transactions of the Digital Payments Indicator (DPI). This trend is characterized by:

- i) A steady increase in the use of digital payments for lower value transactions.
- ii) An oriented to payment instruments that offer a better user experience: immediacy, 24x7 schedules, beneficiary identification, low or zero cost and interoperability.

Table 85

HIGH AND LOW VALUE PAYMENTS								
(Monthly average, value in millions of Soles and number in millions of transactions)								
Payment Instrument	2021		2022		2023		Average 2023-2022	
	Value	Number	Value	Number	Value	Number	Value	Number
<b>HIGH VALUE</b>	<b>322,376</b>	<b>0.08</b>	<b>381,683</b>	<b>0.09</b>	<b>405,420</b>	<b>0.09</b>	<b>6%</b>	<b>4%</b>
RTGS* System	322,376	0.08	381,683	0.09	405,420	0.09	6%	4%
- Clients of the participants	189,939	0.06	198,804	0.07	197,497	0.07	-1%	0%
- Participants' own	132,437	0.02	182,879	0.02	207,923	0.02	14%	20%
<b>LOW VALUE</b>	<b>282,883</b>	<b>163</b>	<b>303,229</b>	<b>277</b>	<b>313,599</b>	<b>490</b>	<b>3%</b>	<b>76%</b>
1. Intrabank Transfers	233,682	89	244,366	159	246,733	290	1%	82%
- Via Digital wallets	2,125	32	5,513	94	10,374	212	88%	127%
- Via Other channels	231,557	57	238,853	66	236,359	78	-1%	19%
2. Via Other channel	456	4	1,197	19	3,603	65	201%	245%
- Via Digital wallets	456	4	1,197	19	3,603	65	201%	245%
3. CCE System**	30,893	9	36,918	13	40,627	16	10%	28%
- Credit transfers	19,843	4	22,848	4	23,803	4	4%	-2%
- Immediate transfers	5,157	5	7,704	9	10,598	12	38%	40%
- Checks	5,894	0.1	6,366	0.1	6,226	0.1	-2%	-7%
4. Payment cards	8,843	55	11,597	81	13,844	113	19%	38%
- Debit Cards	3,915	38	5,085	53	6,392	77	26%	45%
- Credit cards	4,928	18	6,512	28	7,452	35	14%	26%
5. Intrabank checks	8,264	0.5	8,308	0.5	7,790	0.5	-6%	-9%
6. Automatic debits	634	4	690	4	739	5	7%	8%
7. Bim: Payments and Transfers	111	0.7	152	0.6	263	0.7	73%	15%
<b>Digital Payments Indicator***</b>	<b>458,664</b>	<b>162</b>	<b>487,359</b>	<b>277</b>	<b>497,080</b>	<b>489</b>	<b>2%</b>	<b>77%</b>

\* Real Time Gross Settlement System.

\*\* Electronic Clearing House.

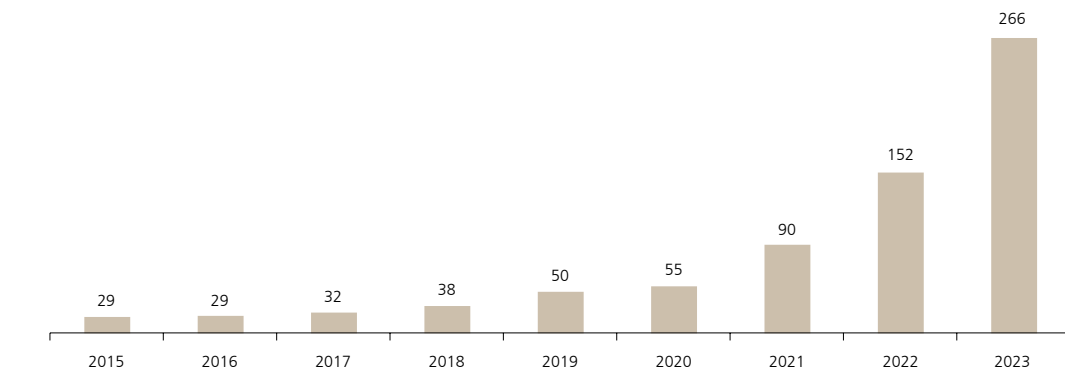
\*\*\* Includes customer-ordered RTGS transfers, intrabank transfers, interbank transfers via digital wallets, transfers via ECC, payment cards, automatic debits and BIM transactions.

Source: BCRP.

The progress of payment digitization can be seen in the rapid increase in the number of payments per capita.

Graph 72

### NUMBER OF DIGITAL PAYMENTS PER CAPITA



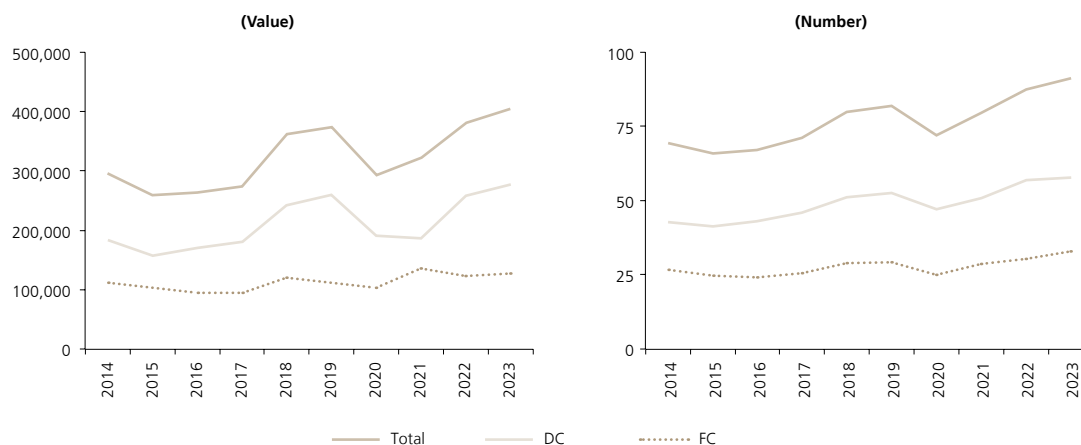
Note: Considers the population between 18 and 70 years old and the number of transactions of the Digital Payments Indicator.  
Source: BCRP.

The RTGS system, the main payment system in Peru, which processes high-value fund transfers between companies in the financial system, increased its value and number of transactions by 6 percent and 4 percent, respectively, in 2023, due to higher transactions between participants (loans and transfers). By currency, the value of transactions in domestic currency increased by 7.5 percent, while in foreign currency (U.S. dollars) it increased by 6 percent, compared to the previous year.

Graph 73

### OPERATIONS IN THE LBTR SYSTEM

(Monthly average, value in millions of Soles and number of transactions in thousands)

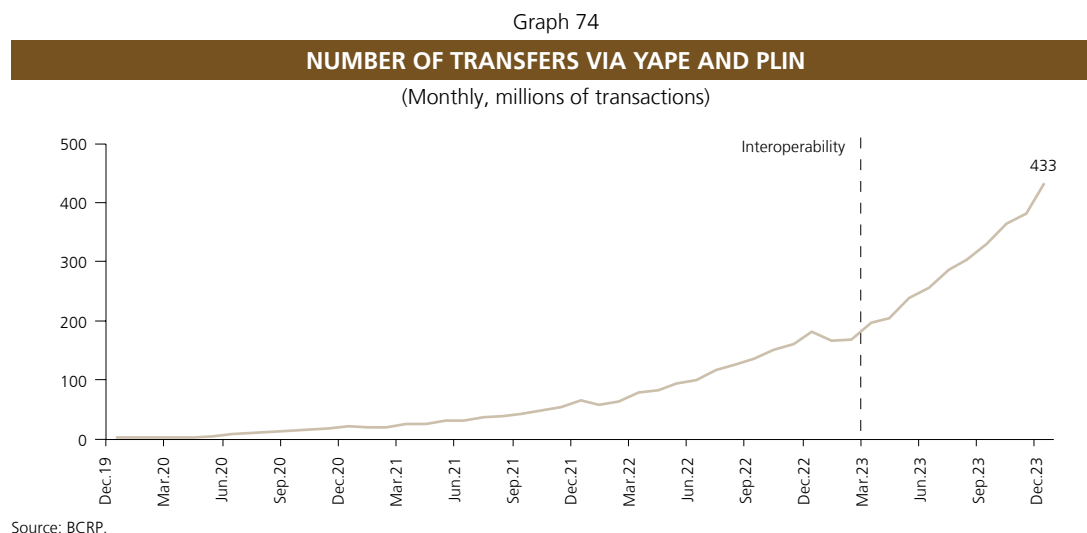


Source: BCRP.

The progress in the digitization of low-value or retail payments reflects the public's greater preference for using digital payments, especially those that provide a better user experience. Not only has this expanded the number of payments, it has also implied a further deepening of digitization in low-value payments.

The rapid growth in the number of wallet payments (intrabank and interbank) is noteworthy. increased their share of low-value payments from 41 percent in 2022 to 57 percent in 2023, largely due

to the development of interoperability between the main wallets: Yape and Plin (BBVA, Interbank and Scotiabank) as of March 2023.



In contrast, card payments reduced their share from 29 percent in 2022 to 23 percent in 2023. Also, over the same period, the number of transfers via ECCs contracted from 5 percent to 3 percent of total retail payments.

During 2023, immediate transfers continued to grow, driven by their wide availability (24 hours a day, 7 days a week) and, in some cases, free of charge when the amount is less than S/. 500 or is made through digital channels (internet banking). Thus, immediate transfers went from representing 70 percent of the number of ECC transactions in 2022 to 77 percent in 2023, with credit transfers in low-value transactions lagging behind.

In the case of checks processed by the ECC, the downward trend in its operations was accentuated in 2023, which contracted by 7 percent with respect to 2022, representing only 0.7 percent of the total number of ECC operations (1 percent in 2022).

In the case of Bim, the number of operations has increased by 15 percent over 2022, driven mainly by the increase in services offered to clients (payment of services, transfers from participants to the client for loan purposes, connection with companies specializing in remittances, among others).

### Interoperability

As established in the Payment Services Interoperability Regulation (Circular 024-2022- BCRP), the regulated entities complied with the implementation of Phase 1 (digital wallets) and Phase 2 of Interoperability (wallets, mobile applications, Immediate Transfers and QR Codes) within the established deadlines (March and September 2023, respectively). In both cases, the deployment was progressive and controlled, mitigating operational risks and incidents and ensuring the minimum impact on the payment ecosystem and encouraging the incremental adoption of the new functionality. The effort and commitment of the regulated entities to implement the Interoperability Regulation within the established deadlines should be highlighted. The BCRP permanently accompanied all the entities, facilitating and coordinating with technology providers for the necessary integrations.

## Regulation and Supervision

**In June 2023, the BCRP authorized limited access of Electronic Money Issuing Companies (EEDE) to the ECC and the RTGS System.** Circular 010-2023-BCRP amended the Regulation of Exchange and Clearing Service Companies to authorize limited access of EEDEs to the ECC, only to the Immediate Transfers service, and access to the RTGS System. Likewise, the requirements to be met by EEDEs were published on the BCRP's website.

**The BCRP incorporated the EEDE as a Regulated Entity to implement the interoperability of its payment services.** Through Circular 013-2023-BCRP, dated July 11, 2023, it modified the Interoperability Regulations for Payment Services Provided by Payment Providers, Agreements and Systems, to include EEDEs as Regulated Entities.

**In November 2023, through Circular No. 0021-2023-BCRP, the Regulations of the Exchange and Clearing Services Companies were modified to allow limited access to the CCE's clearing services to savings and credit cooperatives not authorized to collect funds from the public (Immediate Transfers),** whose procedure is published in the Central Bank's Institutional Portal.

**During the fourth quarter of 2023, visits were made to the Electronic Clearinghouse S.A. (CCE), which manages the clearing and settlement system for checks and other clearing instruments, and Cavali S.A., which manages the Multibank Securities Settlement System (SLMV).** During these visits, it was verified that, during 2023, the supervised systems continued to comply with current regulations; they improved their risk management and implemented measures that strengthened their operational continuity. Likewise, they have implemented or are addressing the observations and opportunities for improvement identified. It was also verified that continuity and contingency tests were carried out with successful results.

**During 2023, progress was made in the implementation of the Regulation of Payment Agreements with Cards (Circular No. 0027-2022-BCRP).** In this regard, the record of entities participating in the card market has been kept up to date.

Table 86

NUMBER OF CARD PAYMENT AGREEMENT PARTICIPANTS				
Entity role	Card Payment Network			
	Visa	Mastercard	American Express	Diners
Emitters	37	22	2	1
Acquirers	5	5	1	1
Payment Facilitators	20	19	14	14
<b>Total</b>	<b>62</b>	<b>46</b>	<b>17</b>	<b>16</b>

Likewise, in compliance with the provisions of the Circular in force, the regulated entities have published on their web portals the commissions charged for interchange fee and discount rate, as applicable. In October 2023, the BCRP made a first publication, in the statistics section of the Payment System, of the commissions charged in the card market, disaggregated by trade segment and type of card, which increases transparency in the market for the benefit of informed decision making by economic agents.

**In 2023, we continued with the registration of new entities as QR code and digital wallet providers, in accordance with the provisions of the Code Payment Service Regulations QR (Circular N°0003-**

**2020-BCRP).** The registration of the CCE as a QR code provider is noteworthy. Thus, the QR registry has registered six QR code providers, six digital wallets and four entities that are QR code and digital wallet providers, as shown below:

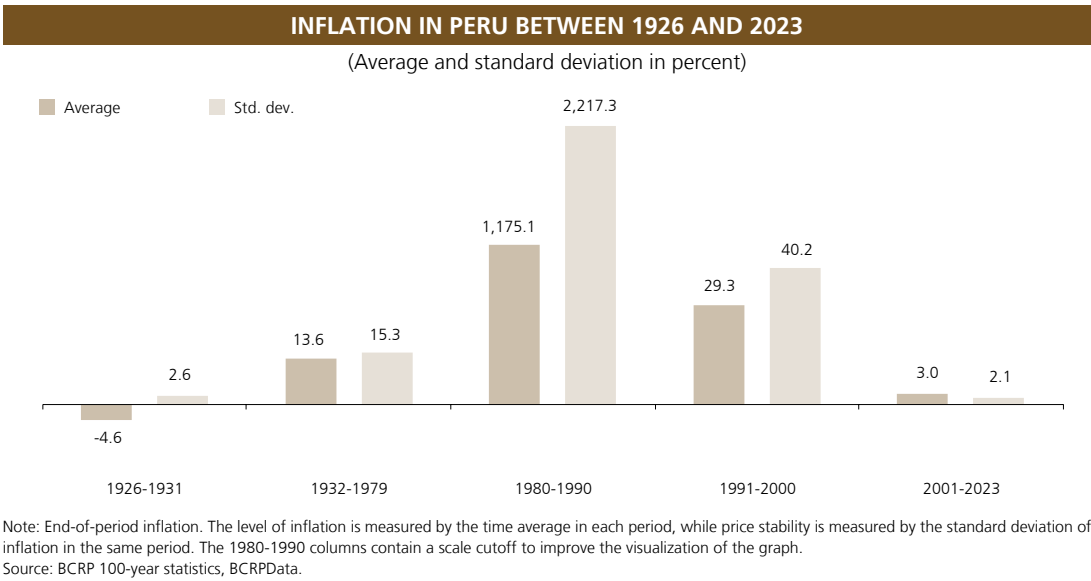
Table 87

ENTITIES RECORDED IN THE QR REGISTRY	
Type of registration	Entity
As a QR Code Provider	Niubiz
	Vendemás
	YellowPepper
	Izipay
	BBVA Acquirer
	Electronic Clearing House (ECC)
As a Digital Wallet	Ligo (TPP)
	Financiera Oh
	Interbank (IzipayYa)
	Prex (Prexpe)
	Bitel (Bipay)
	Financiera Efectiva
As a QR Code Provider and Digital Wallet	BCP (Yape)
	Caja Cusco (Wayki)
	APDE Bim (Bim)
	GMoney (Kontigo and W)

Source: BCRP.

**Box 5**  
**EPISODES OF HIGH INFLATION IN PERU**

Over the last 100 years, Peru has faced several inflationary episodes under different monetary regimes<sup>38</sup>. In contrast, under the current regime of inflation targeting (MEI), the country has achieved the lowest and most stable inflation in its history.



Prior to 1993, there were episodes of hyperinflation and high inflation in periods of fiscal dominance, when public deficits were financed with monetary issuance. Between 1922 and 1932, deflationary episodes were recorded, reversed by the suspension of convertibility (established under the gold standard) and the beginning of the issuance of fiat money by the BCRP in 1932. However, since that year several inflationary episodes occurred, especially in the 1940s, during World War II, and the 1970s, due to oil shocks and the collapse of the Bretton Woods system. During this period, the BCRP focused on maintaining the exchange rate parity and financing the Government.

The monetary disorder of the 1970s and the global inflation of the late 1980s preceded the hyperinflation of 1988-1990. Following the stabilization program initiated in 1990, the longest period of disinflation in Peru's history began, marking a trend towards lower and more stable inflation and laying the groundwork for the BCRP to adopt the MEI scheme.

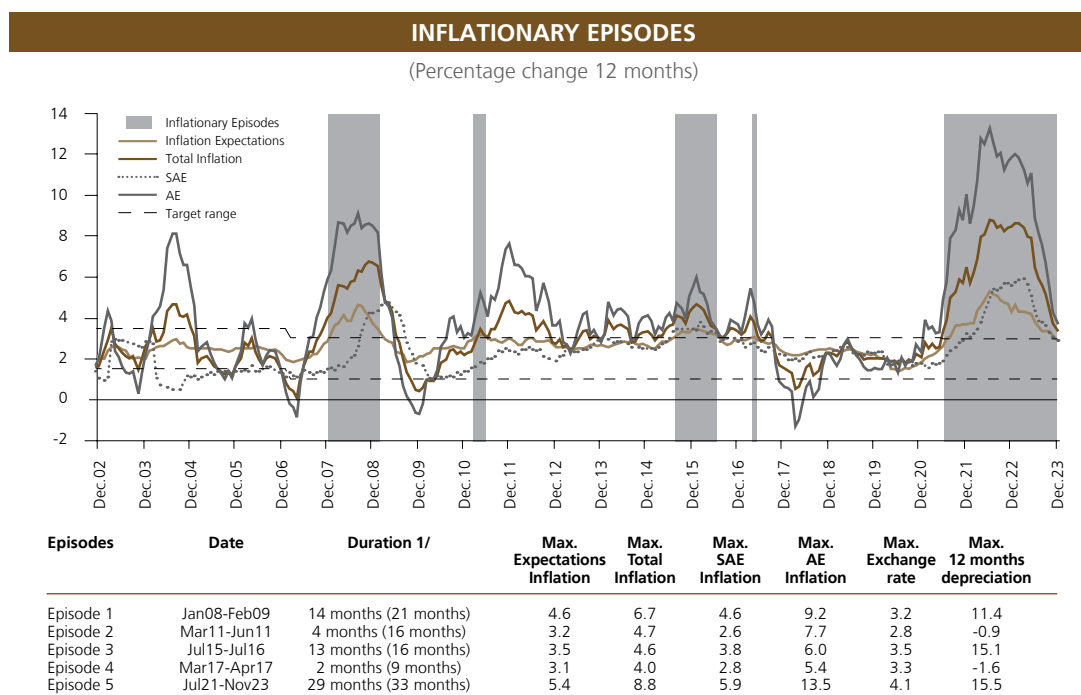
At the same time, several conditions must be met to achieve low and stable inflation under the MEI scheme, especially central bank autonomy and competent monetary policy design. In this line, the BCRP has designed several tools to anticipate inflationary events and counterbalance them in a timely manner. As an example of the BCRP's performance, Peruvian inflation has been among the lowest and most stable in the region, even during the last inflationary episode.

After 22 years since the adoption of the MEI scheme, it can be observed that inflation expectations have remained in the target range for most of the time (77 percent).<sup>39</sup> During this period, multiple

38 Due to data availability, for the historical perspective, prior to 2002, inflationary episodes simply refer to periods of high inflation. After 2002, the behavior of inflation expectations is considered.

39 Expectations published in BCRPdata are considered, which is an average that includes expectations of economic analysts and financial companies.

shocks of different types have materialized, whose inflationary effects were systematically counterbalanced with preventive measures implemented by the BCRP. However, five episodes were recorded in which inflationary expectations outweighed the upper limit of the target range (3 percent).



1/ In parentheses is the time in which total inflation remains outside the target range.

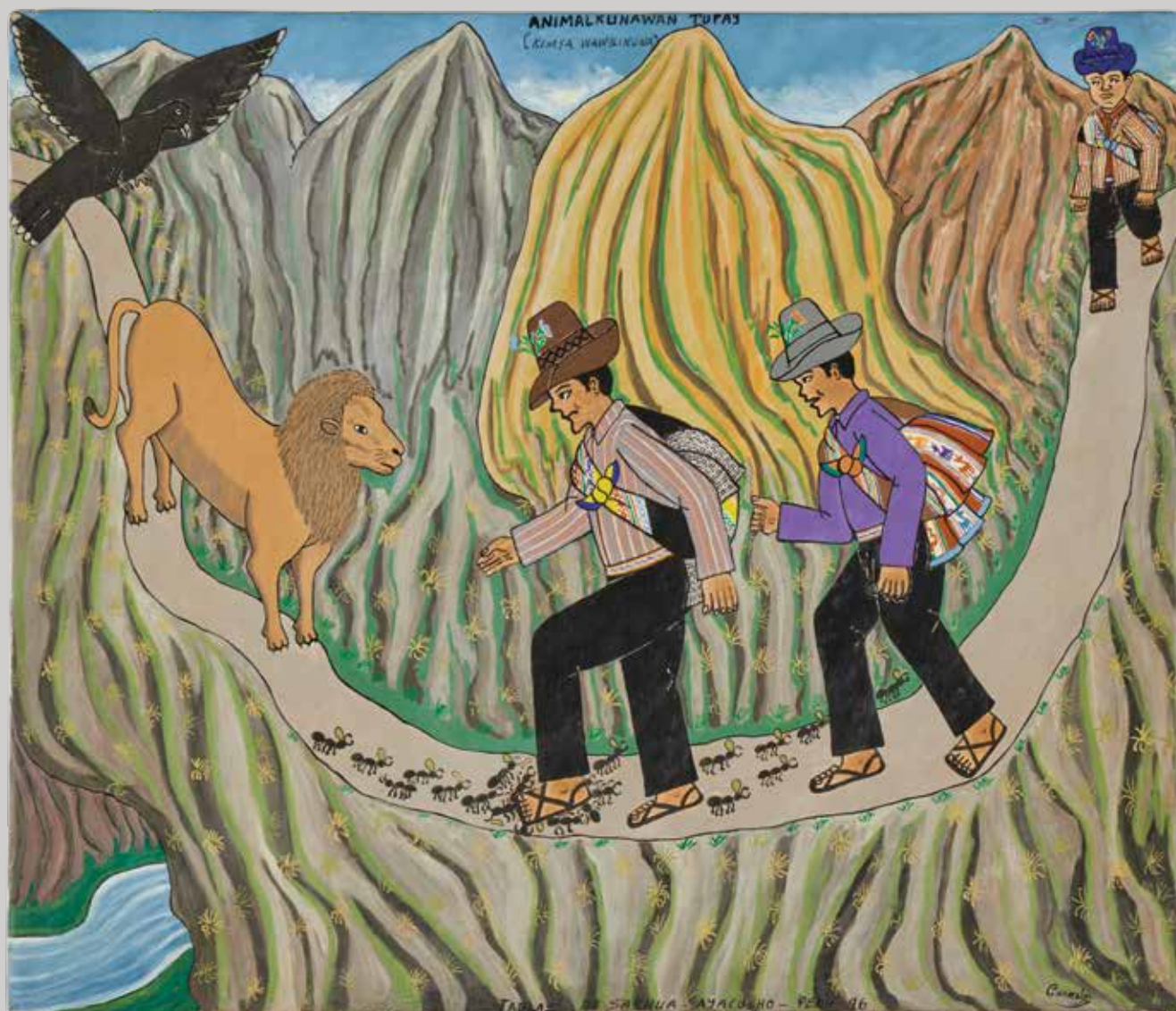
Note: An inflationary episode is defined as those months in which inflation expectations outweigh the upper limit of the target range.

Source: BCRP.

In November 2023, the last of these concluded, which was the longest (29 months) since the adoption of the MEI scheme. This episode was marked by various shocks, both external and internal, especially the discordance between supply and demand recovery in the post-pandemic, the rise in international grain and energy prices due to the war in Ukraine, domestic political turmoil and the El Niño event of 2023.

All these episodes, in which inflation expectations were outside the target range, have been of a temporary nature, with a short or medium duration. In the long run, the credibility of the BCRP's monetary policy prevailed, which led to the return of expectations to the target range over the policy horizon.





Encuentro con los animales (1996)  
Carmelón Berrocal  
BCRP Collection



**Funerary mask of the Paracas/Nasca culture (Early Intermediate)**  
Hugo Cohen Collection (MUCEN)





# INSTITUTIONAL ACTIVITY



**Pen of the Sicán culture (Late Intermediate)**  
Hugo Cohen Collection (MUCEN)

# 06. INSTITUTIONAL ACTIVITY

## 1. DIRECTORY

In 2023, the Board of Directors of BCRP was composed of Julio Velarde Flores (Chairman), Carlos Oliva Neyra (Vice-Chairman), Germán Alarco Tosoni, Roxana Barrantes Cáceres, Marylin Choy Chong, Diego Macera Poli and José Távara Martín.

The Board of Directors held 57 meetings during the year 2023.

## 2. TRANSPARENCY, MANAGEMENT AND INSTITUTIONAL PROJECTION

The Central Reserve Bank of Peru conducts a transparent and efficient management. Monetary policy decisions made autonomously by its board of directors are disseminated through various formats and communication channels.

### 2.1 TRANSPARENCY

The monetary policy decisions adopted by the Board of Directors of BCRP were disseminated monthly through **the Monetary Program briefing notes**. These notes were published on the institution's website and social networks, sent to the press media and e-mailed to subscribers of BCRP publications. Likewise, virtual conferences were held for journalists with the role of explaining the decisions of the Monetary Program in greater detail.

In 2023, the **Inflation Report** was presented in March, June, September and December. It reports on the BCRP's economic analysis, explains monetary policy actions and reports on the evolution of prices, inflation forecasts and the main macroeconomic variables. This information was disseminated in digital media and through presentations to representatives of the financial system, economic analysts, journalists, authorities, academics and businessmen, both in Lima and in different regions of the country.



On the other hand, in compliance with the **Law of Transparency and Access to Public Information**, the BCRP answered 144 queries made by different citizens in 2023. In addition, the Transparency section of the institutional website provides information on administrative and budgetary management indicators, as well as its financial statements, audited by internationally renowned companies.

During 2023, the President of the BCRP, Julio Velarde, made two presentations to the Congress of the Republic: on September 19 before the Budget Commission on the macroeconomic assumptions of the 2024 public budget and on November 22 before the Economy Commission on the impact of a new withdrawal of AFPs funds.

The Central Manager of Economic Studies of the BCRP, Adrian Armas Rivas, on March 29, before the Economic Commission, expressed the institutional opinion on bills related to different modalities of return or withdrawal of AFPs funds and proposals for a comprehensive reform of the pension system and, on August 15, he spoke on the “Impact of the current socio-political context on the Peruvian economy” at a working table.

Other officials were also present at activities organized by the Legislative Branch on topics related to interest rates, the Reactiva Peru program, the pension system, digital currencies and financial inclusion, among others.

## 2.2 DISSEMINATION OF ECONOMIC INFORMATION

In 2023, the BCRP published **information on the state of national finances** t h r o u g h its various publications, including statistics and macroeconomic analysis, presented in *the Inflation Report*, the *Weekly Note*, the *Annual Report*, the *Financial Stability Report*, the *Economic Studies and Currency* magazines, *the Weekly Economic Report*, *study notes*, *working papers* and *summaries of economic activity of the Bank's branches*, among others. It also disseminated on its website and social networks, as well as in the press media, the information notes on the decisions of the Board of Directors regarding the benchmark rate, the most relevant institutional activities and the evolution of the different economic variables.

**Institutional and academic events** were organized in Lima and in different regions of the country to discuss different economic topics. In addition, virtual exhibitions were held to inform about the role and functions of the institution, as well as the security measures for banknotes and coins.

In 2023, the BCRP **increased its use of digital media** to disseminate its economic and institutional information, as well as to provide guidance on cash security measures. In this regard, it published information on Facebook, X (Twitter), LinkedIn, YouTube, Instagram and Tik Tok on an ongoing basis, remaining as one of the main public institutions in these communication channels.

## 2.3 FURTHER BOOSTING DIGITAL TRANSFORMATION

In addition to continuing with efficient monetary management, in 2023 the BCRP experienced a significant boost in digital transformation, harmonization of internal databases, reduction in paper consumption, agreements with institutions to expand databases and strengthen collaborative work, among others. All of this has led to greater efficiency in the use of resources and a significant increase in productivity.

## 2.4 INSTITUTIONAL PROJECTION

The Central Bank continued its contribution to the culture and education of our country through courses, contests and free access to its museums and library, among others.

### Courses

- **Advanced Economics Course**

Thirty-five students from public and private universities in different regions of the country participated in the LXX University Extension Course on Advanced Economics. The 10 most outstanding students were invited to join the Bank.

- **Advanced Finance Course**

For the XVI Advanced Finance University Extension Course, the bank selected 35 students from different universities in the country whose common interest was to specialize in financial topics. The 8 students with the best performance were invited to join the Bank's technical staff.

- **Refresher Course in Economics**

In the 2023 edition, 241 students from 31 universities in the country's regions participated virtually. The course aims to reinforce and update the academic knowledge of economics students from these universities, seeking to reduce the academic gap between students from regional universities and students from universities in Lima.

- **Refresher Course for Economics Teachers**

Thirty-nine professors from provinces throughout the country participated in this course. Its objective is to update university professors from universities outside Lima in the most recent knowledge and developments in economic science. This year the subjects taught were Microeconomics, Macroeconomics I, Macroeconomics II and Data Analysis.

### Contests

- **Renzo Rossini Award for Research in Economics and Finance**

In 2023, the first place of the "Renzo Rossini Prize for Research in Economics and Finance" was awarded to the paper *Monetary policy under a nominal target GDP rule: A small open economy approach*, by Arthur Daniel Inca Silva and Fabrizio Sebastian Solf Rivas; second place, to the paper *The role of terms of trade shocks in the fluctuations of the Peruvian economy, 1998-2019*, by Manuel Ayala Laurel; and third place, to the paper *Variation of the instantaneous forward rate as a surprise measure of Monetary Policy and its effect on the bond market in Peru*, by Vivian Jimena Castañeda Rivas and Gerardo Alberto Jiménez Jiménez.

- **National Painting Competition**

In the fourteenth edition of this contest, artist Ariana Macedo was declared the winner of first place for her work *Interminable*, while artist Darwin Castillo won second place for his work *La vida entre demonios (Life among demons)*. The exhibition of the finalists and winners of the contest was inaugurated on December 14, 2023 and lasted until April 7, 2024, at the Central Museum (MUCEN).

Ariana Macedo, *Interminable*, first prizeDarwin Castillo Angulo, *La vida entre demonios*, 2003

#### Julio Ramón Ribeyro Short Novel Contest

The novel *Las alas de la libélula* by Alfredo Herrera Flores was declared the winner of the **Julio Ramón Ribeyro 2023 Short Novel Contest**. The jury of this contest was formed by writers Alonso Cueto, Francesca Denegri, Mirko Lauer, Karina Pacheco and Marcel Velázquez, who selected this work for “the quality of the novel, product of a dense prose and a complex structure that addresses varied spaces and times and establishes communicating vessels between characters and plots separated over two centuries, avoiding the closure of senses”.

#### BCRP School Video Contest

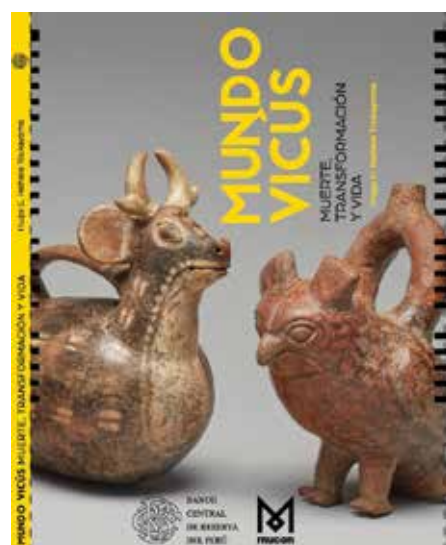
First place in the 2023 edition was awarded to the team from I. E. San Ignacio de Loyola de Piura, for the video “A través del tiempo - 100 años de estadísticas económicas del BCRP” (Through time - 100 years of BCRP economic statistics). Second place went to the students of Miguel de Cervantes School in Puente Piedra (Lima), for the video “Interoperability: towards a new financial era”. Finally, the video “Interoperability is a great goal” by the team from Nuestra Señora del Perpetuo Socorro School (Trujillo) won third place in this edition.



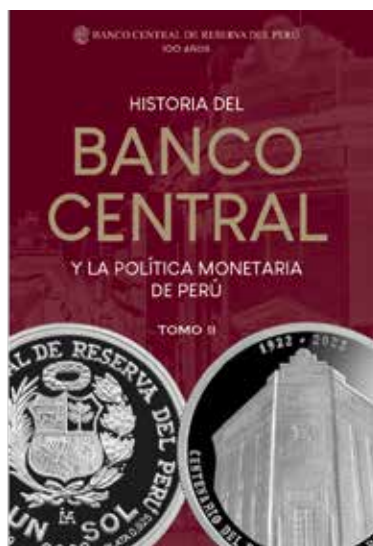


### Book publications

In 2023, the Central Bank in co-publication with the Instituto de Estudios Peruanos (IEP) published the books *Historia económica del oriente peruano. Recolección, resistencia, adaptación y sostenibilidad*, edited by Jorge Lossio and Ana Molina, and *Obedecer, negociar y resistir. Tributo y mita indígena en Potosí, siglos XVI y XVII*, by Paula Zagalsky. This year the Central Museum published *Mundo Vicús: Muerte, transformación y vida* by author Hugo Ikehara, a work that constituted the catalog of the temporary exhibition of the same name, held between July 2022 and January 2023.



In the context of the BCRP's 100th anniversary, the Bank's Fondo Editorial published *Historia del Banco Central y la Política Monetaria de Perú* (*History of the Central Bank and Monetary Policy in Peru*). The two-volume book, edited by Marco Vega and Luis Felipe Zegarra, is comprised of 16 articles by leading national and international economists.



## MUCEN Network

In 2023, the MUCEN network received 176 thousand visitors, an increase of 162 percent. compared to the previous year. The months with the highest number of visitors were August,

September and October. Throughout the year, the Central Museum presented 3 temporary exhibitions:

- Between February and May, the finalists and winners of the XIII National Painting Contest were exhibited.
- Between August and November, the exhibition “En Reserva: 4000 years of architecture and urbanism in Lima” was held in collaboration with the Patronato Cultural del Perú, and under the curatorship of Javier Lizarzaburu, Marianella Castro de la Borda and Janeth Boza. This proposal was a recreation of the Peru Pavilion that was presented at the 16th International Architecture Exhibition at the Venice Biennale in 2018.
- In December, the opening of the exhibition of finalists and winners of the XIV edition of the BCRP National Painting Contest.



Exhibition “En Reserva: 4,000 years of architecture and urban planning in Lima”.

## MUCEN Digital

With the commitment to build a museum of experiences with a pedagogical approach, we are committed to developed the following resources in digital format:

- 3 virtual tours in 360° format corresponding to the permanent exhibition of the PreColumbian Art Hall and the temporary exhibitions of the XIII National Painting Competition and “In reserve: 4000 years of architecture and urbanism in Lima”.
- 7 *podcast* episodes of the “Mundo Vicús” series on Spotify, 4 of which had an additional format in YouTube videos with interpretation in Peruvian sign language.
- 2 *podcast* episodes for the “Personal Stories” series on Spotify, with testimonials from artists Angie Cienfuegos and Chonon Bensho.
- A total of 2,252 new cultural property records were recorded in the museum’s Digital Catalog of Collections.
- 150 pieces from the MUCEN collection were recorded in the Google Arts & Culture profile.

Through MUCEN's website, 64 thousand users were active and made 353 thousand visits during 2023, an increase of just over 30 percent over the previous year. MUCEN's contents and activities are also disseminated through the social networks Facebook, Instagram, TikTok and YouTube.



## MUCEN FOR ALL

During 2023, our institution has witnessed a broad cultural activity with more than 100 events that have enriched our artistic offerings. These include 47 family theater performances, 4 talks, 3 book presentations and 10 presentations of the “MUCEN Abre de Noche” (MUCEN Opens at Night) program.

It should also be noted that the participation of families has been fundamental. Families participated in 47 workshops at the Central Museum and 6 at the Numismatic MUCEN, where they explored the connection between art and monetary history.

## MUCEN Educational

In order to strengthen the relationship between the museum and the educational community, 7 new educational tours were designed and implemented throughout the MUCEN network, linked to the collection and the national curriculum, for both primary and secondary school levels:

- “Mundo Vicús” at MUCEN Piura.
- “In the footsteps of independence” at MUCEN Trujillo.
- “Coining letters” in the Numismatic MUCEN.
- “Nation of ancestral knowledge” at MUCEN.
- “Traveling through the huacas” and “A pilgrim in the MUCEN”, linked to the temporary exhibition. *In Reserve. 4 000 years of architecture and urbanism in Lima.*
- “Fiestas y rituales” at MUCEN Arequipa.

These tours were offered on a regular basis to school groups and 295 tours were conducted at the Museum. Central, 262 at MUCEN Numismatic, 125 at MUCEN Piura and 17 at MUCEN Trujillo.

This year the third edition of the “**MUCEN Innovative Teacher**” contest was held. It received a total of 64 proposals for learning projects aimed at schoolchildren and inspired by the museum’s collections under the theme “Peru Represented”. This represented a 25 percent increase in entries compared to

the previous edition. The jury selected two winning teachers in the categories of Regular Primary and Secondary Basic Education, who presented their projects in a virtual event. In addition, the “Guide for winning projects” of the second edition of the contest was presented at this event, in order to promote the replication of these projects in more classrooms.

### Collection management

It is worth mentioning that MUCEN participated in two national exhibitions through the loan of cultural goods: 5 pre-Columbian pieces to the Museo de Arte de Lima for the exhibition *Los Incas. Beyond an Empire*, and 3 works of art to the Metropolitan Municipality of Lima for the exhibition *Artistic Legacy of Two Centuries: Laso and Ingunza*. The museum also participated in an international traveling exhibition with the loan of 18 archaeological assets for *Los Inkas y su Tawantinsuyu: El imperio de cuatro regiones (The Inkas and their Tawantinsuyu: The Empire of Four Regions)*, in three museums in China. This exhibition will run until 2024.

New additions to the museum's collection included the 2 winning works of the XIV National Painting Contest, 192 banknotes, 486 coins in the collection and 1 colonial coin received as a donation.

### RENZO ROSSINI LIBRARY

The Renzo Rossini Library -named after the former general manager of the institution- lent a total of 91,123 copies in 2023, including books and physical and digital periodicals. In addition, through purchases, exchanges and donations, the Library acquired 1,563 periodicals related to monetary and economic policy, international finance, trade and the external sector, public finance and economic theory, among others.

Greater efficiency in the use of technological resources in its documentation platform allowed the level of publications readership to increase by 74 percent between 2022 and 2023.





### 3. MAJOR EVENTS

In 2023, BCRP authorities and officials participated in several virtual meetings and national and international attendance. The main ones included the following:

#### 3.1 NATIONAL MEETINGS

- IX Meeting of the Financial Information Forum (FIF) of Latin American and the Caribbean Central Banks, organized by CEMLA, BCRP and FIF, on May 30 and 31.
- Workshop on Circular Economy, climate change, growth and employment, organized by the BCRP, from June 19 to 23.
- XLI Meeting of BCRP Economists, October 23 and 24.
- Presentation of the REO (Regional Economic Outlook), organized by the IMF and the BCRP, on November 2 and 3.
- II Seminar on Monetary Policy Operations, organized by the BCRP, on November 24, 2023.
- FSB Regional Consultative Group for the Americas, organized by the Financial Stability Board (FSB) and the BCRP, on December 7 and 8.
- Conference “Challenges and opportunities for the mining sector in a new global environment”, held at by the BCRP on December 12.

#### 3.2 INTERNATIONAL MEETINGS

- Governors’ Meeting, organized by the Bank for International Settlements (BIS), held in Basel, Switzerland, in January, March, September and November.
- Annual Meeting of the World Economic Forum 2023, held in the city of Davos, Switzerland, from January 16 to 20.
- “Peru Day, organized by the Canada-Peru Chamber of Commerce and Prospectors & Developers. Association of Canada, held in Toronto, Canada, March 5-8.
- Fragmentation of the Global Economy Conference: Economic Policies in a New Era of Uncertainty, organized by the Central Bank of Hungary and Reinventing Bretton Woods Committee, March 13-14, in Budapest, Hungary.
- 105th Meeting of the Board of Directors of the Latin American Reserve Fund (FLAR), held in Bogota, Colombia, on March 27.
- Spring 2023 Meetings of the International Monetary Fund (IMF) and the World Bank (WB), LVII Meeting of the Latin American Network of Central Banks and Finance Ministries of the InterAmerican Development Bank (IDB), meetings of the Intergovernmental Group of 24 (G-24) and the Plenary Meeting of the IMF’s International Monetary and Financial Committee (IMFC), among others, held in Washington D.C., United States of America, between April 10 and 16.
- 22nd annual conference, in Zurich, Switzerland, and the 93rd Annual General Meeting, organized by BIS, in Basel, Switzerland, from June 22 to 25.
- XVIII Annual Economic Studies Conference, “Rethinking Monetary Policy in a World of High Uncertainty”, organized by the Latin American Reserve Fund (FLAR), held in Cartagena de Indias, Colombia, on August 10 and 11.
- Economic Policy Symposium, entitled “Structural Changes in the World Economy,” organized by the Federal Reserve Bank of Kansas City, in Jackson Hole, United States of America, August 24-26.

- XLI Meeting of Presidents of Central Banks of South America, organized by the Central Bank of Ecuador, held in Quito, Ecuador, on September 21 and 22.
- Annual Meetings of the International Monetary Fund (IMF) and the World Bank (WB), G-24 Meetings and CEMLA Meetings, organized by the IMF, WB, G-24 and CEMLA, in Marrakech, Morocco, October 9-15.
- Roadshow: Peru Investment Opportunities, organized by PROMPERÚ and held at the London, United Kingdom, on November 1 and 2.
- 27th Working Party on Monetary Policy in the Americas, organized by BIS Representative Office's for the Americas, in Mexico City, Mexico, on December 4 and 5.

## 4. BRANCHES

The Central Reserve Bank of Peru has seven branches located in the cities of Arequipa, Cusco, Huancayo, Iquitos, Piura, Puno and Trujillo. The Economic Studies and Operations Departments operate in each branch; additionally, in the Arequipa, Trujillo and Piura branches there are art museums and numismatic collections open to the general public.

The main function of the branches is to provide studies and information on the economic performance of the country's regions and to ensure an adequate supply of banknotes and coins at the regional level. Likewise, the branches supervise the operation of the custody vaults distributed in different provinces of the country and monitor compliance with the regulations issued by the BCRP regarding the circulation of our currency.

Through the Bank's Internet portal, the branches publish monthly *Regional Economic Activity Summaries* for 23 regions of the country. This report shows the development of the main productive activities in each region and includes the main economic statistics.

In the year 2023, the *Regional Economic Activity Summary* was presented in 110 conferences. These were addressed to representatives of the main regional companies, trade associations, academic institutions and public sector authorities in the cities of Arequipa, Ilo, Moquegua, Tacna, Cusco, Abancay, Puerto Maldonado, Huancayo, Huánuco, Cerro de Pasco, Huancavelica, Ica, Iquitos, Pucallpa, Tarapoto, Piura, Tumbes, Chiclayo, Lambayeque, Chachapoyas, Puno, Juliaca, Trujillo, Cajamarca, Huaraz and Jaén.

In order to disseminate the role of the Central Bank in the regions, the branches presented the role and functions of the BCRP in 137 conferences, aimed at students from schools, public and private universities and institutes of higher education. These meetings also allowed the promotion among university students of the university extension courses in Advanced Economics and Finance and the refresher courses in Economics for professors of the regional universities.

During 2023, the branches organized the following conferences:

Arequipa:

- "Inflation Report: Current Trends and Macroeconomic Forecasts 2023-2024", by Dr. Julio Velarde Flores, Chairman of Board of Directors of BCRP.
- *Growth, Volatility and Economic Policy: Evidence and Lessons Learned*, as part of the event "Connect with the BCRP", with the participation of seven regional universities and more than 200 students and university professors.

## Cusco:

- “Update Seminar for Journalists 2023”.

## Huancayo:

- *The BCRP's Monetary Policy*, in the framework of the update seminars for journalists in Huancayo and Ica.
- “Ordinary Meetings of the Junín Departmental Inter-institutional Coordination Committee for Statistics”, with the participation of officials from the Huancayo branch.

## Iquitos:

- “XI Academic Conference of the Educational Exchange Program (PIE)”, organized by the Universidad del Pacífico.
- “Update Seminar for Journalists 2023”.

## Piura:

- “Financial Stability Report”, aimed at students and faculty of Universidad San Carlos de Chile. Martín de Porres, North Branch.
- “Fundamentals of Monetary Policy”, with the participation of students and professors of the Universidad Nacional de Piura.

## Puno:

- Monetary policy of the Central Reserve Bank of Peru, in the framework of the “XX Regional Congress of Economics Students of Puno”, organized by the School of Economic Engineering of the Universidad Nacional del Altiplano.

## Trujillo:

- “Role of the Central Reserve Bank of Peru in the Monetary Stability of the Country”, in the framework of the 50th anniversary of the Trujillo Branch, presentation by Dr. Julio Velarde, president of the BCRP.
- “Workshop on the Use of Digital Payments”, a virtual conference aimed at small farmers of the northern part of the country.
- “Seminar on Regional Economic Research”.
- “Updating Seminar for Journalists of Cajamarca 2023”.

With the role of improving processes in the construction of economic indicators, the economic studies departments of the branches managed to implement methods for the automation and consolidation of data and the elaboration of the research work *The non-performing loans of the Peruvian agro-export sector in the context of El Niño Costero 2017*.

In 2023, the activities of the branch operations departments experienced an overall higher flow compared to the previous year. Thus, the exchange of cash to the public made it possible to serve 331,772 people, 12 percent more than in 2022, with an amount exchanged of S/. 535.59 million, 6 percent higher than the value recorded the previous year. Likewise, currency in circulation remittances received in 2023 by branches amounted to S/ 967.02 million, 8.6 percent higher than the amount recorded in 2022, while currency in circulation remittances sent from branches to the Head Office increased considerably, recording S/ 8,447.87 million compared to S/ 2,912.81 million in 2022.

During the year, there was also an increase in activities to disseminate information on the characteristics and security features of banknotes and coins. A total of 559 dissemination talks were given, i.e., 43 percent more than in 2022. A total of 17,425 people attended these training sessions, compared to 13,808 in the previous year. Dissemination talks were held in 23 cities around the country.

The museums in the Piura, Trujillo and Arequipa branches received a greater number of visitors than in 2022. Thus, in 2023 the total number of visitors was 51,399, four times higher than recorded in the previous year, highlighting a greater influx of students and national visitors.

## 5. CURRENCY IN CIRCULATION MANAGEMENT

### 5.1 NEW FAMILY OF BANKNOTES

The Central Reserve Bank of Peru put into circulation as of December 15, 2023, the new S/. 200 banknote, whose design has on the obverse the image of the painter Tilsa Tsuchiya Castillo, outstanding Peruvian artist of the XX century, and on the reverse the image of the cock of the rock and the beautiful abanquina flower, which highlight our varied flora and fauna. With this denomination, the Bank completed the circulation of the new family of banknotes.



María Isabel Granda y Larco (Chabuca Granda)



Vicuña-Flor de amancaes



José María Arguedas



Condor - Cantuta flower



María Rostworowski



Jaguar - Puya raimondi



Pedro Paulet



Hummingbird - Orchid



Tilsa Tsuchiya



Cock of the rock - Flor bella abanquina



The banknotes circulate simultaneously with the above designs:



### Numismatic series “Builders of the Republic. Bicentennial 1821-2021”

Since October 2020, as part of the commemoration of the bicentennial of Peru’s independence, the BCRP has issued the numismatic series “Constructores de la República. Bicentennial 1821- 2021”, consisting of 9 alpaca coins of S/ 1.00 legal tender, whose role is to disseminate, through a means of payment of mass use, the image and history of characters who played a key role in the process for the independence of Peru. The last three coins of the series were issued in 2023, alluding to Francisco Xavier de Luna Pizarro, José de la Mar y Cortázar and José Manuel Valdés.



Juan Pablo Viscardo y Guzmán



Hipólito Unanue y Pavón



Toribio Rodríguez de Mendoza



Manuel Lorenzo de Vidaurre



José Baquijano y Carrillo



José Faustino Sánchez Carrión



Francisco Xavier de Luna Pizarro



José de la Mar y Cortázar



José Manuel Valdés

Likewise, during 2023, two commemorative silver legal tender coins were issued to commemorate the 100th anniversary of the founding of the Peruvian Air Force Officers School and the 150th anniversary of the establishment of diplomatic relations between Peru and Japan.



In 2023, through various virtual platforms and in person, talks were given to the general public and representatives of the financial system throughout the country to continue disseminating the characteristics of our currency. A total of 43,466 participants attended: 26,007 in Lima and 17,459 in the branches, which represented an increase of 19.1 percent compared to the previous year.

## 5.2 BANKNOTES AND COINS IN CIRCULATION

In 2023, currency in circulation recorded negative annual rates of change of 5.2 percent in volume and 4.4 percent in value, due to the lower dynamism of the economy and the gradual return of the high precautionary demand generated during the pandemic.

BANKNOTES IN CIRCULATION							
(Balances in millions of units)							
Period	10	20	50	100	200	Total	Value (Million S/)
Jan.23	154.8	177.5	248.7	600.6	42.0	1,223.7	86,004.8
Feb.23	150.8	173.1	242.3	591.8	41.5	1,199.5	84,565.3
Mar.23	147.3	170.4	235.1	580.2	40.7	1,173.7	82,796.1
Apr.23	144.4	168.5	231.5	576.4	40.6	1,161.4	82,141.0
May.23	142.9	165.9	223.1	564.6	39.9	1,136.3	80,335.8
Jun.23	141.2	165.5	221.9	561.1	39.5	1,129.3	79,832.5
Jul.23	145.6	168.9	227.2	568.4	40.0	1,150.2	81,048.8
Aug.23	142.5	163.7	220.4	558.0	39.7	1,124.3	79,454.8
Sep.23	142.4	161.9	216.3	554.9	39.9	1,115.3	78,938.4
Oct.23	142.3	162.8	219.4	556.9	39.9	1,121.4	79,331.0
Nov.23	142.6	162.8	219.5	556.8	40.1	1,121.9	79,362.0
Dec.23	146.8	174.0	235.2	583.1	40.9	1,180.0	83,205.4

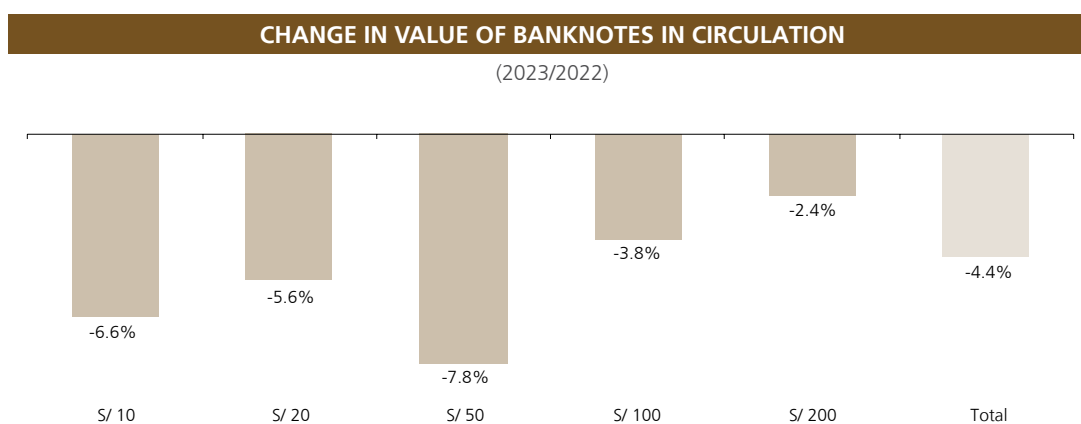
Source: BCRP.

In the case of coins in circulation, the annual growth rates of volume and value were 5.4 percent and 4.4 percent, respectively.

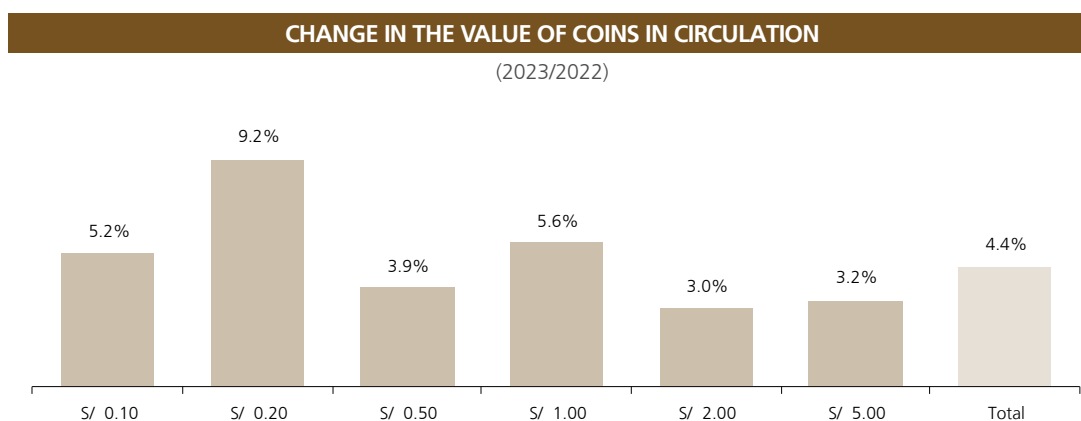
COINS IN CIRCULATION								
(Balances in millions of units)								
Period	0.10	0.20	0.50	1.00	2.00	5.00	Total	Value (Million S/)
Jan.23	1,998.4	586.2	621.6	1,189.9	244.8	211.2	4,852.0	3,363.4
Feb.23	2,007.2	589.3	623.4	1,190.1	246.6	212.6	4,869.2	3,376.8
Mar.23	2,016.1	594.9	624.8	1,195.7	245.2	214.4	4,891.1	3,391.0
Apr.23	2,024.6	598.7	625.9	1,195.5	245.1	214.9	4,904.7	3,395.5
May.23	2,034.7	605.3	628.5	1,201.2	247.8	216.5	4,934.0	3,418.1
Jun.23	2,042.2	608.6	629.9	1,208.9	247.9	215.4	4,952.8	3,422.6
Jul.23	2,052.9	614.2	632.7	1,215.0	249.5	217.6	4,982.0	3,446.7
Aug.23	2,061.7	618.6	634.8	1,220.5	250.1	218.5	5,004.2	3,460.4
Sep.23	2,072.0	622.7	634.2	1,217.9	249.8	217.2	5,013.7	3,452.1
Oct.23	2,078.7	627.1	637.5	1,224.6	250.5	219.4	5,037.8	3,474.7
Nov.23	2,085.1	632.3	639.9	1,237.2	252.0	218.4	5,064.8	3,488.1
Dec.23	2,091.9	636.6	642.7	1,247.9	252.2	220.2	5,091.5	3,511.1

Source: BCRP.

Considering the evolution of the circulation of banknotes and coins by denomination, it is observed that, in terms of banknotes, the S/ 50 denomination recorded the greatest decrease with respect to 2022 (-7.8 percent), while in the case of coins, the increase in the S/ 0.20 denomination (9.2 percent) was noteworthy.



Source: BCRP.



Source: BCRP.

In terms of the structure of banknotes in circulation, the S/. 100 denomination is the most demanded, mainly to supply ATMs.

With respect to the structure of the currencies in circulation, the S/ 1.00 and S/ 5.00 denominations had a greater share in value, while in units the S/ 0.10 denomination was the most used, mainly for low value transactions.

STRUCTURE OF CURRENCY IN CIRCULATION ISSUED BY DENOMINATION: DECEMBER 2023				
Banknotes	Mill. units	Distribution (%) units	Value Mill. S/	Distribution (%) Value
10	147	12.4%	1,468	1.8%
20	174	14.7%	3,479	4.2%
50	235	19.9%	11,762	14.1%
100	583	49.4%	58,310	70.1%
200	41	3.5%	8,186	9.8%
<b>Total</b>	<b>1,180</b>	<b>100.0%</b>	<b>83,205</b>	<b>100.0%</b>
Coins 1/	Mill. units	Distribution (%) units	Value Mill. S/	Distribution (%) Value
0.10	2,092	41.1%	209	6.0%
0.20	637	12.5%	127	3.6%
0.50	643	12.6%	321	9.2%
1.00	1,248	24.5%	1,248	35.5%
2.00	252	5.0%	504	14.4%
5.00	220	4.3%	1,101	31.4%
<b>Total</b>	<b>5,091</b>	<b>100.0%</b>	<b>3,511</b>	<b>100.0%</b>

Source: BCRP.

### 5.3 MINTING OF COINS

The National Mint minted 277 million coins, 14.5 percent less than what was minted in 2022. The largest volumes correspond to the S/ 0.10 and S/ 0.20 denominations, which together accounted for 70.8 percent of the total minted.

COIN PRODUCTION 2023			
Designation	Alloy	Quantity (Millions of units)	Monetary value (Millions S/)
S/ 0.10	Brass	130.0	13.0
S/ 0.20	Brass	66.0	13.2
S/ 0.50	Alpaca	27.0	13.5
S/ 1.00	Alpaca	42.0	42.0
S/ 2.00	Bimetallic	7.0	14.0
S/ 5.00	Bimetallic	5.0	25.0
<b>Total</b>		<b>277.0</b>	<b>120.7</b>

Source: BCRP.

## 5.4 DESTRUCTION OF BANKNOTES AND COIN MELTING

In 2023, 415.6 million banknotes withdrawn from circulation were destroyed, for a value of S/ 19,017 million. The S/ 10 and S/ 100 denominations accounted for 54.7 percent of the volume of banknotes destroyed.

DESTRUCTION OF BANKNOTES 2023		
Designation	Quantity (Millions of units)	Monetary value (Millions S/)
S/ 10	120.4	1,204
S/ 20	97.6	1,953
S/ 50	86.3	4,315
S/ 100	107.1	10,712
S/ 200	4.2	833
<b>Total</b>	<b>415.6</b>	<b>19,017</b>

Source: BCRP.

For its part, during 2023, 14.6 million coins were destroyed, with a nominal value equivalent to S/. 6.8 million units.

DESTRUCTION OF COINS 2023		
Designation	Quantity (Millions of units)	Monetary value (Millions S/)
S/ 0.10	5.4	0.5
S/ 0.20	2.0	0.4
S/ 0.50	2.5	1.3
S/ 1.00	4.7	4.7
S/ 2.00	-	-
S/ 5.00	-	-
<b>Total</b>	<b>14.6</b>	<b>6.8</b>

Source: BCRP.

## 6. CIRCULARS

In 2023, the BCRP issued 25 circulars: 1 referring to reserve requirements, 3 on payment systems, 4 on banknotes and coins, 3 establishing the list of first category banks, 12 determining the daily readjustment index and 2 on putting commemorative coins into circulation.

- **Reserve requirements**

### Foreign currencies

*Circular 0011-2023-BCRP (06/27/2023)*

Modifies the additional reserve requirement based on the evolution of total credit in foreign currency. It also increases the reserve requirement rate for obligations with average maturity

terms equal to or less than 2 years with foreign financial institutions, subject to the regime from 9 to 35 percent for obligations contracted on or after July 1, 2004, for obligations contracted on or after July 1, 2004, and for obligations contracted on or after July 1, 2004. 2023.

- **Payment system**

*Circular 0010-2023-BCRP (06/27/2023)*

Amends the Regulation of the Exchange and Clearing Service Companies and of the Exchange and Clearing Services, and the Regulation of the RTGS System. It replaces the Procedure for Limited Access to the Exchange and Clearing Services provided by the Exchange and Clearing Service Companies (ESEC). In addition, it includes Electronic Money Issuing Companies (EEDE) in the definition of “Other Participants” within the Real-Time Gross Settlement System Regulations.

*Circular 0013-2023-BCRP (10/07/2023)*

Modifies Circular 0024-2022-BCRP that approves the Regulation of Interoperability of Payment Services provided by Payment Providers, Agreements and Systems, establishing, among others, that on September 13, 2023, interoperable payment services of regulated entities will be in production.

*Circular 0021-2023-BCRP (07/11/2023)*

Modifies the first paragraph of Article 17 of the Regulations of the Exchange and Clearing Services Companies and the Exchange and Clearing Services, approved by Circular 029- 2019-BCRP, facilitating the incorporation of savings and credit cooperatives not authorized to capture resources from the public (COOPAC) to the clearing services of the Exchange and Clearing Companies (ESEC).

- **Banknotes and coins**

*Circular 0007-2023-BCRP (09/05/2023)*

It puts into circulation the seventh coin of the numismatic series “Constructores de la República Bicentenario 1821-2021”, allusive to Francisco Xavier de Luna Pizarro.

*Circular 0017-2023-BCRP (09/18/2023)*

The eighth coin of the numismatic series “Constructores de la República Bicentenario 18212021”, allusive to José de La Mar y Cortázar, was put into circulation.

*Circular 0024-2023-BCRP (12/12/2023)*

It puts into circulation the ninth coin of the numismatic series “Constructores de la República Bicentenario 1821-2021”, allusive to José Manuel Valdés.

*Circular 0025-2023-BCRP (12/14/2023)*

The new S/. 200 banknote is put into circulation.

- **Commemorative coins**

*Circular 0015-2023-BCRP (08/16/2023)*

The silver coin allusive to the 150th anniversary of the establishment of diplomatic relations between Peru and Japan is put into circulation.

Circular 0022-2023-BCRP (11/22/2023)

The silver coin commemorating the 100th anniversary of the founding of the Escuela de Officers of the Peruvian Air Force.

- **First class banks**

The following circulars approved the list of first-tier banks detailed in the Central Bank's web portal ([www.bcrp.gob.pe](http://www.bcrp.gob.pe)).

- Circular 0002-2023-BCRP (01/18/2023)
- Circular 0009-2023-BCRP (06/26/2023)
- Circular 0018-2023-BCRP (02/10/2023)

- **Daily readjustment index**

The daily readjustment index, referred to in Article 240 of the General Law of the Financial System and the Insurance System and the Organic Law of the Superintendency of Banking, Insurance and AFPs, was published in the following circulars:

- Circular 0001-2023-BCRP (03/01/2023): January
- Circular 0003-2023-BCRP (01/02/2023): February
- Circular 0004-2023-BCRP (01/03/2023): March
- Circular 0005-2023-BCRP (03/04/2023): April
- Circular 0006-2023-BCRP (02/05/2023): May
- Circular 0008-2023-BCRP (01/06/2023): June
- Circular 0012-2023-BCRP (03/07/2023): July
- Circular 0014-2023-BCRP (01/08/2023): August
- Circular 0016-2023-BCRP (01/09/2023): September
- Circular 0019-2023-BCRP (02/10/2023): October
- Circular 0020-2023-BCRP (02/11/2023): November
- Circular 0023-2023-BCRP (01/12/2023): December





**Funerary mask of the Lambayeque/Sicán culture (Late Intermediate)**  
Hugo Cohen Collection (MUCEN)



# FINANCIAL STATEMENT



## INDEPENDENT AUDITOR'S REPORT

To the Directors of  
**Banco Central de Reserva del Peru**

### Our opinion

We have audited the financial statements of **Banco Central de Reserva del Perú**, which comprise the statement of financial position as of December 31, 2023, the statement of income and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, as well as the notes to the financial statements, which include a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Banco Central de Reserva del Perú** as of December 31, 2023, its financial performance and its cash flows for the year then ended, in conformity with the accounting principles described in note 2 to the financial statements.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) approved for application in Peru by the Board of Deans of the Institutes of Peruvian Certified Public Accountants and in accordance with the Governmental Financial Audit Manual. Our responsibilities, under those standards, are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of **Banco Central de Reserva del Perú** (hereinafter the "Central Bank"), in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA Code of Ethics) and the ethical requirements, which are relevant for our audit of the financial statements in Peru, and we have fulfilled our other ethical responsibilities in accordance with those requirements and the IESBA Code of Ethics.

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

### *Key Audit Matters (KAM)*

Key audit matters are those matters that, in our professional judgment, were the most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (KAM)	How our audit addressed the key audit matter
<b>Information technology environment</b>	
<p>The Central Bank has a technological infrastructure to support its operating activities, as well as continuous improvement plans, maintenance of access management, changes in systems and applications, development of new programs and controls dependent on Information Technology (IT) in the relevant operating processes. The controls to authorize, control, restrict and withdraw access to the systems and the management of changes to the programs are fundamental to mitigate the potential risk of fraud or error based on misuse or improper change in the Central Bank's systems, thus ensuring the integrity of the financial reporting and accounting records.</p> <p>The Central Bank has an integrated IT structure with different segregated processes and controls, which include third-party support in some cases; situation that leads to increased risks associated with information security and cybersecurity.</p> <p>The lack of an adequate general IT control environment and its dependent controls could affect the processing capacity for the preparation of the financial statements.</p> <p>The Central Bank is highly dependent on its technology structure for the processing of its operations, as well as for the preparation and fair presentation of its financial statements, which leads us to consider the IT environment as an important area in our audit.</p>	<p>With the participation of systems audit specialists, we performed, among others, the following procedures:</p> <ul style="list-style-type: none"> <li>• We evaluated and tested the design and operating effectiveness of the IT general controls, evaluated the Central Bank's IT governance framework and the key controls over program and data access management, development and changes to programs, and IT operations.</li> <li>• We evaluated the mechanisms implemented by the Central Bank in order to respond to possible conflicts segregation of duties, including compensatory controls, when necessary.</li> <li>• We evaluated the existence of technology risk mitigation mechanisms and containment of cyber- attacks, preventive measures to ensure the continuous operation of its security and access controls, identity and access management, among others, that contribute to mitigating cybersecurity risks.</li> </ul>

Key Audit Matters (KAM)	How our audit addressed the key audit matter
<b>Investments in securities from international institutions (Notes 2.B.(b) and 5 to the financial statements)</b>	
<p>At December 31, 2023, the amount of investments in securities from international entities totals S/212,009 million.</p> <p>One of the main functions of the Central Bank is to manage the country's international reserves. International reserves contribute to the economic and financial stability of the country, to the extent that they guarantee the availability of currencies in extraordinary situations.</p> <p>The international reserves administered by the Central Bank are mainly composed of investments in securities from international entities, which correspond to first-class, low- risk financial debt instruments issued by international organizations or foreign public entities.</p> <p>The investments in securities from international entities are mainly recorded at their fair value through other comprehensive income in accordance with the business model defined by the Central Bank's management. The fair value is estimated on a daily basis according to the market prices available at the end of the day.</p> <p>Considering the above, this area was a key audit matter.</p>	<p>Our audit approach to address this issue included, among other procedures, the following:</p> <ul style="list-style-type: none"> <li>• With the support of our systems specialists, we obtained an understanding of the management process of investments in securities from international entities and other related processes. We also identified and evaluated the IT dependencies and systems involved in the management process of investments in securities from international entities.</li> <li>• We tested the key controls related to the process of investment in securities from international entities.</li> <li>• We applied, among other procedures, the following tests: <ul style="list-style-type: none"> <li>- We obtained the detail of investment in securities from international entities; we tested its completeness and, based on a sample, we compared the accuracy of the relevant data of the instrument; we tested the calculation of the amortized cost and its fair value. To determine the fair value, we considered price sources other than those used by the Central Bank.</li> <li>- We obtained external confirmations from the international custodians and compared the amount of the securities with the reports maintained by the Central Bank.</li> <li>- We tested the impairment of credit risk of investment in securities from international entities.</li> <li>- We reviewed the sufficiency of the information disclosed in the notes to the financial statements.</li> </ul> </li> </ul>



### **Other information**

Management is responsible for the other information. The other information comprises the annual report required by its Bylaws, which is not part of the financial statements or our auditor's report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion on that other information.

Regarding our audit of the financial statements, our responsibility is to read the other information indicated above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or if it appears that there is a materially misstatement in the other information for some other reason.

When we read and consider the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with the Central Bank's Corporate Governance.

### **Responsibilities of management and those in charge of Corporate Governance for the financial statements**

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

In preparing the financial statements, Management is responsible for assessing the Central Bank's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Central Bank or cease operations, or has no realistic alternative but to do so.

Those in charge with the Central Bank's Corporate Governance are responsible for overseeing the Central Bank's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs, approved for application in Peru, and in accordance with the Governmental Financial Audit Manual, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, approved for application in Peru, and in accordance with the Governmental Financial Audit Manual, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Central Bank's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Central Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Central Bank to be unable to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with the Central Bank's Corporate Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiency in internal control that we identify during our audit.

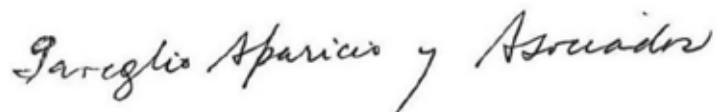
We also provided those charge with the Central Bank's Corporate Governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



From the matters communicated with those charged with the Central Bank's Corporate Governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the Key Audit Matters. We have described these matters in our auditor's report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lima, Peru

February 29, 2024

A handwritten signature in black ink, reading "Sergio Aparicio y Asociados" in a cursive script.

Countersigned by

A handwritten signature in black ink, reading "Cecilia Hashimoto" in a cursive script.

.....(partner)

Cecilia Hashimoto

Peruvian Public Accountant

Registration No.24793

**STATEMENT OF FINANCIAL POSITION**

As of December 31, 2023, and 2022

	<b><u>Note</u></b>	<b><u>2023</u></b> (S/ 000)	<b><u>2022</u></b> (S/ 000)
<b>Assets</b>			
<b>Gross International reserves</b>			
Cash in foreign currency		177,149	372,457
Deposits at foreign banks	3	30,227,762	50,274,815
Deposits at foreign organizations	4	8,925,313	9,075,389
Securities from international institutions	5	212,008,987	202,966,413
Gold	6	8,519,045	7,731,051
Contributions to international organizations	7	4,274,144	4,467,251
Other available assets	20(b)(h)	104,823	226,752
		<b><u>264,237,223</u></b>	<b><u>275,114,128</u></b>
<b>Other foreign assets</b>			
Contributions in domestic currency to the International Monetary Fund	7(b)	4,802,180	4,794,573
Other external assets	11(b)	74,100	76,160
		<b><u>4,876,280</u></b>	<b><u>4,870,733</u></b>
<b>Domestic credit</b>			
	8		
To banks		21,771,870	31,812,532
To public sector		12,153,101	7,130,372
To financial enterprises		7,131	63,857
To other entities and funds		422,485	1,559,976
		<b><u>34,354,587</u></b>	<b><u>40,566,737</u></b>
Property, plant and equipment, net	9	160,805	160,785
Other assets	10	1,798,531	1,742,910
<b>Total assets</b>			
		<b><u>305,427,426</u></b>	<b><u>322,455,293</u></b>
Off balance sheet accounts	20	<u>260,071,045</u>	<u>253,792,017</u>

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

	<b><u>Note</u></b>	<b><u>2023</u></b> (S/ 000)	<b><u>2022</u></b> (S/ 000)
<b>Liabilities</b>			
Reserve liability	20(b)(h)	1,059,919	1,382,273
<b>Other foreign liabilities</b>			
Equivalent of the contribution in domestic currency to the International Monetary Fund	7(b)	4,802,180	4,794,573
Other foreign liabilities	11	9,475,465	9,660,212
		<b><u>14,277,644</u></b>	<b><u>14,454,785</u></b>
<b>Sterilized stock</b>			
Issued securities in circulation	12	34,884,558	25,371,126
Deposits in domestic currency	13	63,978,733	85,746,846
		<b><u>98,863,291</u></b>	<b><u>111,117,972</u></b>
<b>Monetary base</b>	14		
Currency in circulation		86,747,016	90,417,535
Deposits in domestic currency		3,275,502	2,573,689
		<b><u>90,022,518</u></b>	<b><u>92,991,224</u></b>
Deposits in foreign currency	15	63,217,372	65,443,973
Other liabilities	16	2,314,082	3,217,438
<b>TOTAL LIABILITIES</b>		<b><u>269,754,827</u></b>	<b><u>288,607,665</u></b>
<b>Equity</b>	17		
Capital		1,182,750	1,182,750
Legal reserve		1,182,750	1,182,750
Special statutory reserve requirements		2,544,446	4,208,099
Fair value reserve		(985,928)	(5,890,286)
Retained earnings		193,912	(1,663,653)
<b>Capital, reserves and results</b>		<b><u>4,117,930</u></b>	<b><u>(980,340)</u></b>
Adjustment for valuation. Article No. 89 –Organic Act	17(e)	31,554,669	34,827,968
<b>Total equity</b>		<b><u>35,672,599</u></b>	<b><u>33,847,628</u></b>
<b>TOTAL LIABILITIES AND NET EQUITY</b>		<b><u>305,427,426</u></b>	<b><u>322,455,293</u></b>
Off balance sheet accounts	20	260,071,045	253,792,017

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

As of December 31, 2023, and 2022

	<b>Note</b>	<b>2023</b> (S/ 000)	<b>2022</b> (S/ 000)
<b>Finance income</b>			
Interest on deposits at foreign banks	3(b)	2,243,907	980,375
Net return on securities	5	5,523,805	2,161,021
Return on operations with derivative instruments	20(b)	324,735	208,673
Interest on international agreements and deposits at the IMF		414,307	121,213
Profits and dividends received from international institutions		10,833	4,156
<b>Return on gross international reserves</b>		<b>8,517,587</b>	<b>3,475,438</b>
Interest and fees on domestic credit operations	8(c)	4,206,520	4,182,486
Other finance income	20(i)	5,190	2,539
<b>Total finance income</b>		<b>12,729,297</b>	<b>7,660,463</b>
Non- finance income		15,140	12,669
<b>Total income</b>		<b>12,744,437</b>	<b>7,673,132</b>
<b>Finance costs</b>			
Interest on other liabilities abroad	11(c)	(367,120)	(107,692)
Interest on securities in circulation	12	(4,035,626)	(3,699,276)
Interest on domestic currency deposits	13	(4,515,517)	(4,012,666)
Interest on foreign currency deposits	15	(3,142,753)	(1,060,089)
Other finance costs	20(i)	(68,996)	(64,378)
<b>Total finance costs</b>		<b>(12,130,012)</b>	<b>(8,944,101)</b>
Operating expenses	21	(311,292)	(293,605)
Issuance expenses and costs	22	(109,221)	(99,079)
<b>Total expenses</b>		<b>(12,550,525)</b>	<b>(9,336,785)</b>
<b>Net (loss) profit</b>		<b>193,912</b>	<b>(1,663,653)</b>
Other comprehensive income	17(c)	4,904,358	(5,455,704)
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>5,098,270</b>	<b>(7,119,357)</b>

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

**STATEMENT OF CHANGES IN EQUITY**

For the years ended December 31, 2023 and 2022

	Note	Share capital	Legal reserve	Special legal reserve requirements	Fair value reserve	Retained earnings	Total capital, reserves and profit or loss	Adjustment for valuation - article 89 of Organic Act	Total Equity
		(\$/ 000)	(\$/ 000)	(\$/ 000)	(\$/ 000)	(\$/ 000)	(\$/ 000)	(\$/ 000)	(\$/ 000)
<b>Balance as of January 1, 2022</b>		<b>1,182,750</b>	<b>1,182,750</b>	<b>1,832,701</b>	<b>(434,582)</b>	<b>1,433,943</b>	<b>6,497,503</b>	<b>43,711,458</b>	<b>50,208,961</b>
Net profit		-	-	-	-	(1,663,653)	(1,663,653)	-	(1,663,653)
Other comprehensive income	17(c)	-	-	-	(5,455,704)	-	(5,455,704)	-	(5,455,704)
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,455,704)</b>	<b>(1,663,653)</b>	<b>(7,119,357)</b>	<b>-</b>	<b>(7,119,357)</b>
Transfer to statutory reserve	17(b)	-	-	1,075,457	-	(1,075,457)	-	-	-
Transfer of profits to Public Treasury		-	-	-	-	(358,486)	(358,486)	-	(358,486)
Adjustment for valuation - Article 89 of Organic Act	17(e)	-	-	-	-	-	-	(8,883,490)	(8,883,490)
<b>Balance as of December 31, 2022</b>		<b>1,182,750</b>	<b>1,182,750</b>	<b>4,208,099</b>	<b>(5,890,286)</b>	<b>(1,663,653)</b>	<b>(980,340)</b>	<b>34,827,968</b>	<b>33,847,628</b>
Net Profit / ( Loss)		-	-	-	-	193,912	193,912	-	193,912
Other comprehensive income	17(c)	-	-	-	4,904,358	-	4,904,358	-	4,904,358
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>4,904,358</b>	<b>193,912</b>	<b>5,098,270</b>	<b>-</b>	<b>5,098,270</b>
Coverage of losses Allocation of the legal reserve and coverage of prior year's loss	17(b)	-	(1,182,750)	(480,903)	-	1,182,750	-	-	-
Transfer to statutory reserve	17(b)	-	1,182,750	(1,182,750)	-	-	-	-	-
Transfer of profits to Public Treasury		-	-	-	-	-	-	-	-
Adjustment for valuation. Article 89 of Organic Act	17(e)	-	-	-	-	-	-	(3,273,299)	(3,273,299)
<b>Balance as of December 31, 2023</b>		<b>1,182,750</b>	<b>1,182,750</b>	<b>2,544,446</b>	<b>(985,928)</b>	<b>193,912</b>	<b>4,117,930</b>	<b>31,554,669</b>	<b>35,672,599</b>

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

**STATEMENT OF CASH FLOW**

As of December 31, 2023, and 2022

	<b>Note</b>	<b>2023</b> (S/ 000)	<b>2022</b> (S/ 000)
<b>Cash flows from operating activities</b>			
Net (loss) profit		193,912	(1,663,653)
<b>Adjustments to reconcile the profit with the cash and cash equivalents from operating activities</b>			
Depreciation of property, plant and equipment	9	14,877	14,139
Amortization of intangible assets		1,568	1,422
Fixed assets write- off		513	125
<b>Net change in assets, liabilities and equity</b>			
Domestic credit		6,212,150	18,621,271
Other foreign assets		(5,546)	583,403
Other assets		(57,189)	(805,433)
Reserve liability		(322,353)	1,207,377
Other foreign liabilities		(177,141)	(1,517,118)
Securities in circulation		9,513,432	(2,995,288)
Deposits in domestic currency		(21,768,113)	(22,614,273)
Deposits of banks, financial enterprises and others (monetary base)		701,813	(1,164,297)
Deposits in foreign currency		(2,226,601)	(6,537,713)
Other liabilities		(903,358)	(2,366,447)
Fair value reserve		4,904,358	(5,455,704)
Adjustment for valuation - Article 89 of Organic Act		(3,273,299)	(8,883,490)
Transfer of profits to Public Treasury	17(d)	-	(358,486)
<b>Cash and cash equivalents provided by (used in) operating activities</b>		<b>(7,190,977)</b>	<b>(33,937,009)</b>
<b>Cash flows from investing activities</b>			
Additions of property, plant and equipment	9	(15,409)	(19,378)
<b>Cash and cash equivalents used in investing activities</b>		<b>(15,409)</b>	<b>(19,378)</b>
Net (decrease) of cash and cash equivalents		(7,206,386)	(33,956,387)
Cash and cash equivalents at the beginning of the year		184,696,593	218,652,980
<b>Cash and cash equivalents at the end of the year</b>	2.B(o)	<b>177,490,207</b>	<b>184,696,593</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**

As of December 31, 2023 and 2022

**1. OPERATIONS****(a) Operations -**

Banco Central de Reserva del Perú (hereinafter the “Central Bank” or “BCRP”) is an autonomous legal institution of public law incorporated on March 9, 1922, in order to preserve monetary stability in Peru. Its activities are currently governed by Article 84 of the Political Constitution of Peru, dated December 29, 1993, and by its Organic Act approved by Decree-Law 26123, dated December 24, 1992 (hereinafter the Organic Act). According to the Organic Act, the Central Bank’s functions are to control the money supply, manage international reserves, issue currency, and report on domestic finance.

The Central Bank’s legal address and main office are located at Jr. Santa Rosa No. 441 - 445 (former Antonio Miró Quesada), Lima. It also has branches in 7 cities of Peru. As of December 31, 2023 and 2022, the Central Bank has 967 and 965 employees, respectively. They include bank workers, temporary workers, and workers with unpaid leave or unpaid temporary assignments.

The Central Bank represents Peru for the purposes specified in the constituent agreements of the International Monetary Fund (IMF) and the Latin American Reserves Fund (hereinafter “FLAR”, for its Spanish acronym) and is responsible for all transactions, operations and formal relationships with these organizations. The Central Bank may also act as a Peruvian Government agent in its relations with multilateral credit organizations and financial agencies of foreign governments. The Central Bank has subscribed shares of the Bank for International Settlements (BIS), which is an organization responsible for promoting international financial and economic cooperation and serves as a bank for central banks.

According to the Organic Act, the Central Bank is not permitted to:

- Grant financing to the Public Treasury, except for acquisitions of securities issued by the Public Treasury in the secondary market; in which case the annual increase in the holding of said securities may not exceed at any time, measured at acquisition cost, 5% of the monetary base at the end of the prior year.
- Grant credits or any other form of financing to financial institutions that have outstanding and past due obligations with the Central Bank, nor may it grant loans or advances to its Directors.
- Provide guarantees, letters of guarantee or any other guarantee, use any form of indirect financing, or grant any type of insurance, except for operations entered into by the Central Bank in implementing reciprocal payment and credit agreements, which are exempt from the above prohibition.
- Allocate resources to create special funds aimed at granting credits or making investments to promote non-financial economic activities.
- Issue securities, bonds or contribution certificates of mandatory acquisition.
- Set sectorial or regional coefficients in the composition of the loan portfolio of financial institutions.



- Establish multiple exchange rate regimes.
- Purchase shares, except for those issued by international financial organizations or those needed to be acquired to strengthen banks or financial enterprises; participate, directly or indirectly, in the capital of commercial, industrial or any other enterprises.
- Own properties additional to those needed for its activities and those transferred to it in payment of debts (the latter must be sold within a term not exceeding 1 year after their acquisition date).

### **Equity -**

According to Article 93 of the Organic Act, if the Central Bank incurs losses, they must be covered by the balance presented in the account "Statutory reserve", established with prior year profits. If this reserve is insufficient, within thirty days of the approval of the statement of financial position, the Public Treasury issues and grants to the Central Bank interest bearing negotiable debt securities for the non-covered amount.

The profit recorded as of December 31, 2023 amounts to S/ 194 million and is associated with:

- i) the greater income in foreign currency, mainly generated by the interest obtained from the investment of the International Reserves, which increased due to the context of higher international interest rates recorded since mid-2022; and;
- (ii) the higher cost of sterilization operations, in line with a reference interest rate of the monetary policy which stood at 7.75 percent between January and August, and which progressively decreased to 6.50 percent in December. These stricter monetary conditions in Soles occurred in a context of high inflationary pressures which began easing starting in mid-year.

The net loss for the year 2022 amounted to S/ 1,664 million. On March 30, 2023, the coverage of the net loss for the year 2022 was applied (in accordance with Article No. 93 of the Organic Act). For this purpose, the balance of the Legal Reserve of S/ 1,183 million was used and subsequently S/ 481 million was transferred from the Statutory Reserve to the Legal Reserve to cover the difference in the loss. Finally, part of the balance of the Statutory Reserve was used to restore the Legal Reserve.

On May 24, 2022, 25% of the 2021 net profits was allocated to the Public Treasury; transferring S/ 358 million to the principal account in domestic currency of the Ministry of Economy and Finance (hereinafter "MEF") (note 17.d).

The rescue option, as well as the amortization of interest, commissions and other expenses generated by the bonds received from the Public Treasury, will be charged to the profits of the Central Bank, which correspond to the Public Treasury, in accordance with what is stipulated by article No. 92 of its Organic Act.

### **Approval of the financial statements -**

The financial statements as of and for the year ended December 31, 2023, prepared in accordance with the accounting policies described in note 2, were issued with Management approval on January 19, 2024. The financial statements as of December 31, 2022 and for the year then ended were approved by the Board of Directors at its meeting held on January 18, 2023.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### A. Central Bank criteria

According to Article 88 of the Organic Act and the criteria approved by the Board of Directors, the accounting policies used by the Central Bank are:

- (a) The criteria approved by the Board of Directors based on its powers (Article 88 of the Organic Act); and,
- (b) The International Financial Reporting Standards (IFRS) issued and adopted by the International Accounting Standards Board (IASB), made official through resolutions issued by the Peruvian Accounting Board (CNC, for its Spanish acronym), effective December 31, 2023 and 2022, as applicable for the Central Bank, and the standards established by the Superintendency of Banking, Insurance and Private Pension Fund Administrators (Superintendencia de Banca, Seguros y Administradoras Privadas de Fondos de Pensiones – SBS).

The criteria established by the Board of Directors of the Central Bank that differ from the IFRS are mainly the following:

#### i. Recognition of changes due to fluctuations in exchange rates

The Central Bank records the adjustment for changes in the prices and exchange rates of assets and liabilities in gold, silver, currencies, Special Drawing Right (SDR) and other monetary units of international use in "Valuation adjustment– Article 89 of Organic Act" in the statement of changes in equity. According to the Peruvian GAAP, the results of the aforementioned valuations shall be included in profit or loss of the period in which they were generated.

BCRP indexed certificates of deposit (CDR BCRP, for their Spanish acronym) are recorded at face value, and the Central Bank recognizes the changes due to fluctuations in exchange rates in 'Valuation adjustment– Article 89 of Organic Act in the statement of changes in equity (see paragraph (v) below).

As of December 31, 2023 and 2022, the adjustment was recorded in equity, and corresponds to a decrease of S/ 3,273 million and S/ 8,883 million, respectively, see notes 2.B(d) and 17(e).

According to the IFRS, the results of the above-mentioned valuations must be included in the results for the year in which they were generated.

#### ii. Recognition of embedded derivatives

Financial instruments which contain embedded derivatives will be recognized and treated separately from other financial instruments; and both the host contract and the value of the embedded derivative will be dealt with together.

According to the IFRS, embedded derivatives of a main (or host) agreement must be treated like separate derivative instruments and recorded at their fair value if their economic risks and characteristics are not closely related to those of the host contract.

### iii. **Statement of cash flows**

The preparation of the statement of cash flows is carried out by the Central Bank considering as cash and cash equivalents, the balance of the accounts which comprise the "Gross international reserves" less the balance of the account "Currency in circulation", as indicated in note 2.B(o). Likewise, the Central Bank prepares and presents the statement of cash flows applying the indirect method.

According to the IFRS, cash and cash equivalents correspond to available funds, short term, highly liquid instruments, easily convertible into a determined amount of cash, which are subject to an insignificant risk of changes in their value, with maturities no more than 90 days from the acquisition date.

### iv. **Disclosure of financial instruments**

As of December 31, 2023 and 2022, the Central Bank has not fully applied the requirements of IFRS 7 Financial Instruments: Disclosures and IFRS 9 Financial Instruments.

These standards require entities to provide disclosures in their financial statements that enable users to evaluate the significance of financial instruments for the Entity's financial position and performance, and the nature and extent of risks arising from financial instruments to which the Entity is exposed during and at the end of the reporting period, and how the entity manages those risks. The Central Bank does not apply the disclosures related to derivative financial instruments, mainly with regard to risk disclosures.

### v. **Measurement of exchange rate related instruments**

The Central Bank has foreign exchange instruments such as: operations with derivatives held-for- trading (note 2.B(e.i)), operations with CDR BCRP (note 2.B(k)) and operations with foreign exchange swaps (note 2.B(e.ii)).

Gains and losses from changes in the fair value of these instruments and in the exchange rate are recorded in "Valuation adjustment– Article 89 of Organic Act" in equity, without affecting the profit or loss for the period in any case.

According to IFRS, the aforementioned valuations shall be recorded as a gain or loss in the statement of profit or loss and other comprehensive income.

### vi. **Securities issued by the MEF**

- The Central Bank receives bonds from the MEF, issued in Soles through the Public Treasury, to cover any loss in compliance with Article 93 of the Organic Act (notes 1 and 17.D). Such bonds are initially recorded as financial assets at face value in "Domestic credit" in the statement of financial position.

According to the IFRS, said bonds do not qualify as financial assets, since the amortization of the interest in favor of the Central Bank, is made through dividends that the Central Bank itself has the obligation to transfer to the Public Treasury when it presents profits, see note 1.

At December 31, 2023 and 2022, no balance of these bonds is maintained in the accounting of the Bank.

- The Central Bank classifies the financial instruments in foreign currency issued by the MEF as investments measured at fair value through other comprehensive income (FVOCI). They are recorded in "Domestic credit" in the statement of financial position. The fair value of these financial instruments is measured based on market prices.

Changes in the fair value of these financial instruments acquired until December 31, 2015, are determined by comparing the carrying amount (acquisition cost) with the fair value, excluding the amortized cost. They are recorded in equity until the financial instrument is sold or realized. Premiums or discounts arising on the acquisition of the instrument are recorded as income or expense when the instrument is settled.

Changes in the value of these financial instruments acquired from January 1, 2016, are determined by comparing the fair value with the amortized cost, which is calculated using the effective interest method.

The gains and losses generated by exchange rate variations are recorded in the caption "Valuation adjustment Article 89 – Organic Act" of equity, in no case affecting results for the year.

## **B. Accounting principles**

The main accounting principles and policies used in preparing the accompanying financial statements are the following:

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

The accompanying financial statements have been prepared in sole from the accounting records of the Central Bank, in accordance with the accounting principles approved by the Board of Directors; of the Central Bank and they are presented in values rounded to thousands of soles.

The preparation of the accompanying financial statements requires Management to formulate estimates that affect the reported amounts of assets, liabilities, income and expenses, and the disclosure of significant events in notes to the financial statements. The final results may differ from said estimates. Estimates are reviewed on an ongoing basis and are based on historical experience and other factors. The most significant estimates related to the financial statements correspond to the valuation of securities from international entities, which include available for sale investments, actuarial reserves for retirement, survivor, health care and burial benefits, the accounting principles of which are described in the respective notes to the financial statements.

The information included in these financial statements is the responsibility of the Management and Board of Directors of the Central Bank, who expressly confirm that all the applicable principles and criteria of the Central Bank have been applied in their preparation.

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

According to the Central Bank's policies, the securities issued by the MEF are considered as financial assets and they are recognized and measured as indicated in attached notes 2.A(vi) and 2.B(r).

Other financial instruments are classified as assets, liabilities, or equity according to the contract that gave rise to them. financial instrument. Interest, dividends, gains and losses generated by a financial instrument classified as an asset or a liability are recorded as income or expense. Financial instruments are offset when the Central Bank has a legally enforceable right to offset them, and Management intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets recognized in the statement of financial position correspond to: gross international reserves, other external assets, domestic credit, assets recorded in "other assets", except for those classified as non-financial assets (note 10). Financial liabilities correspond to all liabilities in general, except for those classified as non-financial liabilities in "other liabilities" (note 16). The accounting policies with regard to the recognition and measurement of these items are disclosed in the accounting policies described in this note.

**i. *Initial recognition and measurement***

At initial recognition, financial instruments are measured at fair value, plus transaction costs that are directly attributable to the acquisition of these instruments.

**ii. *Classification***

Securities from international entities are classified as investments at amortized cost and investments at FVOCI. The Central Bank does not use the category of financial assets of FVTPL.

***Financial assets measured at amortized cost***

A financial asset is measured at amortized cost if both of the following conditions are met:

- It is held within a business model the objective of which is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal amount.

***Financial assets measured at FVOCI***

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- It is held within a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal amount.

**iii. *Subsequent measurement***

***Financial instruments measured at amortized cost***

A financial instrument is measured at amortized cost in order to amortize the premiums or discounts on such instrument from its acquisition date to its date of

maturity using the effective interest rate. The calculated amortization is recorded by increasing or decreasing the carrying amount of the instrument with the offsetting entry in profit or loss. Instruments initially recorded at face value are not amortized.

### ***Financial instruments measured at FVOCI***

For securities from international entities and securities issued by the Public Treasury:

- First, a financial instrument is measured at amortized cost in order to amortize the premiums or discounts on such instrument from its acquisition date to its date of maturity using the effective interest rate. The calculated amortization is recorded by increasing or decreasing the carrying amount of the instrument with the offsetting entry in profit or loss. Financial instruments acquired at face value are not amortized.
- In addition, the instruments classified as measured at FVOCI are also measured on a daily basis at market prices, comparing them with the instrument's last amortized cost or acquisition cost (in case they have been recently acquired). Adjustments to market prices are recorded by increasing or decreasing the carrying amount of the instrument, crediting the offsetting entry to fair value reserve in equity.

Fair value is the market price provided on a daily basis by the financial information service available in the Central Bank (information provided to date mainly by Bloomberg, specialized provider of the financial market, recognized worldwide).

In Management's opinion, said information reasonably reflects the fair value of investments in international securities, considering the market data and accounting policies established by the Board of Directors of the Central Bank.

When the investment is sold or realized, gains or losses previously recognized in equity are transferred to the profit or loss for the year, excluding the effects of the exchange differences, which are recorded as indicated in paragraph (d) below.

Interest earned is calculated and recorded using the nominal interest rate (coupon rate) on the face value of the investment. It is recorded in "net return on securities" in the statement of profit or loss and other comprehensive income.

#### **iv. *Impairment of financial assets***

The Central Bank's Management evaluates, on each presentation date of the financial statements, whether there is objective evidence that its financial assets measured at amortized cost or at fair value through other comprehensive income present changes in credit risk since their initial recognition.

The Central Bank's Management periodically monitors credit risk, based on the most recognized risk rating agencies, in order to evaluate whether there is any evidence of significant increase in said risk since its initial recognition, which may have a significant impact on the investment portfolio, and therefore is considered as a permanent reduction in its market value. Furthermore, Management considers that its investments have a low credit risk, through the evidence obtained that certifies a low risk of non-compliance for each investment instrument and for each issuer thereof.

In the event that the reduction in the market value of the investments proves to be permanent or due to credit impairment of the issuer, the respective provisions will be established affecting the results for the year.

**(c) *Income and expense recognition***

Interest income and expenses are calculated using the effective interest rate method and are recognized in the income statement for the year in which they accrue, based on the term of the transactions that generate them and the interest rates agreed upon.

Gains and/or losses on embedded derivatives not related to the exchange rate in the investment are recognized in profit or loss for the period on their maturity date.

Other income and expenses are recognized as earned or incurred in the period in which they accrue.

When there are reasonable uncertainties about the collectability of the principal of a financial instrument, interest is recognized as income to the extent to which there is reasonable certainty of its collection.

**(d) *Foreign exchange transactions***

The Central Bank prepares and presents its financial statements in soles, which is its functional and presentation currency.

Assets and liabilities in foreign currency are recorded at the exchange rate of the date on which transactions are entered into and are stated in soles using the buying rate established by the SBS for operations in U.S. dollars. Balances in other currencies are stated at the exchange rates provided by Bloomberg (note 24.B(iii)).

For the payment of liabilities in foreign currency to the Central Bank's suppliers and the recording of tax withholding, as applicable, the Central Bank uses the average selling rate of the U.S. dollar related to the sol published by the SBS.

The Central Bank recognizes the adjustment to exchange rates in "Valuation adjustment – Article 89 of Organic Act" in equity.

**(e) *Derivative financial instruments***

The Central Bank has derivative financial instruments held-for-trading and embedded derivatives.

**i. *Derivatives held-for-trading.***

The reference price (committed face value) of forward and future operations is recorded in "off-balance sheet accounts" (notes 20(b) and 20(h)), and subsequently measured at fair value. Fair values are calculated based on exchange rates, interest rates and market prices.

Interest on investment of the underlying asset plus the higher amount received in the currency used for foreign exchange swaps (simultaneous operations of



foreign currency purchase and sale, one using the spot exchange rate and the other, the forward exchange rate), which equals the increase in currency from the agreed forward points, are recorded in the statement of profit or loss and other comprehensive income. Thus, the effect recorded in "Valuation adjustment – Article 89 of Organic Act" in equity, corresponds to the measurement of the underlying asset during the term of the foreign exchange swap plus (less) the exchange rate effect from the changes in the quotation of the foreign currencies in relation to the domestic currency.

Gains and losses from changes in the fair value of future and forward operations are recorded in "Return on operations with derivative instruments" in the statement of profit or loss and other comprehensive income and in "Valuation adjustment–Article 89 of Organic Act" in equity, respectively, recognizing an asset or in the statement of financial position, as applicable.

## ii. ***Foreign Exchange swaps***

Foreign exchange swaps (FX Swaps), whose notional amount is recorded in memorandum accounts (note 20(c)), correspond to transactions in which one of the parties undertakes to pay a variable interest rate on a notional amount in local currency in exchange for the counterparty paying a fixed interest rate on the equivalent notional amount in U.S. dollars, and also paying the exchange difference determined on the notional amount in U.S. dollars.

The Central Bank calculates interest receivable and payable, which are recognized in the statement of income and other comprehensive income in the period in which they are accrued, within "other finance income" and "other finance costs", with a balancing entry in "other assets" and "other liabilities" in the statement of financial position, respectively. Likewise, the Central Bank recognizes the exchange difference on the notional amount committed in U.S. dollars in the caption "Valuation adjustment article No. 89 - Organic Act" of the shareholders' equity, with a balancing entry in the asset and liability captions mentioned above, as appropriate.

At maturity of the transaction, the settlement is made in soles at current exchange rates.

## iii. ***Interest rate swaps (IRS)***

The Central Bank recognizes the interest receivable and payable related to these operations in the statement of profit or loss and other comprehensive income in the period in which they are accrued, in the accounts "Interest and fees on domestic credit operations" and "Interest on securities in circulation", respectively; with offsetting entry in the headings "Other assets" and "Other liabilities" of the statement of financial position, respectively.

Additionally, for the interest rate swaps agreed at an original term of more than 15 months, the fluctuations in their fair value are recognized on each reporting date in the statement of profit or loss and other comprehensive income, in the headings "Interest and fees on domestic credit operations" or "Interest on securities in circulation", with offsetting entry in the headings "Other assets" and "Other liabilities" of the statement of financial position, respectively.

The fair value of the interest rate swaps is equal to the difference between the present value of the fixed payments, less the present value of the variable payments, taking as discount factor the curve of CD BCRP, and the zero-coupon curve constructed on the basis of the yields of the Peruvian Treasury Bonds.

**iv. *Embedded derivatives***

The Central Bank recognizes the measurement of instruments containing embedded derivatives at the reporting date in "fair value reserve" in net equity. The measurement of instruments, without separating the embedded derivative from its host contract, is obtained from the financial information service available in the Central Bank.

The effect of the measurement of the instrument is recorded on the date of maturity in "net yield on securities" in the statement of profit or loss and other comprehensive income. As of December 31, 2023 and 2022, the Central Bank does not have instruments containing embedded derivatives.

**(f) *Gold***

Gold holdings are valued using the quoted prices in the New York market, provided daily by Bloomberg. The result of said measurement is recorded in "Valuation adjustment– Article 89 of Organic Act" in net equity.

**(g) *Transactions with international organizations***

***Contributions to international organizations***

This caption corresponds to contributions made by the Central Bank to the IMF, FLAR and BIS recorded at the face value of the contribution, which represents the acquisition cost since it is said amount that the Central Bank would have the right to receive in case it ceased to be a member of some of the above institutions. These contributions cannot be traded with third parties.

Returns on such contributions are recognized when accrued, and dividends, when declared.

***Allocations of Special Drawing Rights (SDR)***

The recognition of the allocations of SDR with the IMF involves a charge to an asset account in foreign currency which forms part of the "Gross International reserves" and a credit to a liability account in foreign currency, which is part of the item "Other external liabilities" and constitutes a long-term obligation. Both concepts are initially recognized at cost, subsequently they are measured at their adjusted value and are presented in the statement of financial position of the Central Bank.

**(h) *Collections***

Collections mainly correspond to works of art (archeological objects, paintings, sculptures, among others) and collectible coins acquired and/or received in donation. They are valued at their acquisition cost or face value. Due to their nature, these assets have an indefinite useful life. Therefore, they are not depreciated and are recognized in "other assets" in the statement of financial position, note 10. The acquisition cost of donated assets is recorded

in “other income” in the statement of profit or loss and other comprehensive income and is determined based on the fair value estimated by specialists when they are received.

**(i) *Property, plant and equipment***

***Recognition and measurement***

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Repair and maintenance expenses are charged to profit or loss, and significant renewals and improvements are capitalized when: i) it is probable that future economic benefits associated with the asset will flow to the Central Bank; and ii) its cost can be measured reliably. Cost and accumulated depreciation of disposed of or sold assets are removed from their accounts, and any resulting gain or loss is recorded in profit or loss for the period.

Units pending receipt are measured at acquisition cost and are not depreciated until they are in working condition.

***Depreciation***

Land is not depreciated. Depreciation of assets under this heading is calculated on a straight-line basis using the following estimated useful lives:

	<b>Years</b>
Buildings and other constructions	100
Machinery and equipment	10
Vehicles	5
IT equipment	3

**(j) *Impairment of long-lived assets***

Whenever events or changes in the economic environment indicate that the carrying amount of a long-lived tangible asset may not be recoverable, the Central Bank reviews the carrying amount of its assets in order to verify that there is no permanent impairment in its value.

When the carrying amount of a tangible asset exceeds its recoverable amount, an impairment loss is recognized in the statement of profit or loss and other comprehensive income. The recoverable amount is the higher of net selling price and value in use. Net selling price is the amount that can be obtained from selling a tangible asset in a free market, while value in use is the present value of the estimated future cash flows expected to be provided by the continued use of an asset and its subsequent disposal at the end of its useful life. Recoverable amounts are estimated for each asset or, if not possible, for each cash-generating unit (CGU).

Management annually assesses whether the carrying amount exceeds the recoverable amount of its long-lived tangible assets based on available market information.

**(k) *Sterilized stock***

This caption corresponds to liabilities in domestic currency. It comprises securities in circulation and deposits in domestic currency from the public sector and financial enterprises,

which are not included in reserve requirements. The sterilized stock corresponds to the Central Bank's monetary operations to withdraw liquidity from the financial system, as well as deposits of financial institutions which, in case of reversal, would involve an increase in the monetary base.

Securities in circulation are measured at face value, and accrued interest is recognized in profit or loss. Discounts granted at placement are deferred and amortized during the term of the instrument using the effective interest method.

The CDR BCRP's carrying amount is adjusted for changes in the exchange rate of the U.S. dollar with respect to the sol. Those changes are recognized in "Valuation adjustment – Article 89 of Organic Act" in equity.

**(l) *Currency in circulation***

This caption includes banknotes and coins of legal tender issued by the Central Bank, which are held by the public and are recorded as liabilities at face value in "monetary base" in the statement of financial position.

Currency not in circulation and in the Central Bank's vaults is measured at face value in off-balance sheet accounts.

**(m) *Employee benefits***

According to Article 58 of the Bylaws, the Central Bank annually transfers resources to the Disease, Insurance and Pension Fund of Employees (hereinafter "the Fund") to meet the payment of obligations to its employees. The amount of transfers from the Central Bank to the Fund is approved each year by the Board of Directors.

The Central Bank has the following defined benefit plans:

- Supplementary subsidy for retirement, widow, and burial benefits; and
- Other supplementary retirement benefits, related to health care benefits granted by the Central Bank.

The cost of providing benefits through defined benefit plans is determined separately for each plan, using the projected unit credit method. Actuarial gains and losses of both defined benefit plans are recognized in full in the results of the year in which they occur.

The defined benefit asset or liability includes the present value of the obligation, which is determined using mortality tables and a discount rate based on high quality marketable debt, note 16(a), less past service costs and the fair value of plan assets to be used to settle those obligations. Plan assets are administered by a long-term employee benefit fund. Plan assets are not available to the Central Bank's creditors, nor are they payable directly to the Central Bank. The fair value of these assets is based on market price information.

The net assets held by the Fund, which are considered by the Central Bank in reducing the actuarial reserve liability, consist of the value of deposits and loans, net of its obligations.

As part of other long-term benefits, the Central Bank grants seniority benefits to its active employees. The amount of the obligation for these benefits is estimated annually based on available information projected at year-end and then the present value of the obligation is determined.

The expense is recognized on an accrual basis and any gain or loss on the estimate of the obligation is recorded directly in the statement of income affecting the results for the period.

The subsidy items for the retirement pension supplement, widow's and widower's pensions, funeral subsidies and other long-term and/or supplementary retirement benefits, deducted from the present value of the Fund's net assets, are recorded in the caption "Other liabilities" in the statement of financial position, note 16(a).

**(n) Operating expenses and currency issuing costs**

Operating expenses and currency issuing costs are recognized in profit or loss of the period in which they are incurred.

Minting cost of coins and coin blanks includes the expenses for raw materials, labor costs and production overheads.

Expenses for printing banknotes and costs of minting coins are initially recognized in "other assets" in the statement of financial position (note 10(b) and (d)) and are subsequently recognized in profit.

**(o) Cash and cash equivalents**

This caption, comprises gross international reserves, net of currency in circulation recorded in "monetary base" in the statement of financial position, as follows, at December 31:

	<u>2023</u> (S/ 000)	<u>2022</u> (S/ 000)
Gross international reserves	264,237,223	275,114,128
<b>Less:</b>		
Currency in circulation	<u>(86,747,016)</u>	<u>(90,417,535)</u>
<b>Cash and cash equivalents</b>	<b><u>177,490,207</u></b>	<b><u>184,696,593</u></b>

The difference between total gross international reserves and reserve liabilities (including obligations with international entities) represents net international reserves.

These net international reserves reflect the international liquidity of the country and its financial capacity compared to other countries and correspond to the resources available to the Central Bank to meet its obligations in foreign currency.

**(p) Provisions**

A provision is only recognized when the Central Bank has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the

obligation. Provisions are reviewed annually and adjusted to reflect the best estimate at the date of the statement of financial position.

When the effect of the time value of money is significant, the amount of the provision is the present value of the disbursements expected to be incurred to settle it.

The expense corresponding to any provision is presented in the statement of income and other comprehensive income, net of any related reimbursement.

**(q) Contingencies**

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

Contingent assets are not recognized in the financial statements, they are only disclosed in a note to the financial statements when it is probable that an income of resources will occur.

**(r) Domestic credit**

Domestic credit is comprised of the following:

- (i) Investments in instruments issued in Soles and in foreign currency by the MEF, through the Public Treasury, which are recorded and classified as investments measured at fair value through other comprehensive income. The initial recording and subsequent measurement of these investments are made in accordance with the criteria described in note 2.A.(vi).
- (ii) Internal credit comprises reportable transactions, which are recorded and classified in accordance with the criteria described in paragraph (b) of this note:
  - Repurchase transactions of credits guaranteed by the National Government represented in securities, in which the participating entities sell securities representing credits guaranteed by the National Government to the Central Bank, receive in exchange local currency and are obliged, in the same act, to repurchase such securities at a later date, against payment of local currency. These transactions are part of the "Reactiva Perú" program created to promote the financing of the replacement of working capital funds to companies facing short-term payments and obligations with their workers and suppliers of goods and services, in order to ensure continuity in the economy's payment chain. These transactions are recognized as assets in the statement of financial position with a balancing entry in the "Deposits in local currency" account. The amounts placed in these operations correspond to the guaranteed amounts of the credits subject to such operations.
  - Transactions of credit portfolio represented in securities, in which the participating entities sell credit portfolios represented in securities to the Central Bank, receive in exchange local currency (amount of the sale asset side of the statement of financial position with a balancing entry in the "Deposits in local currency" or "Deposits in foreign currency" account, depending on the currency of the transaction.

- Sales transactions with a commitment to repurchase securities (securities repurchase agreements) in order to inject liquidity in local currency, mainly to companies in the financial system. This operation consists of the purchase of securities at the beginning of the operation, where the financial system companies transfer the ownership of the securities to the Central Bank and at the maturity of the reporting operation, the financial system companies repurchase the same securities and the Central Bank transfers the ownership of these securities to them. These transactions are recognized as assets in the statement of financial position with a balancing entry in the "Deposits in local currency" account.
- Currency repurchase transactions, which are transactions in which the participating entities sell foreign or local currency to the Central Bank in exchange for local or foreign currency and are obliged, in the same act, to repurchase the currency sold at a later date at market exchange rates. These transactions are recognized on the asset side of the statement of financial position with a balancing entry in the "Deposits in local currency" or "Deposits in foreign currency" account, depending on the currency of the transaction.

**(s) Subsequent events**

Events after the end of the reporting period that provide additional information regarding the financial position of the Central Bank as of the date of the statement of financial position (adjusting events) are included in the financial statements. Significant events after the reporting period that are non-adjusting events are disclosed in notes to the financial statements.

**(t) New accounting pronouncements**

A number of new amendments have been issued by the IASB and are effective for annual periods beginning on or after January 1, 2024 and 2023:

Modificaciones	Fecha de aplicación efectiva
IFRS17 - Insurance contracts	Annual periods that begin on or after January 1, 2023. Early adoption is permitted.
Disclosure of accounting policies - Amendments to IAS1 and Practical Statement 2	Annual periods that begin on or after January 1, 2023. Early adoption is permitted.
Amendments to IAS 8 - Definition of Estimates Accounting	Annual periods that begin on or after January 1, 2023. Early adoption is permitted.
Amendments to IAS 1 – Classification of liabilities as current or non- current	Annual periods that begin on or after January 1, 2024.
Amendment to IAS 7 - Disclosure for Supplier Financing Arrangements	Annual periods that begin on or after January 1, 2024. Early adoption is permitted.
Amendment to IFRS 7 - Disclosures for supplier financing arrangements	Annual periods that begin on or after January 1, 2024. Early adoption is permitted.
Amendments to IFRS 16 – Leases, Lease Liabilities in a Sale with Leaseback	Annual periods that begin on or after January 1, 2024. Early adoption is permitted.

Since the aforementioned standards, detailed previously are only adopted in addition to those established by the Organic Act and those issued by the Central Bank's Board of Directors, they will not have a significant effect on the preparation of the accompanying financial statements. The Central Bank has not estimated the effect on its financial statements if said standards were adopted.



Likewise, the Central Bank's Management estimates that the standards issued and effective for periods subsequent to January 1, 2024 will not have a significant effect on the preparation of the accompanying financial statements. The Central Bank has not determined the effects of adopting said standards in the preparation of its financial statements, if adopted.

### 3. DEPOSITS AT FOREIGN BANKS

As of December 31, this caption comprises the following:

	<b>2023</b> (S/ 000)	<b>2022</b> (S/ 000)
Time deposits (a)	29,683,155	50,024,318
Interest due on term deposits (b)	96,027	94,798
	<b>29,779,182</b>	<b>50,119,116</b>
Demand deposits	4,357	4,448
Interest due on gold deposits	1,608	495
Portfolio deposits at foreign entities (c)	128,265	91,590
Investment guarantee at foreign entities (d)	314,350	59,166
	<b>30,227,762</b>	<b>50,274,815</b>

- (a) As of December 31, 2023 and 2022, term deposits are held at tier 1 foreign banks, accrue interest at international market rates and are mainly stated in U.S. dollars for USD 8,012 million and USD 13,137 million, respectively.

During 2023, deposits with foreign banks accrued interest at an average annual interest rate of 4.75% (3.36% as of December 31, 2022).

- (b) During 2023 and 2022, the Central Bank recognized interest income on deposits with foreign banks for S/ 2,244 million and S/ 980 million, respectively, which are recorded in "Finance income" in the statement of profit or loss and other comprehensive income.
- (c) As of December 31, 2023, the portfolio deposits at foreign entities are composed of call deposit accounts for USD 13.2 million and security deposits for financial derivatives for USD 21.3 million (2022: USD 13.1 million and USD 11 million, respectively).
- (d) As of December 31, 2023 and 2022, the investment guarantee at foreign entities for USD 84.8 million and USD 15.5 million, respectively, corresponds to guarantees for operations with securities, forwards, forex swap and futures, which increased due to the larger number of operations.

### 4. DEPOSITS AT FOREIGN ORGANIZATIONS

As of December 31, 2023 and 2022, this caption corresponds to deposits at the International Monetary Fund (IMF), stated in SDR, which accrue interest at average annual rates of 4.103 percent and 2.916 percent, respectively, and are not freely available, except in certain situations such as the presence of actual or potential balance of payments problems that require financial assistance from the IMF, or when there is a request for withdrawal of membership from this international organization.

In 2023 and 2022, the Central Bank recognized interest of S/ 414 million and S/ 121 million, respectively, which form part of "Interest on international agreements and deposits with the International Monetary Fund" in the statement of income and other comprehensive income.



In 2023 and 2022, the delegation framework of a part of the investment portfolio of the international reserves held at tier 1 foreign financial institutions which manage the portfolios was maintained under the guidelines established by the Central Bank. Accordingly, since 2020 the following three specialized firms have rendered services to the Central Bank: BNP Paribas Asset Management USA, Inc., Pacific Investment Management Company LLC., located in USA and Amundi Asset Management, located in United Kingdom.

As of December 31, the maturities and the nominal annual interest rates of the investments are as follows:

	Maturity		Annual nominal interest rate (i)							
	2023	2022	2023				2022			
			USD		Other currencies		USD		Other currencies	
			Min. %	Max. %	Min. %	Max. %	Min. %	Max. %	Min. %	Max. %
Financial assets measured at FVOCI										
At local entities										
Short- term banker's acceptances	Jan-2024 / Feb 2024	Jan- 2023 / Mar- 2023	5.55	5.87	5.13	5.32	4.57	5.07	1.22	4.56
Short term sovereign bonds	Jan-2024 / Dec 2024	Jan- 2023 / Dec- 2023	0.13	5.97	(0.26)	5.25	0.13	5.28	-0.32	5.50
Short- term supranational bonds	Jan-2024 / Dec-2024	Jan- 2023 / Dec- 2023	0.38	5.93	1.45	1.80	0.25	5.70	0.50	1.70
Long- term sovereign bonds	Jan-2025 / Nov-2028	Jan- 2024 / Apr- 2026	0.25	6.30	0.13	5.00	0.13	5.57	0.13	5.25
Long- term supranational bonds	Jan-2025 / Oct-2028	Feb- 2024 / Jun- 2026	0.38	6.00	0.63	4.40	0.38	5.25	0.75	4.00
At foreign entities										
Fixed income securities – PIMCO	Jan-2024/Set-2073	Jan- 2023/ Jan 2052	-	5.87	-	3.25	0.00	5.31	2.25	2.25
Fixed income securities – AMUNDI	Feb-2024/Oct-2053	Feb- 2023/ Aug- 2051	0.13	6.50	-	4.75	0.00	4.50	0.00	4.75
Fixed income securities – BNP	Mar-2024/May-2053	Jan- 2023/ Mar- 2050	0.34	6.50	-	4.40	0.14	6.50	0.63	4.40

(i) It corresponds to the coupon rate for investments in bonds, and the discount rate for certificates of deposit, bankers' acceptances, commercial papers and other fixed income securities, excluding premiums or discounts obtained on the acquisition date of the instruments at coupon rate.

As of December 31, 2023 and 2022, securities from international entities correspond to tier 1, low risk financial instruments. Securities issued by international organizations or foreign public entities have risk ratings of at least A, according to the credit rating agencies Moody's and Standard & Poor's. Certificates of deposit and bankers' acceptances have a risk rating of at least A according to Fitch, Moody's and Standard & Poor's. These securities accrue interest at international market rates and are held at tier 1 foreign banks.

The following table shows the balance by maturity of financial assets measured at FVOCI, excluding interest:

	<u>2023</u> (S/ 000)	<u>2022</u> (S/ 000)
Up to 3 months	66,212,117	44,493,240
3-12 months	45,198,004	58,239,349
1 to 3 years	88,646,738	94,965,184
3 to 5 years	7,388,003	1,608,681
More than 5 years	3,261,777	3,006,560
<b>Total</b>	<b><u>210,706,639</u></b>	<b><u>202,313,014</u></b>

In 2023 and 2022, the Central Bank recognized income for net yield on securities for S/ 5,524 million and S/ 2,161 million, respectively, which form part of "Finance Income" of the statement of profit or loss and other comprehensive income. Likewise, during the years 2023 and 2022, a decrease of S/ 4,055 million and S/ 4,909 million, respectively, was recorded in the caption "fair value reserve" of equity (note 17.c).

## 6. GOLD

As of December 31, this caption comprises the following:

	<u>2023</u> (S/ 000)	<u>2022</u> (S/ 000)
<b>In Peru</b>		
Gold coins (a)	4,220,216	3,830,162
Provision for costs of converting gold into high purity or "good delivery" bars	(2,530)	(2,600)
	<b><u>4,217,686</u></b>	<b><u>3,827,562</u></b>
<b>Abroad</b>		
Gold Deposits (b)	4,301,359	3,903,489
<b>Total</b>	<b><u>8,519,045</u></b>	<b><u>7,731,051</u></b>

(a) As of December 31, 2023, and 2022, it corresponds to 552,033 and 552,078 troy ounces in commemorative coins, respectively, deposited in the vaults of the Central Bank, which are valued at quotation value per troy ounce on the above-mentioned dates.

(b) As of December 31, of 2023 and 2022, it corresponds to Gold Deposits of 562,647 troy ounces of gold, in high purity or "good delivery" gold bars deposited in tier 1 foreign banks under term deposits.

As of December 31, 2023, these term deposits accrue interest at an annual rate between 0.25 percent and have a term of 90 days from the date of their constitution (as of December 31, 2022, they accrued interest at a rate between 0.3 percent and 0.4 percent and had a term of 33 days from the date of their constitution).

The accrued interest pending collection at December 31 of 2023 and 2022, was recorded in "Deposits at foreign banks" of the statement of financial position (note 3).

## 7. CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

As of December 31, this caption comprises the following:

	<b>2023</b> (S/ 000)	<b>2022</b> (S/ 000)
Contributions to the FLAR (a)	2,113,904	2,165,756
Contributions to the IMF (b)	1,833,494	1,968,477
Contributions to the BIS (c)	326,746	333,018
	<b><u>4,274,144</u></b>	<b><u>4,467,251</u></b>

- (a) This contribution grants Peru access to financing facilities from the FLAR. As of December 31, 2023, the contribution paid to the FLAR amounts to USD 571 million, equivalent to S/ 2,114 million (USD 569 million equivalent to S/ 2,166 million at December 31, 2022). As of December 31, of 2023 and 2022, Peru's participation in the FLAR is 17% of its subscribed capital. Likewise, as of December 31, 2023, the Central Bank holds contributions pending capitalization for an amount of USD 93 million, equivalent to S/ 345 million (USD 95 million equivalent to S/ 361 million at December 2022), which are recorded as accounts payable and accounts receivable, and are recorded net in the account "Contributions to international organizations" in the statement of financial position, note 2.B (g).
- (b) The contribution to the IMF grants Peru access to IMF's financing facilities. The IMF determines Peru's contribution as a participating country, which, as of December 31 of 2023 and 2022 amounts to SDR 1,335 million; made up of contributions in SDR and soles. As of December 31, of 2023 and 2022, Peru's participation in the total quotas subscribed by the IMF's member countries is 0.28% and comprises the following:

	<b>2023</b> (S/ 000)	<b>2022</b> (S/ 000)
<b>Contribution in SDR</b>		
Contribution to the IMF in SDR (i)	1,833,494	1,968,477
<b>Domestic currency contributions</b>		
Contribution to the IMF for the equivalent in domestic currency (ii)	4,848,395	4,834,583
Revaluations to be settled – contributions to the IMF in domestic currency (iii)	(46,215)	(40,010)
	<b><u>4,802,180</u></b>	<b><u>4,794,573</u></b>
<b>Total contribution to the IMF</b>	<b><u>6,635,674</u></b>	<b><u>6,763,050</u></b>

- (i) As of December 31, 2023 and 2022, it corresponds to contributions granted by Peru to the IMF for SDR 369 million and SDR 388 million; respectively.
- (ii) For the contributions in soles, the Central Bank did not disburse any funds, but issued promissory notes in favor of the IMF which it can collect at any time; therefore, the balancing entry is recorded as a liability with the IMF in 'other foreign liabilities' in the statement of financial position. This obligation does not accrue interest and payment can be required at any time.
- (iii) This corresponds to the exchange difference with respect to the SDR generated by the adjustment of the contribution in domestic currency between April 30 and December 31 of each year. These revaluations are settled at the close of the IMF's financial year, which takes place on April 30 of each year.
- (c) The Central Bank has participated as a member of this international entity. The BIS determines the percentage participation of member countries, and in the case of Peru, its participation is equivalent to 3,000 shares. As of December 31, of 2023 and 2022, 25% of

the market value of said shares has been paid, corresponding to SDR 66 million, equivalent to S/ 327 million (equivalent to S/ 333 million as of December 31, 2022).

The 75 percent of the market value of the 3,000 shares, corresponding to SDR 197 million, equivalent to S/ 980 million as of December 31, 2023 (equivalent to a S/ 999 million as of December 31, 2022) was recorded as an account receivable and account payable, which are presented, net in the account "Contributions to International Organizations" in the statement of financial position, (note 2.B (g)).

## 8. DOMESTIC CREDIT

As of December 31, this caption comprises the following:

	<u>2023</u> (S/ 000)	<u>2022</u> (S/ 000)
<b>To banks (a)</b>		
Currency repurchase agreements	-	589,000
Securities repurchase agreements	10,883,013	7,601,051
Credit portfolios repurchase agreements	6,263,819	6,339,867
Repos of government- backed credit portfolio	4,456,944	17,148,671
Outstanding fees from currency repurchase agreements	-	16,638
Outstanding interest from credit portfolios repurchase agreements	167,131	98,268
Outstanding interest from repos of government- backed credit portfolio	963	19,037
	<u><b>21,771,870</b></u>	<u><b>31,812,532</b></u>
<b>To the public sector (b)</b>		
Bonds issued by the MEF in foreign currency	10,686,131	4,646,593
Bonds issued by the MEF in domestic currency	953,127	1,806,312
Repurchase agreements of currencies	227,000	512,000
Outstanding interest from securities issued in Peru	285,531	163,145
Outstanding fees from currency repurchase agreements	1,312	2,322
	<u><b>12,153,101</b></u>	<u><b>7,130,372</b></u>
<b>To other entities and funds (a)</b>		
Securities repurchase agreements	49,618	39,511
Repos of government backed credit portfolio	284,352	1,519,116
Outstanding interest from repos of government backed credit portfolio	108	1,349
Outstanding fees from currency repurchase agreements	88,407	-
	<u><b>422,485</b></u>	<u><b>1,559,976</b></u>
<b>To financial enterprises (a)</b>		
Currency repurchase agreements	-	11,000
Repos of government- backed credit portfolio	7,114	52,783
Outstanding interest from repos of government- backed credit Portfolio	17	71
Outstanding fees from currency repurchase agreements	-	43
	<u><b>7,131</b></u>	<u><b>63,857</b></u>
<b>Total</b>	<u><b>34,354,587</b></u>	<u><b>40,566,737</b></u>

- (a) As of December 31, 2023, the Central Bank does not maintain a balance for currency repurchase agreements. As of December 31, 2022, the Bank carried out currency repurchase agreements with banking and financial companies, whereby the companies sold foreign or domestic currency to the Central Bank in exchange for domestic or foreign currency and, simultaneously agreed to repurchase the sold currency at a later date at the exchange rate current at the repurchase date. The Central Bank charges a fee equivalent to the interest rate offered by each financial company in the auctions, less a discount established in the corresponding announcement. As of December 31, 2022, these operations had interest rates ranging between 1.76 percent and 4.40 percent and with settlement dates between January 2023 and April 2023.

Also, as of December 31, 2023, there are sales transactions with repurchase commitments of certificates of deposit and Treasury bonds with banking companies, at an average annual interest rate of 5.15 percent, with a settlement date between January 2024 and September 2025 (as of December 31, 2022, they had an average annual interest rate of 4.60 percent, with a settlement date between January 2023 and September 2025).

As of December 31, 2023, the Central Bank has current repurchase agreements of credit portfolio represented by securities with Banks, which have an average annual interest rate of between 0.50% and 3.50%, with settlement dates between January 2024 and September 2025 (as of December 31, 2022, the annual interest rate was between 0.50% and 3.50%, with settlement dates between March 2023 and September 2025).

As of December 31, 2023, the Central Bank has current repurchase agreements of Government-backed credit portfolio represented by securities in the framework of the Reactiva Perú program, which was created in order to ensure the continuity of the chain of payments in the face of the impact of Covid-19 on companies. This is an instrument which allows the Central Bank to provide liquidity to the financial institutions participating in the program, receiving the Government-backed part of loans as collateral. As of December 31, 2023 and 2022, the balance of these operations had an average annual interest rate of 0.50%, with settlement dates between May 2023 and December 2025. It is also worth mentioning that these operations have a grace period of up to 12 months.

As of December 31, 2023 and 2022, in the opinion of the Management of the Central Bank, there is no evidence of impairment. Also, accounts receivable from entities of the financial system in liquidation are in the process of collection, and therefore, in accordance with Emergency Decree No. 003-2024 issued on February 22, 2024, Article 9 authorizes the Ministry of Economy and Finance to apply the guarantees that were granted by the "Reactiva Perú" program.

- (b) As of December 31, 2023 and 2022, the Central Bank holds MEF bonds issued in U.S. dollars, acquired in the secondary market, which mature to November 2033, and accrue interest at a rate of 8.75%. Additionally, the Central Bank holds MEF bonds issued in Soles, acquired in the secondary market from December of 2020 until the year 2023, which mature between August 2028 and February 2055, and accrue interest at rates ranging between 5.35% and 7.30%.

Said instruments are classified and valued as financial assets measured at FVOCI. As of December 31, 2023, an increase in fair value of S/ 850 million (a decrease of S/ 547 million as of December 31, 2022), was recorded in "fair value reserve" of the statement of financial position, see note 17(c).

Likewise, as of December 31, 2023 and 2022, the Central Bank carried out currency repurchase agreements with Public Sector companies, for which said companies sold foreign or domestic currency to the Central Bank in exchange for domestic or foreign currency, simultaneously undertaking to repurchase the sold currency on a subsequent date at the exchange rate current on the repurchase date. The Central Bank charges a fee equivalent to the interest rate offered by each public sector company in auctions, less a discount announced in the respective announcement. As of December 31, 2023, these operations had interest rates ranging from 0.18% to 0.27%, and with settlement dates between January 2024 and May 2024 (as of December 31, 2022, these operations had interest rates between 0.18% and 0.38%, and with settlement dates between January 2023 and May 2024).

- (c) In 2023 and 2022, the Central Bank recognized interest income and fees from domestic credit operations for S/ 4,207 million and S/ 4,182 million, respectively, which are recorded in "finance income" in the statement of profit or loss and other comprehensive income.



## 9. PROPERTY, PLANT AND EQUIPMENT, NET

The movement of property, plant and equipment for the years 2023 and 2022, as well as the accumulated depreciation, was as follows:

	Land	Building and other constructions	Furniture and office equipment	Vehicles	Various items of equipment	Units in transit	Total
	(\$/ 000)	(\$/ 000)	(\$/ 000)	(\$/ 000)	(\$/ 000)	(\$/ 000)	(\$/ 000)
<b>Balance as of January 1, 2022</b>	28,419	175,075	7,301	4,192	121,057	961	337,005
Additions	-	2,174	107	199	9,647	7,250	19,377
Transfers	-	-	-	-	166	(166)	-
Disposals and others	-	(239)	(1)	-	(115)	-	(355)
<b>Balance as of December 31, 2022</b>	<b>28,419</b>	<b>177,010</b>	<b>7,407</b>	<b>4,391</b>	<b>130,755</b>	<b>8,045</b>	<b>356,027</b>
Additions	-	2,110	225	449	8,065	4,560	15,409
Transfers	-	2,503	7	-	4,638	(7,148)	-
Disposals and others	-	(820)	(394)	(608)	(11,920)	(1)	(13,743)
<b>Balance as of December 31, 2023</b>	<b>28,419</b>	<b>180,803</b>	<b>7,245</b>	<b>4,232</b>	<b>131,538</b>	<b>5,456</b>	<b>357,693</b>
<b>Accumulated depreciation -</b>							
<b>Balance as of January 1, 2022</b>	-	81,928	5,422	3,840	90,143	-	181,333
Depreciation for the period (d)	-	3,916	372	128	9,723	-	14,139
Disposals and others	-	(119)	(1)	-	(110)	-	(230)
<b>Balance as of December 31, 2022</b>	-	85,725	5,793	3,968	99,756	-	195,242
Depreciation for the period	-	4,096	389	160	10,232	-	14,877
Disposals and others	-	(423)	(392)	(608)	(11,808)	-	(13,231)
<b>Balance as of December 31, 2023</b>	-	<b>89,398</b>	<b>5,790</b>	<b>3,520</b>	<b>98,180</b>	-	<b>196,888</b>
<b>Carrying amount -</b>							
<b>Balance as of January 1, 2022</b>	28,419	93,147	1,879	351	30,914	961	155,671
<b>Balance as of December 31, 2022</b>	<b>28,419</b>	<b>91,285</b>	<b>1,614</b>	<b>423</b>	<b>30,999</b>	<b>8,045</b>	<b>160,785</b>
<b>Balance as of December 31, 2023</b>	<b>28,419</b>	<b>91,405</b>	<b>1,455</b>	<b>712</b>	<b>33,358</b>	<b>5,456</b>	<b>160,805</b>

As of December 31, 2023, and 2022, the Central Bank has fully depreciated items of property, plant and equipment, still in use, for S/ 62 million and S/ 74 million, respectively.

The Central Bank has insured its main assets in accordance with the policies established by the Management and the Board of Directors.

In 2023 and 2022, the depreciation of Property, plant and equipment amounted to S/ 15 million and S/ 14 million, respectively, and is included in "operating expenses" and "issuance expenses and costs" for S/ 12 million and S/ 3 million in 2023, and for S/ 11 million and S/ 3 million in 2022, respectively (notes 21 and 22).

Management performs an annual evaluation to determine whether the carrying amount exceeds the recoverable value of its long-lived assets based on available market input. In the opinion of the Central Bank's Management, there is no evidence of impairment of the fixed assets held by the Central Bank as of December 31, 2023 and 2022.

As of December 31, 2023 and 2022, no asset of the Central Bank was granted in guarantee.

## 10. OTHER ASSETS

As of December, this caption comprises the following:

	<b>2023</b> (S/ 000)	<b>2022</b> (S/ 000)
<b>Financial instruments</b>		
Outstanding interest foreign exchange swaps (a)	1,445,421	1,427,372
Outstanding interest, interest rate swap	-	8
Outstanding accounts from personnel	2,638	3,630
	<b>1,448,059</b>	<b>1,431,010</b>
<b>Non- financial instruments</b>		
Raw material, semi- finished and finished goods (b)	98,446	99,779
Collections (c)	79,537	79,473
Deferred charges (d)	135,753	107,790
Advance payments to suppliers	13,064	1,171
Intangible assets	13,932	13,430
Outstanding accounts (e)	4,992	5,200
Silver	1,379	1,497
Others	3,369	3,560
	<b>350,472</b>	<b>311,900</b>
	<b>1,798,531</b>	<b>1,742,910</b>

- (a) Comprises the interest rate receivables on foreign exchange operations. As of December 31, 2023 and 2022, the Central Bank recognized interest income from currency swap operations for S/ 2,722 million and S/ 1,632 million, respectively, which forms part of "Interest and fees on domestic credit operations" of the statement of profit or loss and other comprehensive income.

- (b) Raw material comprises the supplies acquired by the Central Bank for coin minting and is valued at average cost. The value of semi-finished and finished products comprises the cost of raw material, direct labor and manufacturing overhead.
- (c) Collections comprise paintings, archaeological items, sculptures, banknotes, coins, medals and other objects acquired by or donated to the Central Bank, which are maintained for display.
- (d) Deferred charges mainly comprise the cost of printing banknotes, which, as of December 31, 2023 and 2022 amounts to S/ 130,867 and S/ 102,474, respectively, which is charged to expense when said banknotes are put into circulation for the first time.
- (e) It mainly corresponds to the mortgage guarantee in favor of the Central Bank, arising from lawsuits with third parties.

## 11. OTHER EXTERNAL LIABILITIES

As of December 31, this caption comprises the following:

	<b><u>2023</u></b> (S/ 000)	<b><u>2022</u></b> (S/ 000)
SDR allocations and revaluations to be settled (a)	9,392,631	9,572,898
Allocation in Andean pesos (b)	74,100	76,160
Others	8,734	11,154
	<b><u>9,475,465</u></b>	<b><u>9,660,212</u></b>

- (a) As of December 31, 2023, the balance of the account was SDR 1,889 million, equivalent to S/ 9,393 million (SDR 1,889 million, equivalent to S/ 9,573 million as of December 31, 2022), the increase corresponds to the distribution which the IMF made to Peru in proportion to its quota, according to the provisions of the Articles of Agreement of the IMF, the last distribution having been made on August 23, 2021. The balances at the above-mentioned dates include the exchange difference generated by the revaluation of the SDR allocation received from the IMF from the last movement of the account (August 23, 2021).

SDR allocations accrue interest in accordance with the conditions of the Articles of Agreement. As of December 31, 2023 and 2022, the annual interest rate was 4.103% and 2.916%, respectively.

- (b) The allocation in Andean pesos corresponds to those delivered by the FLAR for 20 million Andean pesos, equivalent to S/ 74 million and S/ 76 million as of December 31, 2023 and 2022, respectively. This allocation does not accrue interest, has no defined maturity for its cancellation and the balancing entry is an account receivable recorded in "other external assets" in the statement of financial position.
- (c) As of December 31, 2023 and 2022, the Central Bank recognized interest expense for S/ 367 million and S/ 108 million respectively, which corresponds to its external liabilities, mainly for the obligations for SDR allocations which are recorded in "Interest on other external liabilities" in the statement of profit or loss and other comprehensive income.

## 12. SECURITIES IN CIRCULATION

As of December 31, this caption comprises the following:

	<b>2023</b> (S/ 000)	<b>2022</b> (S/ 000)
BCRP certificates of deposit (CD BCRP)	35,086,000	12,444,400
BCRP certificates of deposit at variable rate (CDV BCRP)	-	13,126,579
BCRP indexed certificates of deposit (CDR BCRP)	520,935	-
Sale discounts on CD BCRP, CDR BCRP and CDLD BCRP	(722,377)	(199,853)
	<b><u>34,884,558</u></b>	<b><u>25,371,126</u></b>

As of December 31, 2023 and 2022, securities in circulation comprise certificates of deposit, variable rate certificates of deposit and adjustable certificates of deposit, placed by the mechanism of auction or direct placement, in order to withdraw excess liquidity from the financial system.

As of December 31, 2023, S/ 5,547 million in certificates of deposit guarantee security repurchase transactions (S/ 1,324 million, as of December 31, 2022).

During 2023 and 2022, the Central Bank recognized net interest expense for securities in circulation for S/ 4,036 million and S/ 3,699 million, respectively, which form part of "Finance costs" in the statement of profit or loss and other comprehensive income. In 2023 and 2022, the interest expense for securities issued, correspond mainly to operations with bank exchange swaps and certificates of deposit at variable rates for S/ 1,208 million and S/ 2,596 million, respectively. The decrease presented during 2023, corresponds mainly to the variation in the benchmark interest rate, presenting a reduction with effect from the month of September of 2023, with a rate of 6.75% at the close of 2023.

Likewise, during 2023, the Central Bank recognized interest income on certificates of deposit at variable rate for S/ 808 million (S/ 1,629 million in 2022), which forms part of "Interest on securities issued" in the statement of profit or loss and other comprehensive income.

As of December 31, the certificates of deposit issued by the Central Bank were acquired by the following entities:

	<b>2023</b> (S/ 000)	<b>2022</b> (S/ 000)
Banks	24,476,700	17,107,897
Insurance Deposit Fund	6,198,800	3,965,971
Banco de la Nación	2,890,000	3,000,000
Mutual funds and funds of pension fund administrators	182,900	143,000
Financial institutions	611,600	578,411
Other institutions	1,256,000	775,700
	<b><u>35,616,000</u></b>	<b><u>25,570,979</u></b>
Sale discounts on CD BCRP and CDR BCRP	(722,377)	(199,853)
	<b><u>34,884,558</u></b>	<b><u>25,371,126</u></b>

As of December 31, 2023, the certificates of deposit issued by the Central Bank mature between January 2024 and December 2024 and accrue interest at discount rates between 5.380 per cent and 7.293 per cent (as of December 31, 2022, they had maturities between January 2023 and September 2023, and accrued interest at discount rates between 1 per cent and 7.4 per cent).

**13. DEPOSITS IN DOMESTIC CURRENCY**

As of December 31, this caption comprises the following:

	<b>2023</b> (S/ 000)	<b>2022</b> (S/ 000)
Public sector	39,275,804	57,788,538
Banco de la Nación	15,760,648	20,091,335
Banks	7,171,013	4,899,537
Municipal Savings and Credit Unions	659,295	512,800
Financial enterprises	763,747	637,854
Insurance Deposit Fund	304,608	1,733,800
Rural Savings and Credit Unions	28,150	44,650
Other entities and funds	15,468	38,332
	<b>63,978,733</b>	<b>85,746,846</b>

As of December 31, deposits in domestic currency, per type of transaction are classified as follows:

<b>Type</b>	<b>Interest rate %</b>	<b>Maturity date</b>	<b>2023</b> (S/ 000)
No maturity	5.30	No maturity	10,044,184
Between January and October 2024	3.17 - 6.69	Between January and October 2024	51,129,609
3 days	4	3 days	2,804,940
			<b>63,978,733</b>

<b>Type</b>	<b>Interest rate %</b>	<b>Maturity date</b>	<b>2022</b> (S/ 000)
Checking accounts	5.90 - 6.10	No maturity	25,370,148
Time deposits	0.43 - 7.50	Between January and September 2023	59,122,700
Special deposits (overnight)	5.25	4 days	1,253,998
			<b>85,746,846</b>

In 2023 and 2022, the Central Bank recognized interest on deposits in domestic currency for S/ 4,516 million and S/ 4,013 million, respectively, which is recorded in "Interest on deposits in domestic currency" in the caption "Finance costs" of the statement of profit or loss and other comprehensive income.

**14. MONETARY BASE**

As of December 31, this caption comprises the following:

	<b>2023</b> (S/ 000)	<b>2022</b> (S/ 000)
<b>Currency in circulation (a)</b>	<b>86,747,016</b>	<b>90,417,535</b>
<b>Deposits in domestic currency (b)</b>		
Banks	1,396,795	1,173,659
Municipal Savings and Credit Unions	661,570	659,617
Financial enterprises	346,991	292,191
Banco de la Nación	800,000	400,000
Rural Savings and Credit Unions	70,097	46,832
Others	49	1,390
	<b>3,275,502</b>	<b>2,573,689</b>
	<b>90,022,518</b>	<b>92,991,224</b>

- (a) The denomination of the currency in circulation is as follows:

	2023		2022	
	Units	S/ (000)	Units	S/ (000)
<b>Banknotes</b>				
Denomination S/ 10	146,817,502	1,468,175	157,234,496	1,572,345
Denomination S/ 20	173,957,653	3,479,153	184,346,404	3,686,928
Denomination S/ 50	235,232,808	11,761,640	255,243,764	12,762,188
Denomination S/ 100	583,104,407	58,310,441	606,123,364	60,612,336
Denomination S/ 200	40,930,060	8,186,012	41,950,734	8,390,147
		<b>83,205,421</b>		<b>87,023,944</b>
<b>Coins</b>				
Denomination S/ 0.01	347,683,833	3,477	347,713,223	3,477
Denomination S/ 0.05	503,555,223	25,178	503,635,815	25,182
Denomination S/ 0.10	2,091,889,867	209,189	1,989,392,576	198,939
Denomination S/ 0.20	636,560,765	127,312	582,787,724	116,558
Denomination S/ 0.50	642,661,181	321,331	618,382,761	309,191
Denomination S/ 1.00	1,247,937,192	1,247,937	1,181,737,385	1,181,737
Denomination S/ 2.00	252,244,283	504,488	244,897,902	489,796
Denomination S/ 5.00	220,172,332	1,100,862	213,380,142	1,066,901
		<b>3,539,774</b>		<b>3,391,781</b>
Commemorative coins		1,821		1,810
		<b>86,747,016</b>		<b>90,417,535</b>

- (b) As of December 31, 2023 and 2022, it corresponds to deposits in domestic currency of the financial institutions subject to the reserve requirement of the national financial system. Said funds are intended to cover the cash reserve required by the Central Bank for the obligations subject to reserve requirements in domestic currency and have no maturity. Additionally, the legal reserve requirement may be covered with cash in domestic currency, held by the entities subject to the legal reserve requirement.

The legal reserve requirement comprises a minimum legal reserve and additional reserve requirements, which is the part of the legal reserve requirement which exceeds the legal minimum. As of December 31, 2023 and 2022, the minimum legal reserve had a rate of 6.0%, for the obligations subject to reserve requirements in domestic currency. Furthermore, the obligations subject to reserve requirements are classified into two regimes: general and especial.

As of December 31, 2023, only the reserve requirement funds which correspond to the additional reserve requirement to be remunerated of the general and special regime in soles which are deposited at the Central Bank accrued interest at an annual rate of 2.1629%, equal to the higher rate between 0% and the interest rate of overnight deposits in domestic currency with the Central Bank, less 195 bps (as of December 31, 2022, the rate of remuneration of the deposits in domestic currency was 3.3%).

On November 2, 2022, the Central Bank issued Circular No.0025-2022-BCRP, regarding reserve requirements in domestic currency, with which it has decided to increase the weekly

limit and the limit on the balance of the operations agreed of sale of foreign currency in exchange for domestic currency through forwards and swaps.

On January 20, 2022, the Central Bank issued Circular No.0003-2022-BCRP, regarding reserve requirements in domestic currency, with which it has resolved to increase the minimum legal reserve requirement from 5% in January 2022, to 5.25% in February 2022, 5.50% in March 2022, 5.75% in April 2022 and to 6% from May 2022, of all of the obligations subject to reserve requirements.

## 15. DEPOSITS IN FOREIGN CURRENCY

As of December 31, this caption comprises the following:

	<b><u>2023</u></b> (S/ 000)	<b><u>2022</u></b> (S/ 000)
Banks (a)	43,422,801	50,927,851
Public Sector (b)	16,576,084	11,302,140
Other financial enterprises (a)	493,512	655,587
Banco de la Nación (a)	2,579,691	2,433,880
Financial institutions (a)	145,284	124,515
	<b><u>63,217,372</u></b>	<b><u>65,443,973</u></b>

- (a) As of December 31, 2023 and 2022, it corresponds to deposits in foreign currency by financial institutions subject to reserve requirements in the domestic financial system. Said funds are intended to cover the amount of legal reserve required by the Central Bank for the obligations subject to reserve requirements in foreign currency and which have no maturity.

Legal reserve requirements comprise minimum legal reserves and additional reserve requirements. As of December 31, 2023 and 2022, minimum legal reserves had a rate of 9.0% for obligations subject to reserve requirements in foreign currency, and the additional reserve requirement, which is the part of the legal reserve requirements that exceeds the minimum legal reserves. As of December 31, 2023, the rate of the additional reserve requirement in foreign currency for the banks was 26.08% on average (as of December 31, 2022, it was 25.25% on average).

As of December 31, 2023, the reserve requirement funds corresponding to the additional reserve requirement of the general and special regime, which are deposited with the Central Bank, accrued interest at an annual rate of 4.8555%. Said rate is equivalent to the higher rate between: (i) 25% of the difference between the Chicago Mercantile Exchange (CME), Term Secured Overnight Financing Rate (SOFR) at one month less 10 basis points and (ii) the CME Term SOFR rate at one month less 50 basis points. (As of December 31, 2022, said rate was 3.7948%).

On June 27, 2023, the Central Bank issued Circular No.0011-2023-BCRP, related to the provisions for cash reserve requirements in foreign currency, through which it decided to amend: a) the requirement of additional reserve requirement based on the evolution of the total credit in foreign currency, and b) increase the rate of reserve requirement of the borrowings with average terms of 2 years or less with international financial entities, subject to the special reserve requirement, from 9% to 35%.



- (b) As of December 31, 2023 and 2022, deposits in foreign currency of public sector entities are stated in U.S. Dollars and mainly comprise agreements entered into with the MEF's General Directorate of Public Treasury, which established the conditions for receiving deposits from said institution. As of December 31, 2023, these deposits correspond to demand and term deposits, which accrued interest at an effective annual rate between 0% and 5.64% (As of December 31, 2022, the effective annual rate fluctuated between 0% and 4.48%). Term deposits have maturities between January and February 2024 (As of December 31, 2022, they had maturities in the months of January and February 2023).

In 2023 and 2022, the Central Bank recognized interest on deposits in foreign currency for S/ 3,143 million and S/ 1,060 million, respectively, and are recorded in "Interest on foreign currency deposits" in the statement of profit or loss and other comprehensive income.

## 16. OTHER LIABILITIES

As of December 31, this caption comprises the following:

	<u>Note</u>	<u>2023</u> (S/ 000)	<u>2022</u> (S/ 000)
<b>Financial liabilities</b>			
Interest and fees payable		1,846,187	1,143,964
Reverse repurchase agreements of foreign currencies	8(b)	231,776	1,101,368
Fund for diseases, insurance and pensions of Central Bank's employees (a)		23,523	768,747
Accounts payable		8,643	9,890
Deposit Insurance Fund		9,955	13,315
		<u>2,120,084</u>	<u>3,037,284</u>
<b>Non- financial liabilities</b>			
Actuarial liabilities (a)		109,935	114,561
Other provisions		51,712	38,204
Others		32,351	27,389
		<u>193,998</u>	<u>180,154</u>
		<u>2,314,082</u>	<u>3,217,438</u>

- a) As of December 31, 2023 and 2022, the actuarial liabilities comprise the provision corresponding to the allowance for supplementing retirement, widow and funeral benefits, and a reserve for current risks of health care services, calculated by an expert actuary, deducting the value of the Fund's net assets, note 2.B(m).

The Fund for diseases, insurance and pensions of the Central Bank's employees, is a legal entity under private law created by Decree Law N° 7137, to provide assistance to the active and retired employees of the Central Bank, as well as their spouse, children and parents, in accordance with its regulations. This assistance is additional to social security and other social benefits granted by Law (Essalud, National Pension System - Decree Law No. 19990 and the Private Pension System). According to the International Accounting Standard (IAS) -

19 “Employee Benefits”, the above-mentioned assistance corresponds to a defined benefit plan.

As of December 31, 2023 and 2022, the movement in the obligation for employee benefit plans and the fair value of the assets of the plan is as follows:

	<b><u>Nota</u></b>	<b><u>2023</u></b> (S/ 000)	<b><u>2022</u></b> (S/ 000)
Opening balance		114,561	109,614
Transfer to the Fund during the year		(8,266)	(8,403)
Provision for employee benefit plans	21	3,640	13,350
		<b><u>109,935</u></b>	<b><u>114,561</u></b>

In December of 2023 and 2022, the Central Bank’s Board of Directors authorized the transfer to the Fund for Diseases, Insurance and Pensions of the Central Bank’s Employees of S/ 52.5 million, respectively. In 2023, from the aforementioned amount, S/ 8.3 million were used to pay pensions of retired personnel, which decreased the actuarial liability by the same amount (S/ 8.4 million in 2022) and S/ 41.5 million were transferred to the Fund for health expenses of active personnel, which increased the balance of “operating expenses” (S/ 41.1 million in 2022) (note 21).

As of December 31, 2023 and 2022, 68.1% and 51.18% of the Fund’s assets, respectively, are deposited in the Central Bank, and mainly comprise deposits in domestic currency which accrue interest at an effective annual rate of 7.35% and 6.84%, respectively; and loans to employees of the Central Bank, which are directly discounted through the payroll.

In 2023 and 2022 the net expense is recognized in “operating expenses”, note 21, in the statement of profit or loss and other comprehensive income in respect of employee benefit plans; and comprises the following:

	<b><u>2023</u></b> (S/ 000)	<b><u>2022</u></b> (S/ 000)
Changes in net assets of the Employees’ Fund	(3,069)	7,590
Change in reserves calculated by the actuary	6,709	5,760
	<b><u>3,640</u></b>	<b><u>13,350</u></b>

The principal categories of the assets of the Fund as a percentage of the fair value of its total liquid assets are as follows:

	<b><u>2023</u></b>		<b><u>2022</u></b>	
	S/ (000)	%	S/ (000)	%
Deposits with the Central Bank	23,523	68.0	13,315	51.0
Outstanding accounts from personnel	11,042	32.0	12,707	49.0
<b>Total</b>	<b><u>34,565</u></b>	<b><u>100.0</u></b>	<b><u>26,022</u></b>	<b><u>100.0</u></b>

The main hypotheses used when determining the actuarial liability for the defined employee benefit plans are the following:

Discount rate ( % )	6.50	6.50
Increase (reduction) in pensions ( % )	5.30	(3.50)
Average period for amortization of pensions	8.40	8.34
<b>Active and retired personnel as of the date of the statement of financial position</b>		
Men	969	960
Women	603	599
<b>Mortality tables</b>		
Men	SP-2005-H	SP-2005-H
Women	SP-2005-M	SP-2005-M

The sensitivity of the actuarial assumptions in the Central Bank's profit or loss is as follows:

	<b>Increase/ decrease in discount rate</b>	<b>Effect on reserve for the year in thousands of soles</b>
		S/ 000
<b>Year</b>		
2023	50pbs	(5,732)
	(50pbs)	6,215
2022	50pbs	(6,534)
	(50pbs)	7,272
	<b>Increase/ decrease in discount rate</b>	<b>Effect on reserve for the year in thousands of soles</b>
	Años	S/ 000
<b>Year</b>		
2023	1	3,864
	(1)	7,028
2022	1	6,660
	(1)	7,883

## 17. EQUITY

### a) Capital

As of December 31, 2023 and 2022, the capital authorized, subscribed and paid-in by the Peruvian State, in accordance with the legal norms, is S/ 1,183 million.

The capital is not represented by shares, and its value is only stated in the capital account of the statement of financial position. Furthermore, through a Supreme Decree countersigned by the MEF, the Central Bank's authorized capital may be adjusted.

### b) Reserves

#### **Legal reserve**

According to Article 92 of its Organic Act, the Central Bank must distribute its net profits annually, as follows: (i) 25% for the Public Treasury and (ii) 75% for the constitution and increase, up to 100% of its capital, of a reserve which, preferably, will be used for capitalization.

Since during 2023 and 2022 the Central Bank presented net losses, it has not established additional legal reserves since the maximum limit allowed has been reached.

On March 30, 2023, after the approval of the 2022 financial statements, the coverage of the 2022 net loss was applied (in accordance with Article No. 93 of the Organic Act), with the balance of S/ 1,183 million from the Legal Reserve and then transferring S/ 481 million from the Statutory Reserve to the Legal Reserve to complete the amount necessary to cover the loss. Finally, the balance of the Legal Reserve of S/ 1,183 million was restored by transferring part of the balance of the Statutory Reserve.

### ***Statutory special reserve***

According to Article 63 of the Central Bank's Bylaws, the surplus generated by the application of Article 92, of the Organic Act, will be used for the constitution of a special reserve.

On March 30, 2023, after the approval of the 2022 financial statements, the coverage of the 2022 net loss was applied (in accordance with Article No. 93 of the Organic Act), transferring S/ 481 million to the Legal Reserve to complete the amount necessary to cover the loss and subsequently transferring S/ 1,183 million to replenish the balance of the Legal Reserve.

On March 3, 2022, after the approval of the 2021 financial statements, the constitution of a special reserve was agreed for S/ 1,075 million, for the surplus of 75% of the profits corresponding to the Central Bank, since the legal reserve was equivalent to 100% of the capital.

### **c) Fair value reserve**

The movement of this caption for the years 2023 and 2022 is as follows:

	<b>Note</b>	<b>Securities from international entities S/ (000)</b>	<b>Bonds issued by the MEF S/ (000)</b>	<b>Total S/ (000)</b>
<b>Balance as of January 1, 2022</b>		<b>(177,834)</b>	<b>(256,748)</b>	<b>(434,582)</b>
Gain from fluctuations	5 and 8 (b)	14,528	-	14,528
Loss from fluctuations	5 and 8 (b)	(4,923,717)	(546,515)	(5,470,232)
<b>Balance as of December 31, 2022</b>		<b>(5,087,023)</b>	<b>(803,263)</b>	<b>(5,890,286)</b>
Gain from fluctuations	5 and 8 (b)	4,055,129	849,686	4,904,815
Loss from fluctuations	5 and 8 (b)	(457)	-	(457)
<b>Balance as of December 31, 2023</b>		<b>(1,032,351)</b>	<b>46,423</b>	<b>(985,928)</b>

### **d) Retained earnings**

Article 93 of the Organic Act states that in case of losses, the legal reserve shall be applied to offset them: If said amount is insufficient, within 30 days from the approval of the statement of financial position, the Public Treasury must issue and deliver to the Central Bank, negotiable debt securities for the amount not covered, which will accrue interest.

On March 3, 2022, after the approval of the 2021 financial statements, it was agreed to transfer S/ 358 million to the Public Treasury, corresponding to 25% of the profit for that year. On May 24, 2022, the transfer was made to the settlement account in domestic currency of the MEF.

#### e) Adjustment for Valuation – Article 89 of Organic Act

In accordance with the accounting policies approved by the Board of Directors, based on Article 89 of the Organic Act, the exchange differences resulting from the valuation in domestic currency of the Central Bank's assets and liabilities in gold, silver, foreign currency, SDR or other monetary units in international use, are debited or credited in this account and are not considered as gains or losses for the year, note 2.B(d).

The movement of this caption for the years 2023 and 2022 is as follows:

	<b>2022</b> (S/ 000)	<b>2021</b> (S/ 000)
<b>Opening balance</b>	<b>43,711,457</b>	<b>26,216,489</b>
<b>Plus (less)</b>		
Valuation of derivative instrument operations and others related to the exchange rate	5,555,809	1,286,338
Valuation of metals (gold)	(363,265)	449,274
Valuation of IMF contribution and obligations	25	(234,343)
Valuation of U. S. dollars	(6,799,221)	14,884,730
Valuation of other currencies	(7,359,123)	2,035,910
Valuation of indexed Certificates of deposit	82,286	(926,941)
<b>Closing balance</b>	<b><u>34,827,968</u></b>	<b><u>43,711,457</u></b>

## 18. TAX SITUATION

In accordance with the Income Tax Law, Peruvian public institutions are not subject to income tax. The Central Bank, as a withholding agent, is only subject to self-employment income tax, regular employment income tax, and social contributions.

The Tax Authorities are entitled to audit and, if applicable, to correct the tax calculated by the Central Bank within the 4 years following the year of the tax return filing. The Central Bank's income tax returns from 2019 to 2023 are open for review by the Tax Authorities. Due to the possible varied interpretations of the current laws by the Tax Authorities, it is not possible to determine, to date, whether a future tax assessment will result in liabilities for the Central Bank. Therefore, any major tax, late interest and penalties that might arise from eventual tax assessments would be applied to profit or loss of the period in which they are determined. In Management's opinion, any possible additional settlement of taxes would not be significant for the Central Bank's financial statements as of December 31, 2023 and 2022.

## 19. CONTINGENCIES

Certain civil and labor lawsuits have been filed against the Central Bank in the country's courts, for which the pertinent legal instruments and actions have been submitted. Therefore, the Central Bank's Management and its legal advisors consider that, as of December 31, 2023 and 2022, it is not necessary to record a material provision for possible losses as a result of these legal contingencies.

## 20. OFF-BALANCE SHEET ACCOUNTS

As of December 31, this caption comprises the following:

	<b><u>Nota</u></b>	<b><u>2023</u></b> (S/ 000)	<b><u>2022</u></b> (S/ 000)
Currency in circulation (a)		74,746,802	46,979,585
Forward operations (b)		71,407,690	89,629,574
Foreign Exchange swaps (c)	2.B(e)(ii)	89,711,737	75,375,370
Government- backed credits (d)		4,748,655	18,729,358
Public Treasury securities with repurchase agreement (e)		6,178,318	7,233,148
Securities portfolio credits (f)		6,695,875	6,683,077
Securities held in custody (g)		3,049,355	3,121,980
Futures operations (h)	2.B(e)(i)	3,233,728	3,440,374
Interest rate swaps(i)	2.B(e)(iii)	-	2,400,100
Others		298,885	199,451
		<b><u>260,071,045</u></b>	<b><u>253,792,017</u></b>

- (a) As of December 31, it corresponds to the currency not in circulation that the Central Bank holds in its vaults. It comprises the following:

	<b><u>2023</u></b> (S/ 000)	<b><u>2022</u></b> (S/ 000)
New	63,413,140	33,869,140
Available	9,566,789	10,002,631
To be classified	1,111,058	2,373,808
To be destroyed	317,761	618,866
In transit	338,054	115,140
<b>Total</b>	<b><u>74,746,802</u></b>	<b><u>46,979,585</u></b>

The movement of 'currency in circulation' in 2023 y 2022, is as follows:

	<b><u>2023</u></b> (S/ 000)	<b><u>2022</u></b> (S/ 000)
<b>Opening balance</b>	<b>46,979,585</b>	<b>33,565,948</b>
Acquisition of currency	43,120,950	17,565,042
Destruction of currency	(19,024,253)	(7,275,360)
Removal from circulation, net	3,670,519	3,123,955
<b>Closing balance</b>	<b><u>74,746,802</u></b>	<b><u>46,979,585</u></b>

- (b) As of December 31, 2023 and 2022, it corresponds to the reference value (committed face value) of the Central Bank's forward operations in foreign currency, classified as held for trading instruments. As of December 31, 2023, the Central Bank has 63 forward operations with maturities between January and October, 2024 (77 forward operations with maturities between January and March, 2023, held at December 31, 2022). Likewise, as of December 31, 2023, the valuation of the forwards generated an asset for S/ 28 million (S/ 112 million at December 31, 2022), which was recorded in "other available assets", and a liability for S/ 665 million (S/ 1,275 million at December 31, 2022), which

was recorded as part of “reserve liability”. Said valuations were recorded in “Valuation adjustments Article. 89 – Organic Act” in equity (note 17.e). In 2023, the Central Bank recognized revenues for the forward contracts traded for S/ 4,120 million, which form part of return on operations with derivative instruments” of the statement of profit or loss and other comprehensive income (S/ 22 million in 2022).

As of December 31, the face value of “forward” operations per type of currency is as follows:

	<b>2023</b> (S/ 000)	<b>2022</b> (S/ 000)
Purchase of U. S. dollar / sale of currencies other than sol	34,571,658	43,616,678
Sale of U. S. dollar / purchase of currencies other than sol	215,095	256,855
Purchase of British pound sterling / sale of currencies other than sol	225,488	92,655
Sale of British pound sterling/ purchase of currencies other than sol	139,726	4,954,739
Purchase of Japanese yen / sale of currencies other than sol	63,031	8,378
Sale of Japanese yen / purchase of currencies other than sol	3,707,059	1,002,420
Purchase of euro/ sale of currencies other than sol	49,391	99,575
Sale of euro/ purchase of currencies other than sol	3,674,648	21,177,910
Purchase of Swedish krona / sale of currencies other than sol	20,943	20,942
Sale of Swedish krona / purchase of currencies other than sol	16,331	10,771
Purchase of Chinese yuan / sale of currencies other than sol	-	2,754
Sale of Chinese yuan / purchase of currencies other than sol	-	2,684
Purchase of Norwegian krone / sale of currencies other than sol	38,337	20,639
Sale of Norwegian krone/ purchase of currencies other than sol	18,974	8,119
Purchase of Canadian dollar / sale of currencies other than sol	21,184	62,892
Sale of Canadian dollar / purchase of currencies other than sol	27,688,898	17,695,393
Purchase of Chinese RMB / sale of currencies other than sol	6,515	-
Sale of Chinese RMB / purchase of currencies other than sol	12,142	9,135
Purchase of Singapore dollar / sale of currencies other than sol	-	-
Sale of Singapore dollar / purchase of currencies other than sol	-	-
Purchase of Korean won / sale of currencies other than sol	18,115	3,392
Sale of Korean won / purchase of currencies other than sol	16,738	-
Purchase of Australian dollar / sale of currencies other than sol	379,521	333,830
Sale of Australian dollar / purchase of currencies other than sol	196,130	156,939
Purchase of New Zealand dollar / sale of currencies other than sol	180	8,752
Sale of New Zealand dollar / purchase of currencies other than sol	67,675	56,582
Purchase of Swiss francs / sale of currencies other than sol	10,755	14,452
Sale of Swiss francs / purchase of currencies other than sol	249,156	13,088
<b>Total</b>	<b>71,407,690</b>	<b>89,629,574</b>

- (c) As of December 31, 2022, the Central Bank maintains 1,097 operations with banks called foreign exchange swaps, whereby the nominal value in soles in favor of the Central Bank is S/ 45,176 million and the balancing entry in favor of the banking companies is USD 12,020 million (850 operations as of December 31, 2022, with a face value in soles in favor of the Central Bank for S/ 38,054 million and the balancing entry in favor of banks for USD 9,801 million). These operations mature between January and December 2024 (between January and September 2022 as of December 31, 2022). The interest rate for the notional value in soles is equal to capitalization of the Accumulated Index of Interbank Overnight Operations (ION), calculated and published by the BCRP, and which, as of December 31, 2023, is 6.75% (7.50% at December 31, 2022).

In 2023, the Central Bank recognized interest income and expense for interest received and paid on foreign exchange swaps for S/ 2,722 million and S/ 1,811 million, respectively, which form part "interest and fees on domestic credit operations" and "interest on securities in circulation" of the statement of profit or loss and other comprehensive income, respectively (S/ 1,632 million and S/ 535 million, respectively at December 31, 2022). Likewise, during said period, the Banco Central recognized the effect of the changes in the exchange rate on the face value in U.S. as a debit to "Valuation adjustment Article 89 –Organic Act" in equity, for S/ 882 million (S/ 370 million at December 31, 2022), which corresponds to financial institutions (note 17.e).

- (d) This corresponds to the guarantee granted by the government to the companies of the financial sector in order to approve credits in favor of individuals in the framework of the Reactiva Peru Program. The Central Bank maintains S/ 4,749 million as of December 31, 2023 (S/ 18,729 million as of December 31, 2022) at nominal value of Government-backed Credit Portfolio Repurchase Operations.
- (e) As of December 31, 2023, the Central Bank has effective repurchase agreements of treasury bonds with banks, with a nominal value in soles of S/ 6,178 million (S/ 7,233 million as of December 31, 2022).
- (f) As of December 31, 2023, the Central Bank has effective security portfolio credit operations with banks, with a nominal value in soles of S/ 6,178 million (S/ 6,683 million as of December 31, 2022).
- (g) As of December 31, 2023 and 2022, the securities in custody mainly include promissory notes in guarantee for operations with the IMF.
- (h) This corresponds to the reference value (committed face value) of the portfolio of futures operations held by the Central Bank for trading purposes, which is managed directly by the specialized firms, BNP Paribas Asset Management USA, Inc., Pacific Investment Management Company LLC. and Amundi Asset Management, in accordance with the guidelines approved by the Central Bank. As of December 31, 2023, the Central Bank had 5,886 future contracts (3,850 contracts in 2022), of which the underlying assets are U.S. Treasury bonds, issued in U.S. dollars, pound sterling, Japanese yen, Canadian dollars euros and Australian dollars. Furthermore, the estimated market value, provided by the three specialized firms, generated an asset for S/ 22 million (S/ 15 million in 2022), and a liability of S/ 29 million (S/ 2 million in 2022), which were recorded in "other available assets" and "reserve liabilities", respectively, of the statement of financial position and "net return on securities" of the statement of profit or loss and other comprehensive income.
- (i) As of December 31, 2023, the Central Bank does not maintain operations with banks called "Interest rate swaps". As of December 31, 2022, it maintained 93 operations with a notional amount in Soles in favor of the Central Bank of S/ 2,400 millions, of which the which maturity was between January and September of 2023. The notional interest rate in Soles is equivalent to the capitalization of the Average Overnight Interbank Interest Rate (TIBO), calculated and published by the BCRP (7.50% as of December 31, 2022).

During 2023, the Central Bank did not have interest income (11 million as of December 31, 2022) and it did not recognize interest expenses paid on the "Interest swaps" (S/ 138 million as of December 31, 2022), which are part of the items "other finance income" and "other finance costs" of the statement of profit and loss and other comprehensive income, respectively.



**21. OPERATING EXPENSES**

This caption comprises the following:

	<b><u>Nota</u></b>	<b><u>2023</u></b> (S/ 000)	<b><u>2022</u></b> (S/ 000)
Personnel expenses and social benefits	23	173,367	152,983
Administrative expenses		71,300	68,679
Health expenses of active personnel	16	41,506	41,146
Depreciation	16	11,825	13,350
Expenses for actuarial provision	9	3,640	11,202
Amortization		1,568	1,422
Others		8,086	4,823
		<b><u>311,292</u></b>	<b><u>293,605</u></b>

In 2023 and 2022, administrative expenses correspond mainly to security expenses, computer supplies, maintenance of equipment and premises, utilities, consulting, property insurance, among others.

**22. ISSUANCE EXPENSES AND COSTS**

This caption comprises the following:

	<b><u>2023</u></b> (S/ 000)	<b><u>2022</u></b> (S/ 000)
Cost of minting issued coins	59,901	58,413
Expenses for printing issued banknotes	44,795	36,274
Expenses for transporting currency	4,525	4,392
	<b><u>109,221</u></b>	<b><u>99,079</u></b>

**23. PERSONNEL EXPENSES AND SOCIAL BENEFITS**

This caption comprises the following:

	<b><u>2023</u></b> (S/ 000)	<b><u>2022</u></b> (S/ 000)
Basic remuneration	70,503	83,511
Legal bonuses and holidays (a)	58,920	27,501
Bonuses and allowances	18,990	18,320
Retirement compensation arrangement	9,494	9,273
EsSalud	8,903	8,584
Training	3,579	3,323
Others	2,978	2,471
	<b><u>173,367</u></b>	<b><u>152,983</u></b>

(a) During 2023, the Central Bank recognized long-term benefits to its employees, Note 2.B.(m), for the concept of anniversary bonus for approximately S/ 22 million.

## 24. FINANCIAL INSTRUMENTS

### A. Accounting classification and fair value

The following table shows the carrying amounts and fair values of the financial assets and financial liabilities held by the Central Bank, including their levels in the fair value hierarchy.

Note	As of December 31, 2023				Medidos a valor razonable (i)			
	At amortized Cost	At FVOCI	Financial liabilities measured at amortized cost	Total	Level 1	Level 2	Level 3	Total
	(\$/ 000)	(\$/ 000)	(\$/ 000)	(\$/ 000)	(\$/ 000)	(\$/ 000)	(\$/ 000)	(\$/ 000)
<b>Financial assets</b>								
Cash in foreign currency	177,149	-	-	177,149	-	-	-	-
Deposits at foreign banks	30,227,762	-	-	30,227,762	-	-	-	-
Deposits at foreign organizations	8,925,313	-	-	8,925,313	-	-	-	-
Securities from international entities	48,413,810	163,595,177	-	212,008,987	163,595,177	-	-	163,595,177
Contributions to international organizations	4,274,144	-	-	4,274,144	-	-	-	-
Other available assets	48,317	56,506	-	104,823	-	56,506	-	56,506
Other foreign assets	74,100	-	-	74,100	-	-	-	-
Domestic credit	22,429,798	11,924,789	-	34,354,587	11,924,789	-	-	11,924,789
Other financial assets	-	1,445,421	-	1,445,421	-	1,445,421	-	1,445,421
	<b>114,570,393</b>	<b>177,021,893</b>	<b>-</b>	<b>291,592,286</b>	<b>175,519,966</b>	<b>1,501,927</b>	<b>-</b>	<b>177,021,893</b>
<b>Financial liabilities</b>								
Reserve liabilities	-	718,914	341,006	1,059,920	-	718,914	-	718,914
Other foreign liabilities	-	-	14,277,644	14,277,644	-	-	-	-
Sterilized stock	-	-	98,863,291	98,863,291	-	-	-	-
Monetary base	-	-	90,022,518	90,022,518	-	-	-	-
Deposits in foreign currency	-	-	63,217,372	63,217,372	-	-	-	-
Other financial liabilities	-	-	2,120,084	2,120,084	-	-	-	-
	<b>-</b>	<b>718,914</b>	<b>268,841,915</b>	<b>269,560,829</b>	<b>-</b>	<b>718,914</b>	<b>-</b>	<b>718,914</b>

(i) Given the characteristics of the financial instruments of the Bank (mainly securities of international entities with a very high liquidity and depth), these are mostly classified in the hierarchy: Level 1 (quoted prices) of fair value.

Note	As of December 31, 2023				Medidos a valor razonable (i)			
	At amortized Cost	At FVOCI	Financial liabilities measured at amortized cost	Total	Level 1	Level 2	Level 3	Total
	(\$/ 000)	(\$/ 000)	(\$/ 000)	(\$/ 000)	(\$/ 000)	(\$/ 000)	(\$/ 000)	(\$/ 000)
<b>Financial assets</b>								
Cash in foreign currency	372,457	-	-	372,457	-	-	-	-
Deposits at foreign banks	50,274,815	-	-	50,274,815	-	-	-	-
Deposits at foreign organizations	9,075,389	-	-	9,075,389	-	-	-	-
Securities from international entities	36,584,693	166,381,720	-	202,966,413	166,381,720	-	-	166,381,720
Contributions to international organizations	4,467,251	-	-	4,467,251	-	-	-	-
Other available assets	3,092	223,660	-	226,752	-	223,660	-	223,660
Other foreign assets	76,160	-	-	76,160	-	-	-	-
Domestic credit	33,950,687	6,616,050	-	40,566,737	6,616,050	-	-	6,616,050
Other financial assets	-	1,427,380	-	1,427,380	-	1,427,380	-	1,427,380
	<b>134,804,544</b>	<b>174,648,810</b>	<b>-</b>	<b>309,453,354</b>	<b>172,997,770</b>	<b>1,651,040</b>	<b>-</b>	<b>174,648,810</b>
<b>Financial liabilities</b>								
Reserve liabilities	-	1,285,659	96,614	1,382,273	-	1,285,659	-	1,285,659
Other foreign liabilities	-	-	14,454,785	14,454,785	-	-	-	-
Sterilized stock	-	-	111,117,972	111,117,972	-	-	-	-
Monetary base	-	-	92,991,224	92,991,224	-	-	-	-
Deposits in foreign currency	-	-	65,443,973	65,443,973	-	-	-	-
Other financial liabilities	-	-	3,037,284	3,037,284	-	-	-	-
	<b>-</b>	<b>1,285,659</b>	<b>287,141,852</b>	<b>288,427,511</b>	<b>-</b>	<b>1,285,659</b>	<b>-</b>	<b>1,285,659</b>

## B. Financial risk management

The Central Bank is exposed to the following risks related to the use of financial instruments: liquidity risk, credit risk, currency risk, interest rate risk and operational risk. The Central Bank's risk management aims to minimize the potential adverse effects on its financial performance.

The Central Bank's statement of financial position mainly comprises financial instruments, as described in note 2.B(b). Gross international reserves are a relevant component of said instruments (as of December 31, 2023 and 2022, they represent 86.51% and 82.32%, respectively). Reserve management complies with the principles of security, liquidity and profitability indicated in Article 71 of the Organic Act. International reserves contribute to the country's economic and financial stability, to the extent that they guarantee availability of currency in extraordinary situations, such as in the case of an eventual significant withdrawal of foreign currency deposits from the domestic financial system or temporary external shocks, which may cause imbalances in the real economy and feed expectations. Likewise, an adequate availability of foreign currency helps to reduce Peru's country risk and improve its credit ratings, which results in better conditions for private and public Peruvian companies to obtain foreign credits and contributes to the growth of foreign investment in the country.

Financial risk management mainly focuses on the investment portfolio, composed of assets that are easily tradable in international markets. These assets comprise deposits with foreign institutions and organizations, securities from international institutions and gold holdings abroad.

Risk management is carried out considering the following criteria:

- The Central Bank's reserve management policy considers it a priority to preserve the capital and guarantee the liquidity of reserves. Once these conditions are met, the Central Bank seeks to maximize the return on foreign assets.
- Management of foreign assets is closely related to the origin and characteristics of sources of foreign currency resources (i.e., the Central Bank's liabilities) in terms of the amount, currency, term, and volatility. Accordingly, the Central Bank seeks to minimize the financial risks that may affect the value and availability of the resources that it manages.

The Management of the Central Bank is aware of the current market conditions and, based on its knowledge and experience, it controls the aforementioned risks in accordance with the policies approved by the Board of Directors. The most important aspects for the management of these risks are the following:

### i. *Liquidity risk*

It arises from the impossibility of trading securities at the appropriate time. To mitigate this risk, the Central Bank controls the degree of liquidity of fixed income instruments by selecting securities from markets where said instruments are heavily traded, establishing minimum amounts according to the size of the issue and a limit for the percentage acquired in each issue. Liquidity of instruments is reflected in a low “bid-ask spread” in their market price.

Likewise, the Central Bank minimizes this risk by dividing the investment portfolio into tranches that reflect the required liquidity to manage withdrawals associated with the different nature of the reserve sources. Said portfolio is divided into:

- Immediate availability tranche: This includes very short-term investments mainly to face obligations with local banks and unexpected events.
- Liquid and trading tranches: They correspond to deposits in foreign currency of financial (mainly for reserve requirements) and public institutions with the Central Bank. Investments are made with these resources, which mainly comprise bank deposits with staggered maturity and high-liquidity fixed income instruments in international financial markets.
- Investment and diversification tranches: They comprise the Central Bank’s own resources (foreign exchange position) for investments including securities with terms generally longer than one year (mainly bonds), which may generate higher returns and support risk diversification.

As of December 31, 2022, the distribution of the investments into tranches is reflected in the percentage composition per term to maturity of the investment portfolio as shown below:

	<u>2023</u> (%)	<u>2022</u> (%)
<b>Term to Maturity</b>		
0 - 3 months	41	39
3 - 12 months	17	22
More than 1 year	42	39
	<u><b>100</b></u>	<u><b>100</b></u>

The following table presents the undiscounted cash flows payable by the Central Bank according to agreed contractual terms:

	As of December 31, 2023					
	Less than 1 month	1 – 3 months	3–12 months	1–5 years	More than 5 years	Total
	(\$/ 000)	(\$/ 000)	(\$/ 000)	(\$/ 000)	(\$/ 000)	(\$/ 000)
<b>Financial liabilities per type (i)</b>						
Sterilized stock						
Certificates of deposit	4,233,437	12,636,693	18,014,428	-	-	34,884,558
Deposits in domestic currency	24,627,466	16,507,400	20,134,109	-	-	63,978,733
Monetary base	-	-	-	-	-	90,022,518
Deposits in foreign currency	18,462,060	9,058,725	-	-	-	63,217,372
Other financial liabilities	-	437,448	2,120,077	8,732	14,268,913	16,835,170
<b>Total non- derivative liabilities (ii)</b>	<b>47,322,963</b>	<b>38,640,266</b>	<b>40,268,614</b>	<b>8,732</b>	<b>14,268,913</b>	<b>268,938,352</b>
Accounts payable for derivatives	601,695	20,777	-	-	-	622,472
	<b>47,924,658</b>	<b>38,661,043</b>	<b>40,268,614</b>	<b>8,732</b>	<b>14,268,913</b>	<b>269,560,824</b>
	As of December 31, 2023					
	Less than 1 month	1 – 3 months	3–12 months	1–5 years	More than 5 years	Total
	(\$/ 000)	(\$/ 000)	(\$/ 000)	(\$/ 000)	(\$/ 000)	(\$/ 000)
<b>Financial liabilities per type (i)</b>						
Sterilized stock						
Certificates of deposit	4,117,830	18,062,518	3,190,778	-	-	25,371,126
Deposits in domestic currency	82,034,085	-	1,183,000	1,000,000	-	85,746,846
Monetary base	-	-	-	-	-	92,991,224
Deposits in foreign currency	14,426,259	7,175,607	-	-	-	65,443,973
Other financial liabilities	-	115,890	3,037,284	11,152	14,443,633	17,607,959
<b>Total non- derivative liabilities (ii)</b>	<b>100,578,174</b>	<b>25,354,015</b>	<b>7,411,062</b>	<b>1,011,152</b>	<b>14,443,633</b>	<b>287,161,128</b>
Accounts payable for derivatives	1,197,624	68,759	-	-	-	1,266,383
	<b>101,775,798</b>	<b>25,422,774</b>	<b>7,411,062</b>	<b>1,011,152</b>	<b>14,443,633</b>	<b>288,427,511</b>

(i) As of December 31, 2023 and 2022, the financial liabilities do not include non-accrued interest.

(ii) As of December 31, 2023 and 2022, it corresponds to the valuation of held-for-trading derivatives.

## ii. **Credit risk**

Credit risk refers to the possibility that a counterparty may be unable to meet an obligation with the Central Bank on a timely basis. In order to face this risk, investments are diversified into:

- Deposits with tier one foreign banks, in terms of capital and short-term and long- term risk ratings assigned by the main international risk rating agencies, such as Standard & Poor's, Moody's and Fitch.
- Fixed income securities issued by international organizations or foreign public institutions. As of December 31, 2023 and 2022, said obligations must have a long-term rating among the 5 highest ratings from the more than 20 ratings assigned by the risk rating agencies.
- Investments in debt issues of private institutions are not allowed.

The magnitude and concentration of the Central Bank's exposure to credit risk can be observed directly from the statement of financial position, which describes the size and composition of the Central Bank's financial assets.

As of December 31, 2023, the risk rating of the investment portfolio is summarized as follows:

	<u>2023</u> (%)	<u>2022</u> (%)
<b>Long- term rating</b>		
AAA	57	63
AA+ / AA/ AA-	28	24
A+ / A/ A-	15	13
	<u><b>100</b></u>	<u><b>100</b></u>

Based on the obtained risk ratings and management's analysis as of December 31, 2023 and 2022, the Central Bank has no exposure in countries or institutions with debt issues that may represent a credit risk for its deposits with foreign banks and its investments.

## iii. **Exchange rate risk**

This can be defined as the risk to which the Central Bank is exposed due to fluctuations in the value of financial assets and financial liabilities arising from changes in exchange rates. The magnitude of the risk depends on the following:

- The mismatch between the Central Bank's assets and liabilities in foreign currency, and
- The exchange rate of the foreign currency transactions pending at the end of the period.

The Central Bank's assets are mostly invested in U.S. dollars, reflecting the denomination of liabilities in foreign currency (mainly bank reserve requirements and special deposits of residents) and the currency used by the Central Bank for intervention in the domestic foreign exchange market.

Foreign currency operations are carried out at free-market exchange rates.

As of December 31, 2023, the free market buying rate, published by the SBS for transactions in U.S. dollars, is S/ 3.705 (S/ 3.808 as of December 31, 2022). Balances in other currencies were stated in U.S. dollars at the exchange rate provided daily by Bloomberg, as described in paragraph (c) below.

(a) As of December 31, the Central Bank's assets and liabilities in foreign currencies are as follows:

	2023			2022		
	U. S. Dollar (USD 000)	Other currencies (USD 000)	Total (USD 000)	U. S. Dollar (USD 000)	Other currencies (USD 000)	Total (USD 000)
<b>Monetary assets</b>						
Cash in foreign currency	47,813	-	47,813	97,809	-	97,809
Deposits at foreign banks	6,222,057	1,936,583	8,158,640	7,284,770	5,917,650	13,202,420
Deposits at foreign organizations	-	2,408,991	2,408,991	-	2,383,243	2,383,243
Securities from international entities	46,037,939	11,184,460	57,222,399	44,012,147	9,287,856	53,300,003
Gold	-	2,299,337	2,299,337	-	2,030,213	2,030,213
Contributions to international organizations	570,554	583,061	1,153,615	568,738	604,385	1,173,123
Other available assets	21,173	7,119	28,292	56,186	3,360	59,546
Other external assets	-	20,000	20,000	-	20,000	20,000
Domestic credit	259,246	-	259,246	483,287	-	483,287
Other assets	4,982	465	5,447	2,677	-	2,677
	<b>53,163,764</b>	<b>18,440,016</b>	<b>71,603,780</b>	<b>52,505,614</b>	<b>20,246,707</b>	<b>72,752,321</b>
<b>Monetary liabilities</b>						
Reserve liabilities	262,008	24,070	286,078	350,429	12,563	362,992
Other foreign liabilities	-	2,555,124	2,555,124	-	2,533,892	2,533,892
Deposits in foreign currency	17,062,445	273	17,062,718	17,185,917	-	17,185,917
Other liabilities	128,326	-	128,326	629,041	-	629,041
	<b>17,452,779</b>	<b>2,579,467</b>	<b>20,032,246</b>	<b>18,165,387</b>	<b>2,546,455</b>	<b>20,711,842</b>
<b>Subtotal</b>	<b>35,710,985</b>	<b>15,860,550</b>	<b>51,571,534</b>	<b>34,340,227</b>	<b>17,700,252</b>	<b>52,040,479</b>
<b>Derivatives</b>						
Net forward contract position	9,755,327	(9,585,124)	170,203	11,813,197	(11,771,924)	41,273
<b>Net monetary position</b>	<b>45,466,312</b>	<b>6,275,426</b>	<b>51,741,737</b>	<b>46,153,424</b>	<b>5,928,328</b>	<b>52,081,752</b>



- (b) As of December 31, the balances in foreign currency, SDR and in precious metals, without including financial derivatives, expressed in their equivalent in thousands of U.S. dollars, are summarized as follows:

	<u>2023</u> (USD 000)	<u>2022</u> (USD 000)
<b>Assets</b>		
U. S. dollar	53,163,764	52,599,262
Japanese yen (i)	998,793	259,156
Euro	975,687	5,525,130
Gold	2,300,113	2,030,922
SDR (ii)	3,256,625	3,249,983
British pound sterling	447,802	1,706,287
Other currencies	10,460,996	7,738,736
	<u><b>71,603,780</b></u>	<u><b>73,109,476</b></u>
<b>Liabilities</b>		
U. S. dollar	17,452,779	18,260,150
SDR (ii)	2,552,737	2,787,789
Other currencies	26,730	21,058
	<u>20,032,246</u>	<u>21,068,997</u>
<b>Net assets</b>	<u><b>51,571,534</b></u>	<u><b>52,040,479</b></u>

- (i) As of December 31, 2023 and 2022 there is no exposure to this currency since it is fully hedged with forward operations (note 20(b)).
- (ii) The SDR is an international reserve asset created by the IMF and allocated to its member countries in proportion to their participation quota as such. The value of the SDR is calculated on a daily basis, adding the values in U.S. dollars (midday London quotation)) of a basket of five currencies (U.S. dollar, euro, Chinese renminbi, Japanese yen and pound sterling). The amounts of each of the currencies of the SDR basket are calculated according to agreed percentages.
- (c) As of December 31, the quotations of the main currencies used by the Central Bank in relation to the U.S. dollar are as follows:

	<u>2023</u> (S/ 000)	<u>2022</u> (S/ 000)
Gold troy ounce	2,063.390000	1,821.880000
Pound sterling	1.274600	1.206300
SDR	1.342080	1.330840
Euro	1.104000	1.069700
Japanese yen	0.007091	0.007634

As established in Article 89 of the Organic Act, in 2023, the Central Bank recorded a net negative valuation adjustment of foreign currency of S/ 3,273 million (net positive adjustment of S/ 8,883 million as of December 31, 2022) in "Valuation Adjustment Article 89 – Organic Act" in equity, see note 17(e).

The following table shows the analysis of sensitivity to changes in the quotations of the main currencies to which the Central Bank has exposure as of December 31, 2023 and 2022. The analysis determines the effect of devaluation or revaluation of a reasonably possible variation of the exchange rate of the sol against foreign currencies, considering that all other variables remain constant in the statement of profit or loss and other comprehensive income. A negative amount reflects a potential net reduction in equity, while a positive amount reflects a potential net increase. In both cases, these changes do not affect the Central Bank's profits since they are recorded as exchange differences in equity.

<b>Analysis of Sensitivity</b>	<b>Change in exchange rates</b>	<b>2023 (S/ 000)</b>	<b>2022 (S/ 000)</b>
<b>Devaluation</b>			
U. S. dollars	5%	9,553,558	9,908,432
U. S. dollars	10%	19,107,116	19,816,865
Pound sterling	5%	82,869	324,782
Pound sterling	10%	165,738	649,565
Japanese yen	5%	185,001	49,343
Japanese yen	10%	370,001	98,686
Euro	5%	180,265	1,051,985
Euro	10%	360,531	2,103,970
<b>Revaluation</b>			
U. S. dollars	5%	(9,553,558)	(9,908,432)
U. S. dollars	10%	(19,107,116)	(19,816,865)
Pound sterling	5%	(82,869)	(324,782)
Pound sterling	10%	(165,738)	(649,565)
Japanese yen	5%	(185,001)	(49,343)
Japanese yen	10%	(370,001)	(98,686)
Euro	5%	(180,265)	(1,051,985)
Euro	10%	(360,531)	(2,103,970)

#### **iv. Interest rate risk**

It is related to unexpected changes in the market return rates of the portfolio's fixed income assets, which may affect the market value of investments before their maturity. The longer the maturity period of investments, the greater the impact of changes in the return on the market value of said investments. The measurement of said impact is reflected in the portfolio's duration, which reflects the risk-return preferences of the Board of Directors.

The Central Bank faces this risk by considering the maturity structure of the liabilities for the maturity composition of its assets. This makes the total portfolio duration lower, so the impact of changes in interest rates on the market value of the portfolio is limited. Likewise, maximum investment terms have been established, consistent with the market risk profile desired for each portfolio instrument.

As of December 31, 2023 and 2022, the average duration of the investment portfolio is primarily current, comprised of internally managed international assets, mainly deposits in foreign banks, investments in securities and gold holdings.

**v. *Operating risk***

The Bank defines the risk as the effect of uncertainty or the possibility of occurrence of an event that affects its ability to meet its strategic objectives and functions, safeguard the value of its equity and protect its reputation, image and credibility. In this sense, operating risk refers to the potential negative impact on the Bank's ability to comply effectively with its objectives and responsibilities, in the form of losses or interruptions arising from the failure or inadequacy of internal processes, systems or personnel, or from external events:-

Risk management is an integral part of all the Bank's activities, from strategic planning and decision making to the execution of processes and the development of projects. Comprehensive risk management forms part of the Bank's organizational culture and it is the responsibility of all personnel on each of its levels. The Bank manages its risks based on a structured and exhaustive focus which contributes to consistent and comparable results, for which it relies on a structure of governance that assigns clear responsibilities.

The reports with results are presented by the Risk Management to the Risk Committee, a body that becomes aware of the implementation of process improvement actions and decides on the implementation of risk treatment measures.

## **25. INFORMATION ABOUT THE FAIR VALUE OF THE FINANCIAL STATEMENTS**

Fair value or estimated market value is the price that would be received for selling an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or liability is measured using the assumptions that market participants would use to price the asset or liability, assuming that the market participants act in their best economic interest.

When a financial instrument is traded in an active and liquid market, its quoted market price in a real transaction provides the best evidence of its fair value. When a quoted market price is not available or it cannot be indicative of the fair value of the instrument, the fair value may be determined using the market value of another similar instrument, discounted cash flow analysis or other applicable techniques, which are significantly affected by the assumptions made. Management has used its best judgment in the measurement of the fair values of its financial instruments, Fair value may not be indicative of the net realizable value or settlement value of said instruments.

The methodologies and assumptions applied to determine the estimated market values at December 31, 2023 and 2022, in the applicable cases, according to the policies of the Central Bank, depend on the risk terms and characteristics of the different financial instruments, as shown below.

- Cash in foreign currency and deposits with foreign banks represent cash and term deposits in banks at terms of up to 90 days, respectively, which do not represent significant credit risks or interest rate risks.

- The carrying amount of the securities of international entities classified as FVOCI corresponds to their estimated market value.
- The carrying amount of gold corresponds to its market value.
- The values of the contributions to and deposits with international organizations are considered to correspond to their fair values, since they represent the amount that would be received if the Central Bank ceased to be a member of said organizations. Additionally, contributions to international organizations cannot be traded with third parties and generate interest at rates based on their market risk.
- Securities in circulation accrue interest at fixed and variable rates according to the respective issuance.
- Deposits in domestic and foreign currency accrue interest at fixed and variable rates, which are fixed at terms of less than a year by the Central Bank.
- The carrying amount of the currency held by the Central Bank in "Monetary base" corresponds to its market value, since it represents the currency in circulation in the Peruvian economy.

Additionally, IFRS 13 "Fair Value Measurement" establishes a fair value hierarchy, which segregates the inputs and/or assumptions of valuation techniques used to measure the fair value of financial instruments. The hierarchy provides the maximum priority to unadjusted quoted prices in active markets, for identical assets or liabilities (level 1) and the lowest priority to measures that involve significant input or unobservable inputs (level 3).

The three levels of the fair value hierarchy are as follows:

- Level 1, quoted prices (unadjusted) in active markets for assets or liabilities identical to those that the entity can access at the measurement date.
- Level 2, input data other than quoted prices included in Level 1 that are observable for the assets or liabilities, directly or indirectly.
- Level 3, unobservable input data for the asset or liability.

Given the characteristics of the investment instruments held by the Bank (mainly fixed income instruments traded in secondary markets of high liquidity and depth), these are mostly classified in the hierarchy: Level 1 (quoted prices) of fair value.

The fair value and the hierarchy by levels of the national instruments that are measured on a recurring fair value basis are shown in Note 24.

Consequently, as of December 31, 2023 and 2022, the Central Bank's Management considers that the estimated fair values of its financial instruments do not significantly differ from their carrying amounts.

## 26. SUBSEQUENT EVENTS

Regarding the financial statements as of December 31, 2023, there are no known subsequent events that occurred between the closing date of the financial statements and the date of this report that may significantly affect them.



New family of Peruvian banknotes





## APPENDICES





**Inin Paro (The River of Medicinal Perfumes) (2021)**  
Chonon Bensho (Frecia Gonzales Agustín)  
First place in the XII National Painting Contest BCRP

## Appendix 1

## GROSS DOMESTIC PRODUCT

(Millions of soles at 2007 prices)

Year	GROSS DOMESTIC PRODUCT 1/ (A)	POPULATION 2/ (Thousands) (B)	GDP PER CÁPITA (Soles at 2007 prices) (C)	Percentage change			Inflation 3/ (D)	EXPORTS OF GOODS 4/ (Millions of USD)	IMPORTS OF GOODS 4/ (Millions of USD)	BALANCE OF TRADE (Millions of USD)
				(A)	(B)	(C)				
1922	13,308	4,791	2,778	7.1	1.5	5.5	-4.5	75	32	43
1923	14,084	4,861	2,897	5.8	1.5	4.3	-5.3	105	47	58
1924	15,428	4,934	3,127	9.5	1.5	7.9	3.9	105	58	47
1925	15,804	5,008	3,155	2.4	1.5	0.9	7.0	94	58	35
1926	17,336	5,085	3,409	9.7	1.5	8.0	0.5	98	58	40
1927	17,727	5,163	3,433	2.3	1.5	0.7	-3.5	108	58	50
1928	18,743	5,244	3,574	5.7	1.6	4.1	-6.7	111	56	55
1929	20,727	5,327	3,891	10.6	1.6	8.9	-2.2	117	61	56
1930	18,612	5,413	3,439	-10.2	1.6	-11.6	-4.5	69	33	36
1931	17,539	5,500	3,189	-5.8	1.6	-7.3	-6.5	55	23	32
1932	17,155	5,591	3,069	-2.2	1.6	-3.8	-4.4	38	13	25
1933	18,751	5,683	3,300	9.3	1.7	7.5	-2.6	48	16	32
1934	21,001	5,778	3,635	12.0	1.7	10.2	2.0	70	32	39
1935	22,871	5,875	3,893	8.9	1.7	7.1	1.3	74	35	39
1936	24,029	5,975	4,022	5.1	1.7	3.3	5.3	84	40	44
1937	24,602	6,077	4,048	2.4	1.7	0.7	6.3	92	48	45
1938	25,211	6,182	4,078	2.5	1.7	0.7	-4.1	77	47	30
1939	25,721	6,289	4,090	2.0	1.7	0.3	4.8	71	38	33
1940	26,430	6,399	4,131	2.8	1.7	1.0	9.2	66	41	24
1941	26,787	6,510	4,115	1.3	1.7	-0.4	10.5	76	44	32
1942	26,231	6,623	3,961	-2.1	1.7	-3.7	8.5	76	42	34
1943	26,937	6,738	3,998	2.7	1.7	0.9	12.3	71	55	16
1944	29,142	6,856	4,250	8.2	1.8	6.3	13.2	84	63	21
1945	30,539	6,978	4,376	4.8	1.8	3.0	11.1	104	68	36
1946	32,495	7,102	4,576	6.4	1.8	4.5	12.1	151	99	53
1947	33,554	7,228	4,642	3.3	1.8	1.5	46.1	154	134	20
1948	34,838	7,358	4,735	3.8	1.8	2.0	13.6	162	134	28
1949	37,699	7,492	5,032	8.2	1.8	6.3	18.7	155	134	21
1950	40,920	7,777	5,261	8.5	3.8	4.6	9.5	198	149	49
1951	44,711	7,979	5,604	9.3	2.6	6.5	8.2	259	223	36
1952	47,347	8,187	5,783	5.9	2.6	3.2	6.4	246	257	-12
1953	50,085	8,402	5,961	5.8	2.6	3.1	8.6	228	257	-29
1954	52,762	8,625	6,117	5.3	2.7	2.6	4.8	254	225	29
1955	55,858	8,858	6,306	5.9	2.7	3.1	4.6	281	295	-13
1956	58,484	9,099	6,428	4.7	2.7	1.9	6.0	320	342	-22
1957	62,371	9,348	6,672	6.6	2.7	3.8	7.1	331	402	-71
1958	61,706	9,606	6,424	-1.1	2.8	-3.7	8.9	292	345	-53
1959	63,653	9,874	6,446	3.2	2.8	0.4	16.8	323	281	42
1960	69,946	10,153	6,889	9.9	2.8	6.9	2.6	444	341	103
1961	75,085	10,445	7,189	7.3	2.9	4.4	8.7	510	429	82
1962	82,620	10,747	7,688	10.0	2.9	6.9	4.9	556	478	78
1963	86,196	11,060	7,794	4.3	2.9	1.4	8.7	555	518	37
1964	91,840	11,381	8,070	6.5	2.9	3.5	11.4	685	518	167
1965	97,003	11,708	8,285	5.6	2.9	2.7	14.6	685	660	25
1966	104,995	12,041	8,719	8.2	2.8	5.2	7.9	789	811	-23
1967	109,040	12,382	8,806	3.9	2.8	1.0	19.0	742	810	-68
1968	109,206	12,731	8,578	0.2	2.8	-2.6	9.8	840	673	167
1969	113,044	13,088	8,637	3.5	2.8	0.7	5.7	880	659	221
1970	116,849	13,454	8,685	3.4	2.8	0.6	5.5	1,034	700	335

1/ For the period 1922 - 1949, levels have been estimated using the GDP variation rates of the Working Paper "An Alternative Estimation of GDP in the 20th Century" by Bruno Seminario and Arlette Beltrán. For the period 1950 - 1989, the levels have been estimated using the GDP variation rates with base year 1979.

2/ Population series as of June 30 of each year, provided by INEI. For the period 1922 - 1949 the source of information is the Boletín de Análisis Demográfico N° 01 ONEC July 1964.

3/ From 1922 to 1937, inflation is average for the period.

4/ BCRP: Bulletins and Reports.

5/ Preliminary.

Source: National Institute of Statistics and Informatics and BCRP.

Elaborated by: Central Management of Economic Studies.



## Appendix 1

## GROSS DOMESTIC PRODUCT

(Millions of soles at 2007 prices)

Year	GROSS DOMESTIC PRODUCT 1/ (A)	POPULATION 2/ (Thousands) (B)	GDP PER CÁPITA (Soles at 2007 prices) (C)	Percentage change			Inflation 3/ (C)	EXPORTS OF GOODS 4/ (Millions of USD)	IMPORTS OF GOODS 4/ (Millions of USD)	BALANCE OF TRADE (Millions of USD)
				(A)	(B)	(C)				
1971	122,213	13,830	8,837	4.6	2.8	1.7	7.5	889	730	159
1972	126,463	14,215	8,897	3.5	2.8	0.7	4.2	945	812	133
1973	134,401	14,608	9,200	6.3	2.8	3.4	13.8	1,112	1,033	79
1974	147,017	15,009	9,795	9.4	2.7	6.5	19.1	1,513	1,908	-395
1975	153,340	15,414	9,948	4.3	2.7	1.6	24.0	1,335	2,427	-1,092
1976	155,559	15,826	9,829	1.4	2.7	-1.2	44.6	1,344	2,016	-672
1977	156,102	16,245	9,609	0.3	2.6	-2.2	32.6	1,730	2,148	-418
1978	151,977	16,670	9,117	-2.6	2.6	-5.1	73.9	2,038	1,668	370
1979	158,194	17,100	9,251	4.1	2.6	1.5	66.7	3,719	1,954	1,765
1980	167,596	17,532	9,559	5.9	2.5	3.3	60.1	3,951	3,090	861
1981	176,901	17,968	9,845	5.6	2.5	3.0	72.7	3,328	3,802	-474
1982	176,507	18,408	9,589	-0.2	2.5	-2.6	72.9	3,343	3,721	-377
1983	158,136	18,852	8,388	-10.4	2.4	-12.5	125.1	3,036	2,722	314
1984	163,842	19,299	8,490	3.6	2.4	1.2	111.5	3,193	2,166	1,027
1985	167,219	19,748	8,468	2.1	2.3	-0.3	158.3	3,021	1,823	1,199
1986	182,981	20,201	9,058	9.4	2.3	7.0	62.9	2,573	2,649	-77
1987	200,778	20,660	9,718	9.7	2.3	7.3	114.5	2,713	3,215	-502
1988	181,822	21,120	8,609	-9.4	2.2	-11.4	1722.3	2,720	2,865	-145
1989	159,436	21,578	7,389	-12.3	2.2	-14.2	2775.3	3,503	2,287	1,217
1990	151,492	22,032	6,876	-5.0	2.1	-6.9	7649.6	3,280	2,922	358
1991	154,854	22,480	6,889	2.2	2.0	0.2	139.2	3,393	3,595	-202
1992	154,017	22,924	6,719	-0.5	2.0	-2.5	56.7	3,578	4,001	-423
1993	162,093	23,366	6,937	5.2	1.9	3.3	39.5	3,385	4,160	-776
1994	182,044	23,806	7,647	12.3	1.9	10.2	15.4	4,424	5,499	-1,075
1995	195,536	24,243	8,066	7.4	1.8	5.5	10.2	5,491	7,733	-2,241
1996	201,009	24,689	8,142	2.8	1.8	0.9	11.8	5,878	7,864	-1,987
1997	214,028	25,145	8,512	6.5	1.8	4.5	6.5	6,825	8,536	-1,711
1998	213,190	25,593	8,330	-0.4	1.8	-2.1	6.0	5,757	8,219	-2,462
1999	216,377	26,014	8,318	1.5	1.6	-0.1	3.7	6,088	6,710	-623
2000	222,207	26,390	8,420	2.7	1.4	1.2	3.7	6,955	7,358	-403
2001	223,580	26,715	8,369	0.6	1.2	-0.6	-0.1	7,026	7,204	-179
2002	235,773	26,999	8,733	5.5	1.1	4.3	1.5	7,714	7,393	321
2003	245,593	27,255	9,011	4.2	0.9	3.2	2.5	9,091	8,205	886
2004	257,770	27,492	9,376	5.0	0.9	4.1	3.5	12,809	9,805	3,004
2005	273,971	27,722	9,883	6.3	0.8	5.4	1.5	17,368	12,082	5,286
2006	294,598	27,935	10,546	7.5	0.8	6.7	1.1	23,830	14,844	8,986
2007	319,693	28,122	11,368	8.5	0.7	7.8	3.9	28,094	19,591	8,503
2008	348,846	28,300	12,327	9.1	0.6	8.4	6.7	31,018	28,449	2,569
2009	352,670	28,485	12,381	1.1	0.7	0.4	0.2	27,071	21,011	6,060
2010	382,064	28,693	13,316	8.3	0.7	7.6	2.1	35,803	28,815	6,988
2011	406,228	28,906	14,054	6.3	0.7	5.5	4.7	46,376	37,152	9,224
2012	431,180	29,113	14,810	6.1	0.7	5.4	2.6	47,411	41,014	6,397
2013	456,412	29,341	15,555	5.9	0.8	5.0	2.9	42,861	42,352	509
2014	467,308	29,616	15,779	2.4	0.9	1.4	3.2	39,533	41,038	-1,505
2015	482,506	29,964	16,103	3.3	1.2	2.1	4.4	34,414	37,326	-2,912
2016	501,581	30,423	16,487	4.0	1.5	2.4	3.2	37,082	35,124	1,958
2017	514,215	30,974	16,602	2.5	1.8	0.7	1.4	45,422	38,718	6,704
2018	534,626	31,562	16,939	4.0	1.9	2.0	2.2	49,066	41,866	7,201
2019	546,605	32,131	17,012	2.2	1.8	0.4	1.9	47,980	41,101	6,879
2020	487,191	32,626	14,933	-10.9	1.5	-12.2	2.0	42,826	34,724	8,102
2021 5/	552,560	33,035	16,726	13.4	1.3	12.0	6.4	63,114	47,999	15,115
2022 5/	567,390	33,397	16,989	2.7	1.1	1.6	8.5	66,167	56,001	10,166
2023 5/	564,261	33,726	16,731	-0.6	1.0	-1.5	3.2	67,518	49,840	17,678

1/ For the period 1922 - 1949, levels have been estimated using the GDP variation rates of the Working Paper "An Alternative Estimation of GDP in the 20th Century" by Bruno Seminario and Arlette Beltrán. For the period 1950 - 1989, the levels have been estimated using the GDP variation rates with base year 1979.

2/ Population series as of June 30 of each year, provided by INEI. For the period 1922 - 1949 the source of information is the Boletín de Análisis Demográfico N° 01 ONEC July 1964.

3/ From 1922 to 1937, inflation is average for the period.

4/ BCRP: Bulletins and Reports.

5/ Preliminary.

Source: National Institute of Statistics and Informatics and BCRP.

Elaborated by: Central Management of Economic Studies.

## Appendix 2

## GROSS DOMESTIC PRODUCT BY PRODUCTIVE SECTORS

(Real percentage changes)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
Agriculture sector 2/	1.6	3.5	2.7	2.9	7.7	3.5	1.0	4.6	4.5	-2.9
- Agricultural	0.4	2.3	1.8	3.1	9.1	3.2	2.8	6.3	5.8	-4.1
- Livestock	3.5	5.2	4.0	2.8	5.6	4.0	-1.8	2.0	2.4	-0.9
Fishing	-27.9	15.9	-10.1	4.7	47.7	-17.2	4.2	9.9	-11.4	-19.7
Mining and hydrocarbons 3/	-0.9	9.5	16.3	3.4	-1.5	0.0	-13.4	8.1	0.5	8.2
- Metallic mining	-2.2	15.7	21.2	4.5	-1.7	-0.8	-13.8	10.5	0.0	9.5
- Hydrocarbons	4.0	-11.5	-5.1	-2.4	0.0	4.6	-11.0	-4.6	4.0	0.7
Manufacturing 4/	-3.6	-1.5	-1.4	-0.2	5.9	-1.7	-12.5	18.6	1.0	-6.8
- Primary resource processing	-9.4	1.5	-0.7	1.6	12.9	-8.5	-2.0	3.2	-2.5	-2.6
- Non-primary	-1.5	-2.5	-1.6	-0.9	3.3	1.1	-16.4	25.2	2.2	-8.2
Electricity and water	4.9	5.9	7.3	1.1	4.4	3.9	-6.1	8.5	3.9	3.7
Construction	2.2	-5.9	-3.2	2.2	5.3	1.4	-13.3	34.9	3.1	-7.9
Trade	4.4	3.9	1.8	1.0	2.6	3.0	-16.0	17.8	3.3	2.4
Other services 5/	5.0	4.1	4.0	3.3	4.3	3.8	-10.1	11.5	3.3	-0.3
<b>Gross Domestic Product</b>	<b>2.4</b>	<b>3.3</b>	<b>4.0</b>	<b>2.5</b>	<b>4.0</b>	<b>2.2</b>	<b>-10.9</b>	<b>13.4</b>	<b>2.7</b>	<b>-0.6</b>
Primary sectors	-2.5	6.6	9.5	3.1	3.7	-0.9	-7.6	6.4	0.9	2.8
Non-primary sectors	3.7	2.4	2.5	2.4	4.1	3.2	-11.8	15.5	3.2	-1.4

1/ Preliminary.

2/ Includes the forestry sector.

3/ Includes non-metallic mining and related services.

4/ Includes related services.

5/ Includes product taxes and import duties.

Source: National Institute of Statistics and Informatics and BCRP.

Elaborated by: Central Management of Economic Studies.

## Appendix 3

## GROSS DOMESTIC PRODUCT BY PRODUCTIVE SECTORS

(Millions of soles at 2007 prices)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
Agriculture sector 2/	25,553	26,439	27,152	27,952	30,100	31,166	31,488	32,950	34,444	33,443
- Agricultural	15,043	15,397	15,677	16,155	17,622	18,193	18,708	19,881	21,028	20,169
- Livestock	6,604	6,950	7,231	7,433	7,848	8,162	8,018	8,178	8,379	8,307
Fishing	1,779	2,061	1,853	1,940	2,865	2,373	2,473	2,719	2,409	1,933
Mining and hydrocarbons 3/	52,641	57,620	67,010	69,304	68,269	68,235	59,081	63,880	64,209	69,478
- Metallic mining	34,701	40,153	48,659	50,837	49,954	49,534	42,678	47,151	47,131	51,590
- Hydrocarbons	9,379	8,303	7,880	7,687	7,684	8,038	7,150	6,820	7,093	7,140
Manufacturing 4/	66,684	65,703	64,794	64,670	68,477	67,338	58,896	69,855	70,520	65,751
- Primary resource processing	16,892	17,154	17,028	17,305	19,533	17,878	17,527	18,086	17,635	17,179
- Non-primary	49,798	48,554	47,772	47,361	48,934	49,461	41,352	51,774	52,896	48,584
Electricity and water	8,025	8,501	9,124	9,227	9,633	10,012	9,397	10,200	10,598	10,989
Construction	32,210	30,317	29,350	29,988	31,580	32,015	27,759	37,437	38,599	35,566
Trade	51,981	53,996	54,975	55,541	57,011	58,721	49,337	58,125	60,017	61,431
Other services 5/	228,435	237,869	247,324	255,593	266,691	276,745	248,760	277,395	286,593	285,669
<b>Gross Domestic Product</b>	<b>467,308</b>	<b>482,506</b>	<b>501,581</b>	<b>514,215</b>	<b>534,626</b>	<b>546,605</b>	<b>487,191</b>	<b>552,560</b>	<b>567,390</b>	<b>564,261</b>
Primary sectors	96,865	103,274	113,043	116,501	120,767	119,653	110,570	117,634	118,698	122,033
Non-primary sectors	370,443	379,232	388,538	397,714	413,859	426,952	376,621	434,926	448,692	442,228

1/ Preliminary.

2/ Includes the forestry sector.

3/ Includes non-metallic mining and related services.

4/ Includes related services.

5/ Includes product taxes and import duties.

Source: National Institute of Statistics and Informatics and BCRP.

Elaborated by: Central Management of Economic Studies.

## Appendix 4

## AGRICULTURE SECTOR PRODUCTION BY PRINCIPAL PRODUCTS

(Percentage changes)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>AGRICULTURE</b>	<b>0.4</b>	<b>2.3</b>	<b>1.8</b>	<b>3.1</b>	<b>9.1</b>	<b>3.2</b>	<b>2.8</b>	<b>6.3</b>	<b>5.8</b>	<b>-4.1</b>
<b>Domestic Market</b>	<b>-1.3</b>	<b>3.2</b>	<b>-1.8</b>	<b>0.6</b>	<b>7.6</b>	<b>-0.3</b>	<b>2.3</b>	<b>4.5</b>	<b>1.8</b>	<b>-4.5</b>
Paddy Rice	-4.9	8.8	0.5	-1.6	14.2	-10.3	7.6	3.0	-2.8	-2.1
Potato	3.0	0.2	-4.3	6.4	6.9	5.0	2.3	3.4	5.9	-10.0
Alfalfa	-5.5	3.3	-2.7	-0.8	0.1	3.9	4.1	2.7	2.3	-4.7
Banana	0.6	-3.3	0.9	-4.5	10.8	2.6	3.3	0.5	3.8	-0.5
Yucca	0.4	2.9	-4.0	1.3	3.6	3.0	5.2	-0.1	4.2	7.9
Onion	1.4	0.3	-7.2	2.4	-10.9	-1.2	-4.9	-0.4	-14.4	4.2
Starchy maize	-1.8	1.9	-9.9	-1.0	13.5	-2.1	5.3	-3.1	13.4	-10.3
Mandarin	8.2	5.4	12.8	1.0	18.0	4.5	4.6	11.8	8.6	4.1
Orange	2.1	1.3	7.6	1.6	0.9	1.4	9.6	3.2	2.7	-1.6
Tomato	4.9	-11.2	-1.4	-5.2	14.4	-20.2	1.1	19.5	-13.4	6.7
Lemon	15.5	1.6	0.9	-37.9	53.9	12.0	5.1	7.1	1.5	-1.2
Pineapple	1.4	-1.0	2.4	7.2	10.9	3.1	3.3	0.9	-0.2	-0.6
<b>Agroindustrial</b>	<b>-1.3</b>	<b>1.7</b>	<b>-10.6</b>	<b>-2.1</b>	<b>8.4</b>	<b>3.9</b>	<b>-11.8</b>	<b>10.5</b>	<b>5.1</b>	<b>3.1</b>
Hard yellow maize	-10.0	17.2	-14.3	1.4	1.2	0.4	-11.3	12.8	-1.2	6.0
Sugar cane	3.6	-10.3	-3.7	-4.4	10.0	5.5	-4.0	-6.1	-2.5	5.3
Oil Palm	9.0	10.8	7.6	14.5	9.2	1.2	-3.6	46.6	14.2	-3.6
Cotton Rama	11.9	-24.1	-35.3	-48.6	89.4	27.6	-65.8	-22.1	160.0	-1.8
<b>Agroexport</b>	<b>5.3</b>	<b>0.6</b>	<b>15.5</b>	<b>9.8</b>	<b>12.2</b>	<b>9.5</b>	<b>7.3</b>	<b>8.2</b>	<b>12.0</b>	<b>-4.8</b>
Coffee	-13.5	13.5	11.5	20.1	9.6	-1.7	-2.8	3.1	-1.6	2.9
Asparagus	-1.4	-1.8	2.0	1.3	-5.9	-1.1	3.5	-0.1	2.2	-5.8
Grape	15.4	17.9	15.4	-6.5	0.1	-0.9	14.6	12.7	11.7	10.7
Avocado	20.9	7.8	20.9	2.5	8.1	13.3	17.5	15.5	10.9	5.8
Cocoa	13.7	13.4	16.6	12.9	10.5	5.3	12.1	1.0	7.2	-3.1
Blueberry	47.0	317.7	164.4	84.4	62.1	74.4	21.3	27.2	29.7	-22.5
Mango	-18.0	-8.0	9.7	1.9	-2.1	12.9	20.1	-13.9	13.8	-23.1
Olive	163.0	-74.7	46.1	43.1	135.2	1.1	-8.7	-15.7	54.4	-8.8
Quinoa	120.1	-7.9	-25.0	-0.3	9.9	3.0	12.1	6.5	7.0	-38.4
<b>LIVESTOCK</b>	<b>3.5</b>	<b>5.2</b>	<b>4.0</b>	<b>2.8</b>	<b>5.6</b>	<b>4.0</b>	<b>-1.8</b>	<b>2.0</b>	<b>2.4</b>	<b>-0.9</b>
Bird	5.0	8.1	6.3	3.7	7.5	4.5	-2.2	1.6	2.9	-1.4
Milk	1.8	3.4	2.7	3.0	2.7	2.6	0.7	2.3	2.8	-2.4
Beef	1.6	-0.1	-3.0	-0.8	0.5	1.7	-4.7	3.3	1.5	1.8
Eggs	2.5	7.7	3.8	3.6	8.9	8.0	1.9	1.3	1.4	-1.5
Swine	6.0	5.6	4.5	5.6	4.6	5.0	-1.9	3.7	3.0	3.1
<b>AGRICULTURE SECTOR GDP</b>	<b>1.6</b>	<b>3.5</b>	<b>2.7</b>	<b>2.9</b>	<b>7.7</b>	<b>3.5</b>	<b>1.0</b>	<b>4.6</b>	<b>4.5</b>	<b>-2.9</b>

1/ Preliminary.

Source: Ministry of Agrarian Development and Irrigation.

Elaborated by: Central Management of Economic Studies.

## Appendix 5

## AGRICULTURE SECTOR PRODUCTION BY PRINCIPAL PRODUCTS

(Thousands of metric tons)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>AGRICULTURE</b>										
<b>Domestic Market</b>										
Paddy Rice	2,897	3,151	3,166	3,116	3,558	3,191	3,434	3,538	3,439	3,367
Potato	4,705	4,716	4,514	4,803	5,134	5,389	5,515	5,702	6,037	5,430
Alfalfa	6,605	6,822	6,637	6,582	6,592	6,848	7,132	7,326	7,492	7,139
Banana	2,126	2,056	2,074	1,981	2,195	2,252	2,326	2,337	2,425	2,414
Yucca	1,196	1,230	1,181	1,196	1,240	1,277	1,343	1,341	1,398	1,508
Onion	758	760	706	722	644	636	605	602	515	537
Starchy maize	302	308	277	275	312	305	321	311	353	317
Mandarin	340	358	404	408	482	503	526	588	639	665
Orange	450	456	491	499	503	510	559	576	592	583
Tomato	266	236	233	221	253	202	204	244	211	225
Lemon	264	268	270	168	258	289	304	326	331	327
Pineapple	455	451	461	495	548	565	584	589	588	584
<b>Agroindustrial</b>										
Hard yellow maize	1,228	1,439	1,232	1,250	1,265	1,271	1,127	1,271	1,256	1,331
Sugar cane	11,390	10,212	9,833	9,400	10,336	10,903	10,469	9,831	9,584	10,088
Oil Palm	618	684	736	843	921	932	898	1,317	1,505	1,450
Cotton Rama	92	70	45	23	44	56	19	15	39	38
<b>Agroexport</b>										
Coffee	222	252	281	337	370	363	353	364	358	369
Asparagus	378	371	378	383	361	357	369	369	377	356
Grape	507	598	690	645	646	640	733	826	923	1,022
Avocado	349	377	455	467	505	572	672	777	861	911
Cocoa	82	93	108	122	135	142	159	161	172	167
Blueberry	3	11	28	52	85	148	179	228	296	229
Mango	376	346	380	387	379	428	514	443	504	388
Olive	152	38	56	80	189	191	174	147	227	207
Quinoa	115	106	79	79	87	89	100	107	114	70
<b>LIVESTOCK</b>										
Bird	1,607	1,736	1,846	1,914	2,058	2,150	2,102	2,136	2,197	2,166
Milk	1,840	1,903	1,954	2,014	2,067	2,121	2,136	2,185	2,247	2,192
Beef	385	384	373	370	372	378	361	372	378	385
Eggs	359	386	401	415	452	488	498	504	511	503
Swine	181	191	199	210	220	231	227	235	242	249

1/ Preliminary.

Source: Ministry of Agrarian Development and Irrigation.

Elaborated by: Central Management of Economic Studies.

## Appendix 6

## MARINE FISHERY PRODUCTION BY DESTINATION AND MAIN SPECIES

(Percentage changes)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>INDUSTRIAL CONSUMPTION</b>	<b>-52.7</b>	<b>60.3</b>	<b>-24.4</b>	<b>15.9</b>	<b>91.8</b>	<b>-44.3</b>	<b>27.8</b>	<b>19.7</b>	<b>-21.8</b>	<b>-50.7</b>
Anchovy	-52.6	60.3	-24.4	15.8	91.8	-44.3	27.8	19.7	-21.8	-50.7
<b>HUMAN CONSUMPTION</b>	<b>0.8</b>	<b>-4.4</b>	<b>-0.5</b>	<b>-1.5</b>	<b>3.6</b>	<b>19.2</b>	<b>-10.5</b>	<b>3.9</b>	<b>-7.8</b>	<b>3.5</b>
Frozen										
Fan shell	-41.5	-71.6	-32.0	-54.4	694.8	45.4	-10.4	13.7	-51.7	-52.2
Prawn	13.9	23.0	9.3	32.5	-18.7	36.0	-19.3	-1.7	24.4	-8.6
Hake	-1.3	-16.7	0.6	44.0	-6.1	-16.9	-30.1	65.6	-21.5	-81.8
Giant squid	13.2	-8.2	-42.4	2.6	26.4	51.6	-5.3	4.2	-12.9	38.3
Canned										
Tuna	-33.7	134.1	-1.8	8.4	53.7	-1.7	-84.4	-36.6	225.2	-54.6
Mackerel	11.2	-48.2	276.6	-59.7	5.9	-20.4	61.8	13.6	-14.9	-44.0
Horse mackerel	23.4	-68.8	-85.1	155.5	1,288.5	89.7	-3.7	-36.6	108.7	24.8
Fresh										
Fan shell	-72.1	1.3	-5.9	-35.5	315.1	-20.9	-49.7	41.8	-57.0	25.4
Horse mackerel	-14.9	-62.2	-28.9	-44.8	113.7	177.1	29.1	-13.0	33.1	5.0
Lisa	-2.3	1.8	26.4	84.4	-19.7	3.0	-37.6	7.1	-47.3	3.2
Tollo	32.0	48.2	22.5	-29.2	-45.1	-66.2	-29.9	21.8	-29.1	-45.5
<b>FISHING GDP</b>	<b>-27.9</b>	<b>15.9</b>	<b>-10.1</b>	<b>4.7</b>	<b>47.7</b>	<b>-17.2</b>	<b>4.2</b>	<b>9.9</b>	<b>-11.4</b>	<b>-19.7</b>

1/ Preliminary.

Source: Ministry of Production.

Elaborated by: Central Management of Economic Studies.

## Appendix 7

**MARINE FISHERY PRODUCTION BY DESTINATION AND MAIN SPECIES**

(Thousands of metric tons)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>INDUSTRIAL CONSUMPTION</b>										
Anchovy	2,255	3,616	2,733	3,165	6,073	3,381	4,321	5,170	4,041	1,993
<b>HUMAN CONSUMPTION</b>										
Frozen										
Fan shell	52	15	10	5	37	53	48	54	26	12
Prawn	22	27	29	39	32	43	35	34	42	39
Hake	31	26	26	37	35	29	20	34	26	5
Giant squid	465	427	246	252	319	484	458	477	416	575
Canned										
Tuna	5	11	11	12	18	18	3	2	6	3
Mackerel	30	15	58	23	25	20	32	36	31	17
Horse mackerel	9	3	0	1	15	28	27	17	35	44
Fresh										
Fan shell	1	1	1	0	2	1	1	1	0	0
Horse mackerel	46	18	12	7	15	41	53	46	61	64
Lisa	12	12	16	29	23	24	15	16	8	9
Tollo	5	8	9	7	4	1	1	1	1	0

1/ Preliminary.

Source: Ministry of Production.

Elaborated by: Central Management of Economic Studies.

## Appendix 8

## MINING AND HYDROCARBONS PRODUCTION BY MAIN PRODUCTS

(Percentage changes)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>Metallic mining</b>	<b>-2.2</b>	<b>15.7</b>	<b>21.2</b>	<b>4.5</b>	<b>-1.7</b>	<b>-0.8</b>	<b>-13.8</b>	<b>10.5</b>	<b>0.0</b>	<b>9.5</b>
Copper	0.6	25.8	40.1	4.5	-0.5	0.8	-12.7	7.7	4.3	12.8
Tin	-2.4	-15.6	-3.7	-5.3	4.6	6.7	4.0	30.7	4.6	-7.1
Iro	7.7	1.8	4.7	14.9	8.3	6.1	-12.1	36.6	6.5	8.8
Gold	-10.3	4.8	4.2	-0.7	-7.7	-8.4	-31.4	10.7	-0.5	2.8
Silver	2.5	8.9	6.7	1.0	-5.8	-7.2	-29.4	22.4	-7.5	-1.3
Lead	4.1	13.8	-0.3	-2.4	-5.8	6.6	-21.6	9.5	-3.4	6.9
Zinc	-2.6	8.0	-5.9	10.2	0.1	-4.7	-5.0	14.9	-10.7	7.2
Molybdenum	-6.2	18.4	27.8	9.3	-0.4	8.6	5.7	6.1	-7.5	6.0
<b>Hydrocarbons</b>	<b>4.0</b>	<b>-11.5</b>	<b>-5.1</b>	<b>-2.4</b>	<b>0.0</b>	<b>4.6</b>	<b>-11.0</b>	<b>-4.6</b>	<b>4.0</b>	<b>0.7</b>
Oil	10.2	-16.3	-30.2	7.6	12.2	8.4	-24.9	-3.5	5.6	-4.5
Natural gas liquids	-1.1	-11.6	3.9	-4.5	-5.8	1.5	-1.8	-4.8	-5.5	-0.3
Natural gas	6.0	-3.3	12.1	-7.6	-1.7	5.6	-10.4	-5.4	20.5	6.8
<b>MINING AND HYDROCARBONS GDP 2/</b>	<b>-0.9</b>	<b>9.5</b>	<b>16.3</b>	<b>3.4</b>	<b>-1.5</b>	<b>0.0</b>	<b>-13.4</b>	<b>8.1</b>	<b>0.5</b>	<b>8.2</b>

1/ Preliminary.

2/ Includes non-metallic mining.

Source: National Institute of Statistics and Informatics and Ministry of Energy and Mines.

Elaborated by: Central Management of Economic Studies.



## Appendix 9

## MINING AND HYDROCARBONS PRODUCTION BY MAIN PRODUCTS

(Thousands of recoverable units)

		2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>Metallic mining</b>											
Copper	(tons)	1,211	1,523	2,134	2,230	2,219	2,236	1,953	2,102	2,194	2,475
Tin	(tons)	20	17	16	15	16	17	18	23	25	23
Iron	(tons)	7,193	7,321	7,663	8,806	9,534	10,120	8,894	12,149	12,937	14,081
Gold	(kilos)	136	143	149	148	136	125	86	95	94	97
Silver	(kilos)	3,542	3,856	4,114	4,154	3,911	3,629	2,561	3,134	2,899	2,861
Lead	(tons)	258	293	292	285	269	286	225	246	237	254
Zinc	(tons)	1,122	1,212	1,141	1,257	1,258	1,198	1,138	1,308	1,168	1,253
Molybdenum	(tons)	16	19	25	27	27	29	31	33	30	32
<b>Hydrocarbons</b>											
Oil	(barrels)	25,296	21,173	14,773	15,899	17,837	19,339	14,522	14,013	14,796	14,124
Natural gas liquids	(barrels)	37,751	33,359	34,672	33,120	31,199	31,659	31,090	29,608	27,983	27,891
Natural gas	(cubic feet) 2/	456,407	441,239	494,431	456,849	449,244	474,234	424,827	401,691	483,997	516,738

1/ Preliminary.

2/ In Millions.

Source: National Institute of Statistics and Informatics and Ministry of Energy and Mines.

Elaborated by: Central Management of Economic Studies.

## Appendix 10

## MANUFACTURING PRODUCTION BY MAIN INDUSTRIAL GROUPS

(Percentage changes)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>OF PRIMARY RESOURCE PROCESSING</b>	<b>-9.4</b>	<b>1.5</b>	<b>-0.7</b>	<b>1.6</b>	<b>12.9</b>	<b>-8.5</b>	<b>-2.0</b>	<b>3.2</b>	<b>-2.5</b>	<b>-2.6</b>
Rice, piled	-4.8	8.0	1.1	-3.8	15.2	-9.0	7.4	1.3	-1.0	-2.1
Sugar	2.5	-9.6	5.1	-5.5	9.5	1.1	0.1	-8.2	1.2	-4.5
Meat products	7.1	5.8	4.4	2.9	6.4	3.1	-2.7	2.0	2.8	-0.2
Fish meal and fish oil	-52.0	53.0	-21.3	13.6	95.5	-44.3	32.2	16.5	-24.4	-53.2
Canned and frozen fish products	3.2	-17.4	-6.1	-0.1	10.4	52.7	-3.0	5.1	-4.2	28.1
Non-ferrous metal refining	-5.0	-5.2	1.2	-2.7	1.9	-2.4	-0.5	-4.5	10.6	-0.3
Petroleum refining	3.2	0.4	5.1	8.6	-6.6	-8.0	-32.9	19.4	-17.7	26.9
<b>NON-PRIMARY MANUFACTURING</b>	<b>-1.5</b>	<b>-2.5</b>	<b>-1.6</b>	<b>-0.9</b>	<b>3.3</b>	<b>1.1</b>	<b>-16.4</b>	<b>25.2</b>	<b>2.2</b>	<b>-8.2</b>
Food, beverages and tobacco	1.9	0.2	-0.1	1.6	1.7	7.3	-4.2	11.6	4.0	-6.9
Textile, leather and footwear	-5.3	-5.8	-5.4	1.8	-2.5	-6.0	-33.5	30.0	14.3	-16.2
Wood and furniture	-6.8	-0.6	1.2	-12.6	10.1	6.5	0.5	37.1	-14.1	-12.9
Paper and printing industry	1.0	-4.7	2.4	-1.4	0.1	-7.2	-17.2	9.3	-8.0	-9.1
Chemicals, rubber and plastics	1.9	-2.8	0.9	-3.2	3.2	-0.1	-4.9	13.5	1.2	-4.1
Non-metallic minerals	-0.2	-1.6	-0.9	-1.4	1.8	2.7	-23.3	42.2	3.9	-11.2
Iron and steel industry	5.9	-3.5	1.9	5.5	1.8	1.4	-21.5	45.4	5.7	-5.9
Metal products, machinery and equipment	-7.1	-1.4	-7.2	-1.0	9.4	2.5	-27.1	47.0	10.8	-6.6
Various industries	-6.1	-2.6	-12.8	12.2	22.2	-0.9	-44.6	72.4	-16.7	5.7
Industrial Services	0.9	-6.5	2.4	-4.4	11.2	9.1	-37.6	55.0	0.2	0.7
<b>TOTAL MANUFACTURING GDP 2/</b>	<b>-3.6</b>	<b>-1.5</b>	<b>-1.4</b>	<b>-0.2</b>	<b>5.9</b>	<b>-1.7</b>	<b>-12.5</b>	<b>18.6</b>	<b>1.0</b>	<b>-6.8</b>

1/ Preliminary.

2/ Includes related services.

Source: National Institute of Statistics and Informatics and Ministry of Production.

Elaborated by: Central Management of Economic Studies.

## Appendix 11

## MANUFACTURING PRODUCTION BY MAIN INDUSTRIAL GROUPS

(Millions of soles at 2007 prices)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>OF PRIMARY RESOURCE PROCESSING</b>	<b>16,892</b>	<b>17,154</b>	<b>17,028</b>	<b>17,305</b>	<b>19,533</b>	<b>17,878</b>	<b>17,527</b>	<b>18,086</b>	<b>17,635</b>	<b>17,179</b>
Rice, piled	775	837	846	814	937	852	916	928	919	899
Sugar	687	621	653	617	676	683	684	627	635	606
Meat products	2,000	2,115	2,208	2,272	2,418	2,493	2,425	2,473	2,542	2,537
Fish meal and fish oil	1,347	2,061	1,622	1,842	3,601	2,005	2,651	3,090	2,336	1,094
Canned and frozen fish products	999	825	774	774	854	1,304	1,265	1,329	1,274	1,632
Non-ferrous metal refining	8,146	7,719	7,812	7,598	7,743	7,561	7,526	7,185	7,946	7,924
Petroleum refining	3,016	3,027	3,180	3,454	3,228	2,970	1,992	2,379	1,957	2,484
<b>NON-PRIMARY MANUFACTURING</b>	<b>49,798</b>	<b>48,554</b>	<b>47,772</b>	<b>47,361</b>	<b>48,934</b>	<b>49,461</b>	<b>41,352</b>	<b>51,774</b>	<b>52,896</b>	<b>48,584</b>
Food and beverages	10,482	10,504	10,491	10,656	10,840	11,627	11,138	12,425	12,926	12,031
Textile, leather and footwear	9,170	8,638	8,170	8,320	8,114	7,630	5,073	6,593	7,535	6,314
Wood and furniture	3,516	3,495	3,538	3,091	3,404	3,626	3,644	4,995	4,290	3,736
Paper and printing industry	3,861	3,679	3,767	3,715	3,718	3,451	2,859	3,126	2,875	2,613
Chemicals, rubber and plastics	9,100	8,844	8,920	8,633	8,911	8,903	8,467	9,609	9,724	9,327
Non-metallic minerals	4,692	4,615	4,574	4,509	4,590	4,715	3,618	5,146	5,345	4,745
Iron and steel industry	1,440	1,390	1,417	1,495	1,522	1,543	1,212	1,762	1,864	1,753
Metal products, machinery and equipment	4,693	4,627	4,296	4,251	4,650	4,767	3,477	5,110	5,661	5,288
Various industries	1,643	1,600	1,396	1,565	1,914	1,896	1,050	1,810	1,508	1,593
Industrial Services	1,208	1,130	1,157	1,106	1,230	1,342	838	1,299	1,301	1,310
<b>TOTAL MANUFACTURING GDP 2/</b>	<b>66,684</b>	<b>65,703</b>	<b>64,794</b>	<b>64,670</b>	<b>68,477</b>	<b>67,338</b>	<b>58,896</b>	<b>69,855</b>	<b>70,520</b>	<b>65,751</b>

1/ Preliminary.

2/ Includes related services.

Source: National Institute of Statistics and Informatics and Ministry of Production.

Elaborated by: Central Management of Economic Studies.

## Appendix 12

**GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE**

(Real percentage changes)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>I. Domestic Demand</b>	<b>2.4</b>	<b>2.8</b>	<b>1.2</b>	<b>1.6</b>	<b>4.1</b>	<b>2.2</b>	<b>-9.6</b>	<b>14.5</b>	<b>2.4</b>	<b>-2.1</b>
a. Private Consumption	3.9	4.0	3.7	2.6	3.8	3.2	-9.9	12.4	3.6	0.1
b. Public Consumption	6.3	10.1	1.9	2.9	2.4	4.3	7.9	4.8	-0.2	4.6
c. Gross domestic investment	-2.7	-3.3	-5.6	-2.0	5.9	-2.0	-19.3	29.7	0.3	-13.6
Gross fixed investment	-2.2	-4.8	-4.0	-0.3	4.4	3.3	-16.2	34.6	0.7	-5.4
i. Private	-2.0	-4.3	-5.0	0.0	4.1	4.5	-16.5	37.0	-0.5	-7.3
ii. Public	-2.9	-6.9	0.3	-1.8	5.5	-1.5	-15.1	24.7	6.0	2.8
Variation in inventories (Contribution to GDP)	-0.1	0.5	-0.4	-0.4	0.3	-1.2	-0.3	-1.9	-0.1	-1.5
<b>II. Exports of goods and non-financial services</b>	<b>-1.4</b>	<b>3.1</b>	<b>9.0</b>	<b>7.8</b>	<b>2.1</b>	<b>1.1</b>	<b>-19.7</b>	<b>13.3</b>	<b>5.2</b>	<b>4.9</b>
Less:										
<b>III. Imports of goods and non-financial services</b>	<b>-1.1</b>	<b>1.5</b>	<b>-1.7</b>	<b>4.5</b>	<b>2.4</b>	<b>0.9</b>	<b>-15.2</b>	<b>17.9</b>	<b>3.9</b>	<b>-1.4</b>
<b>IV. GDP</b>	<b>2.4</b>	<b>3.3</b>	<b>4.0</b>	<b>2.5</b>	<b>4.0</b>	<b>2.2</b>	<b>-10.9</b>	<b>13.4</b>	<b>2.7</b>	<b>-0.6</b>
Note:										
Domestic demand without inventories	2.5	2.4	1.6	2.0	3.8	3.4	-9.1	16.0	2.4	-0.6

1/ Preliminary.

Source: National Institute of Statistics and Informatics and BCRP.

Elaborated by: Central Management of Economic Studies.

## Appendix 13

**GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE**

(Millions of soles at 2007 prices)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>I. Domestic Demand</b>	<b>475,741</b>	<b>489,266</b>	<b>495,341</b>	<b>503,403</b>	<b>523,976</b>	<b>535,555</b>	<b>484,243</b>	<b>554,417</b>	<b>567,489</b>	<b>555,493</b>
a. Private Consumption	298,045	309,917	321,383	329,870	342,501	353,615	318,739	358,285	371,150	371,706
b. Public Consumption	55,784	61,431	62,615	64,425	65,974	68,784	74,191	77,731	77,612	81,161
c. Gross domestic investment	121,912	117,917	111,343	109,108	115,500	113,156	91,314	118,401	118,727	102,626
Gross fixed investment	127,664	121,496	116,614	116,234	121,327	125,337	104,980	141,318	142,311	134,634
i. Private	102,542	98,101	93,159	93,199	97,026	101,406	84,654	115,974	115,451	107,032
ii. Public	25,122	23,395	23,455	23,034	24,300	23,930	20,326	25,344	26,860	27,602
Variation in inventories	-5,752	-3,579	-5,271	-7,126	-5,827	-12,180	-13,666	-22,918	-23,584	-32,008
<b>II. Exports of goods and non-financial services</b>	<b>116,201</b>	<b>119,782</b>	<b>130,609</b>	<b>140,834</b>	<b>143,854</b>	<b>145,505</b>	<b>116,909</b>	<b>132,462</b>	<b>139,412</b>	<b>146,282</b>
Less:										
<b>III. Imports of goods and non-financial services</b>	<b>124,634</b>	<b>126,541</b>	<b>124,369</b>	<b>130,022</b>	<b>133,204</b>	<b>134,455</b>	<b>113,961</b>	<b>134,319</b>	<b>139,511</b>	<b>137,514</b>
<b>IV. GDP</b>	<b>467,308</b>	<b>482,506</b>	<b>501,581</b>	<b>514,215</b>	<b>534,626</b>	<b>546,605</b>	<b>487,191</b>	<b>552,560</b>	<b>567,390</b>	<b>564,261</b>

1/ Preliminary.

Source: National Institute of Statistics and Informatics and BCRP.

Elaborated by: Central Management of Economic Studies.

## Appendix 14

## GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE

(Millions of soles)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>I. Domestic Demand</b>	<b>589,776</b>	<b>631,521</b>	<b>664,816</b>	<b>693,130</b>	<b>735,554</b>	<b>767,748</b>	<b>710,175</b>	<b>849,007</b>	<b>930,738</b>	<b>960,974</b>
a. Private Consumption	374,811	403,631	433,542	457,462	481,220	507,462	465,782	544,472	608,465	647,485
b. Public Consumption	72,611	82,042	86,456	91,852	96,385	102,350	112,195	121,352	127,106	139,617
c. Gross domestic investment	142,354	145,847	144,818	143,817	157,948	157,936	132,197	183,183	195,167	173,871
Gross fixed investment	149,191	150,512	151,581	153,113	165,869	174,685	151,516	220,159	236,411	228,878
i. Private	117,362	119,772	119,627	120,965	130,602	139,341	120,741	179,249	189,466	179,090
ii. Public	31,829	30,740	31,954	32,147	35,267	35,344	30,775	40,910	46,945	49,788
Variation in inventories	-6,837	-4,665	-6,763	-9,296	-7,921	-16,749	-19,318	-36,976	-41,244	-55,007
<b>II. Exports of goods and non-financial services</b>	<b>127,765</b>	<b>128,079</b>	<b>144,812</b>	<b>167,979</b>	<b>182,198</b>	<b>182,385</b>	<b>159,683</b>	<b>257,377</b>	<b>272,522</b>	<b>274,276</b>
Less:										
<b>III. Imports of goods and non-financial services</b>	<b>139,049</b>	<b>145,349</b>	<b>146,840</b>	<b>154,876</b>	<b>169,656</b>	<b>172,609</b>	<b>148,166</b>	<b>228,011</b>	<b>266,638</b>	<b>236,055</b>
<b>IV. GDP</b>	<b>578,493</b>	<b>614,251</b>	<b>662,788</b>	<b>706,233</b>	<b>748,095</b>	<b>777,524</b>	<b>721,692</b>	<b>878,373</b>	<b>936,622</b>	<b>999,195</b>

1/ Preliminary.

Source: National Institute of Statistics and Informatics and BCRP.

Elaborated by: Central Management of Economic Studies.

## Appendix 15

**GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE**

(Nominal percentage structure)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>I. Domestic Demand</b>	<b>102.0</b>	<b>102.8</b>	<b>100.3</b>	<b>98.1</b>	<b>98.3</b>	<b>98.7</b>	<b>98.4</b>	<b>96.7</b>	<b>99.4</b>	<b>96.2</b>
a. Private Consumption	64.8	65.7	65.4	64.8	64.3	65.3	64.5	62.0	65.0	64.8
b. Public Consumption	12.6	13.4	13.0	13.0	12.9	13.2	15.5	13.8	13.6	14.0
c. Gross domestic investment	24.6	23.7	21.8	20.4	21.1	20.3	18.3	20.9	20.8	17.4
Gross fixed investment	25.8	24.5	22.9	21.7	22.2	22.5	21.0	25.1	25.2	22.9
i. Private	20.3	19.5	18.0	17.1	17.5	17.9	16.7	20.4	20.2	17.9
ii. Public	5.5	5.0	4.8	4.6	4.7	4.5	4.3	4.7	5.0	5.0
Variation in inventories	-1.2	-0.8	-1.0	-1.3	-1.1	-2.2	-2.7	-4.2	-4.4	-5.5
<b>II. Exports of goods and non-financial services</b>	<b>22.1</b>	<b>20.9</b>	<b>21.8</b>	<b>23.8</b>	<b>24.4</b>	<b>23.5</b>	<b>22.1</b>	<b>29.3</b>	<b>29.1</b>	<b>27.4</b>
Less:										
<b>III. Imports of goods and non-financial services</b>	<b>24.0</b>	<b>23.7</b>	<b>22.2</b>	<b>21.9</b>	<b>22.7</b>	<b>22.2</b>	<b>20.5</b>	<b>26.0</b>	<b>28.5</b>	<b>23.6</b>
<b>IV. GDP</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

1/ Preliminary.

Source: National Institute of Statistics and Informatics and BCRP.

Elaborated by: Central Management of Economic Studies.

## Appendix 16

**NATIONAL DISPOSABLE INCOME**

(Real percentage changes)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>Gross Domestic Product</b>	<b>2.4</b>	<b>3.3</b>	<b>4.0</b>	<b>2.5</b>	<b>4.0</b>	<b>2.2</b>	<b>-10.9</b>	<b>13.4</b>	<b>2.7</b>	<b>-0.6</b>
+ Factor income	16.6	17.3	-16.8	-19.9	-0.9	15.3	31.6	-193.0	11.3	20.1
Gross national product	3.6	4.3	3.4	1.7	4.1	3.2	-10.0	7.5	3.9	1.0
- Terms of trade	-263.5	-230.4	-7.6	65.1	-20.5	-41.7	158.2	347.4	-72.3	135.5
Gross national income	2.2	2.4	3.3	3.6	4.0	2.7	-7.7	10.8	0.9	2.4
+ Current transfers	22.6	-12.3	18.7	-1.6	-7.4	6.1	-1.7	19.1	-8.0	8.6
<b>National disposable income</b>	<b>2.6</b>	<b>2.0</b>	<b>3.7</b>	<b>3.5</b>	<b>3.7</b>	<b>2.8</b>	<b>-7.5</b>	<b>11.0</b>	<b>0.7</b>	<b>2.6</b>

1/ Preliminary.

Source: National Institute of Statistics and Informatics and BCRP.

Elaborated by: Central Management of Economic Studies.



## Appendix 17

**NATIONAL DISPOSABLE INCOME**

(Millions of soles at 2007 prices)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>Gross Domestic Product</b>	<b>467,308</b>	<b>482,506</b>	<b>501,581</b>	<b>514,215</b>	<b>534,626</b>	<b>546,605</b>	<b>487,191</b>	<b>552,560</b>	<b>567,390</b>	<b>564,261</b>
+ Factor income	-23,074	-19,084	-22,294	-26,728	-26,968	-22,851	-15,621	-45,772	-40,594	-32,419
Gross national product	444,234	463,422	479,287	487,487	507,658	523,754	471,570	506,788	526,796	531,842
+ Terms of trade	-3,771	-12,459	-13,407	-4,681	-5,642	-7,994	4,651	20,811	5,759	13,561
Gross national income	440,463	450,963	465,880	482,806	502,015	515,761	476,221	527,598	532,554	545,403
+ Current transfers	12,474	10,946	12,989	12,782	11,834	12,559	12,349	14,712	13,529	14,694
<b>National disposable income</b>	<b>452,937</b>	<b>461,909</b>	<b>478,869</b>	<b>495,588</b>	<b>513,850</b>	<b>528,320</b>	<b>488,570</b>	<b>542,310</b>	<b>546,083</b>	<b>560,096</b>

1/ Preliminary.

Source: National Institute of Statistics and Informatics and BCRP.

Elaborated by: Central Management of Economic Studies.

## Appendix 18

## MACROECONOMIC FLOWS

(Percentage of GDP)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>I. SAVINGS-INVESTMENT</b>										
1. Domestic savings	20.4	19.2	19.7	19.5	20.0	19.7	19.2	18.8	16.9	18.2
a. Public sector	5.2	3.1	2.5	1.6	2.4	2.9	-4.6	2.1	3.3	2.2
b. Private sector	15.1	16.1	17.2	18.0	17.5	16.8	23.8	16.7	13.5	16.1
2. External savings	4.2	4.5	2.2	0.8	1.1	0.6	-0.9	2.1	4.0	-0.8
3. Investment	24.6	23.7	21.8	20.4	21.1	20.3	18.3	20.9	20.8	17.4
a. Public sector	5.5	5.0	4.8	4.6	4.7	4.5	4.3	4.7	5.0	5.0
b. Private sector	19.1	18.7	17.0	15.8	16.4	15.8	14.1	16.2	15.8	12.4
<b>II. BALANCE OF PAYMENTS</b>										
1. Current account balance	-4.2	-4.5	-2.2	-0.8	-1.1	-0.6	0.9	-2.1	-4.0	0.8
a. Goods	-0.7	-1.5	1.0	3.1	3.2	3.0	3.9	6.7	4.2	6.6
b. Services	-1.2	-1.3	-1.3	-1.2	-1.5	-1.7	-2.4	-3.3	-3.5	-2.7
c. Primary income	-4.9	-4.0	-4.5	-5.2	-5.1	-4.2	-3.2	-8.0	-7.0	-5.6
d. Secondary income	2.7	2.3	2.6	2.5	2.2	2.3	2.5	2.6	2.4	2.5
2. Financial account 2/	-3.1	-5.4	-2.8	-1.2	-0.8	-3.2	-3.1	-6.8	-3.6	0.5
a. Private sector	-3.8	-4.6	-1.1	-0.2	-0.8	-1.1	1.4	-7.2	-5.9	0.3
b. Public sector	0.0	-1.6	-1.4	-1.6	-0.9	-1.9	-4.8	-6.9	0.5	0.3
c. Short-term capital	0.7	0.8	-0.4	0.5	0.9	-0.2	0.3	7.3	1.8	-0.1
3. Flow of BCRP net reserves (-)	-1.1	0.0	0.1	0.8	-1.6	3.0	2.6	1.9	-2.1	-1.0
4. Net errors and omissions	0.0	-0.9	-0.6	0.4	-1.3	0.4	-1.4	-2.8	-1.7	-1.4
<b>III. NON-FINANCIAL PUBLIC SECTOR</b>										
1. Current account savings	6.0	3.8	2.8	1.9	2.9	3.3	-3.9	2.8	4.3	3.0
2. Capital income	0.1	0.1	0.1	0.2	0.2	0.2	0.1	0.1	0.0	-0.1
3. Capital expenditures	6.4	5.9	5.3	5.1	5.3	5.2	5.0	5.4	6.0	5.7
a. Public Investment	5.5	5.0	4.8	4.6	4.7	4.5	4.3	4.7	5.0	5.0
b. Others Capital expenditures	0.9	0.9	0.5	0.5	0.6	0.6	0.7	0.8	1.0	0.7
4. Economic result	-0.3	-1.9	-2.3	-3.0	-2.3	-1.6	-8.9	-2.5	-1.7	-2.8
5. Funding	0.3	1.9	2.3	3.0	2.3	1.6	8.9	2.5	1.7	2.8
a. External financing	-0.1	1.6	0.6	-1.5	-0.1	0.6	4.8	6.1	0.5	0.0
b. Internal financing	0.4	0.3	1.2	4.4	2.4	1.0	4.1	-3.6	1.2	2.8
c. Privatization	0.0	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0

1/ Preliminary.

2/ The financial account and its components are expressed as assets net of liabilities.

Source: BCRP.

Elaborated by: Central Management of Economic Studies.

## Appendix 19

## BALANCE OF PAYMENTS 1/

(Millions of USD)

	2014	2015	2016	2017	2018	2019	2020	2021 2/	2022 2/	2023 2/
<b>I. CURRENT ACCOUNT (1+2+3+4)</b>	<b>-8,599</b>	<b>-8,747</b>	<b>-4,230</b>	<b>-1,810</b>	<b>-2,609</b>	<b>-1,424</b>	<b>1,890</b>	<b>-4,674</b>	<b>-9,743</b>	<b>2,219</b>
<b>1. Goods (a-b)</b>	<b>-1,505</b>	<b>-2,912</b>	<b>1,958</b>	<b>6,704</b>	<b>7,201</b>	<b>6,879</b>	<b>8,102</b>	<b>15,115</b>	<b>10,166</b>	<b>17,678</b>
a. Exports 3/	39,533	34,414	37,082	45,422	49,066	47,980	42,826	63,114	66,167	67,518
b. Imports	41,038	37,326	35,124	38,718	41,866	41,101	34,724	47,999	56,001	49,840
<b>2. Services (a-b)</b>	<b>-2,461</b>	<b>-2,527</b>	<b>-2,485</b>	<b>-2,625</b>	<b>-3,342</b>	<b>-3,896</b>	<b>-4,880</b>	<b>-7,563</b>	<b>-8,478</b>	<b>-7,341</b>
a. Exports	5,490	5,762	5,873	6,147	6,383	6,696	2,726	2,947	4,962	5,808
b. Imports	7,951	8,289	8,358	8,772	9,726	10,592	7,606	10,510	13,440	13,149
<b>3. Primary income (a+b)</b>	<b>-10,078</b>	<b>-7,740</b>	<b>-8,860</b>	<b>-11,276</b>	<b>-11,518</b>	<b>-9,798</b>	<b>-6,511</b>	<b>-18,023</b>	<b>-17,205</b>	<b>-14,902</b>
a. Private	-9,374	-7,079	-8,024	-10,297	-10,485	-8,844	-5,265	-16,297	-15,642	-14,399
b. Public	-704	-662	-836	-980	-1,034	-953	-1,247	-1,726	-1,563	-503
<b>4. Secondary income 4/</b>	<b>5,446</b>	<b>4,433</b>	<b>5,158</b>	<b>5,388</b>	<b>5,051</b>	<b>5,391</b>	<b>5,179</b>	<b>5,797</b>	<b>5,773</b>	<b>6,785</b>
Of which: Remittances from abroad	2,637	2,725	2,884	3,051	3,225	3,326	2,904	3,608	3,708	4,446
<b>II. FINANCIAL ACCOUNT (1+2+3) 5/</b> <b>Net payables (+) / Net receivables (-)</b>	<b>-6,405</b>	<b>-10,508</b>	<b>-5,506</b>	<b>-2,582</b>	<b>-1,931</b>	<b>-7,377</b>	<b>-6,386</b>	<b>-15,392</b>	<b>-8,809</b>	<b>1,309</b>
<b>1. Private sector (a-b)</b>	<b>-7,824</b>	<b>-8,949</b>	<b>-2,096</b>	<b>-352</b>	<b>-1,839</b>	<b>-2,470</b>	<b>2,944</b>	<b>-16,254</b>	<b>-14,330</b>	<b>821</b>
a. Assets	5,238	-1,056	2,885	4,612	2,620	1,064	1,097	-8,452	-3,045	5,539
b. Liabilities	13,062	7,893	4,981	4,965	4,459	3,534	-1,848	7,801	11,284	4,718
<b>2. Public sector (a-b)</b>	<b>31</b>	<b>-3,114</b>	<b>-2,674</b>	<b>-3,382</b>	<b>-2,035</b>	<b>-4,440</b>	<b>-9,951</b>	<b>-15,696</b>	<b>1,203</b>	<b>716</b>
a. Assets	633	470	165	-733	288	-253	164	-52	105	-36
b. Liabilities 6/	603	3,583	2,839	2,649	2,323	4,187	10,116	15,644	-1,097	-752
<b>3. Short-term capital (a-b)</b>	<b>1,389</b>	<b>1,555</b>	<b>-736</b>	<b>1,153</b>	<b>1,944</b>	<b>-467</b>	<b>621</b>	<b>16,558</b>	<b>4,318</b>	<b>-227</b>
a. Assets	1,134	2,058	-216	1,882	2,830	-1,873	2,556	16,365	4,115	1,877
b. Liabilities	-254	504	519	729	886	-1,406	1,935	-192	-203	2,104
<b>III. EXCEPTIONAL FINANCING</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IV. NET ERRORS AND OMISSIONS</b>	<b>6</b>	<b>-1,689</b>	<b>-1,108</b>	<b>857</b>	<b>-2,951</b>	<b>956</b>	<b>-2,974</b>	<b>-6,307</b>	<b>-4,155</b>	<b>-3,671</b>
<b>V. BALANCE OF PAYMENTS RESULT</b>										
<b>V = (I + III) - (II - IV) = (1-2)</b>	<b>-2,178</b>	<b>73</b>	<b>168</b>	<b>1,629</b>	<b>-3,629</b>	<b>6,909</b>	<b>5,301</b>	<b>4,410</b>	<b>-5,089</b>	<b>-2,760</b>
1. Variation in NIRs balance	-3,355	-823	201	1,936	-3,500	8,195	6,391	3,789	-6,612	-850
2. Valuation effect	-1,177	-896	32	307	130	1,286	1,090	-622	-1,523	1,910

1/ The Balance of Payments accounts are presented under the format of the Sixth Edition of the International Monetary Fund Balance of Payments Manual.

2/ Preliminary.

3/ Includes an estimate of gold exports not recorded by Customs.

4/ Includes non-domiciled income tax.

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

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

Source: BCRP, Ministry of Economy and Finance (MEF), Superintendence of Banking, Insurance and AFPs (SBS), National Superintendence of Customs and Tax Administration (SUNAT), Ministry of Foreign Trade and Tourism (MINCETUR), PROMPERÚ, Ministry of Foreign Affairs, Cofide, ONP, FCR, Zofratacna, Banco de la Nación, Cavali S.A. ICLV, Proinversión, Bank for International Settlements (BIS) and companies.

Elaborated by: Central Management of Economic Studies.

## Appendix 20

**BALANCE OF PAYMENTS 1/**

(Percentage of GDP)

	2014	2015	2016	2017	2018	2019	2020	2021 2/	2022 2/	2023 2/
<b>I. CURRENT ACCOUNT (1+2+3+4)</b>	<b>-4.2</b>	<b>-4.5</b>	<b>-2.2</b>	<b>-0.8</b>	<b>-1.1</b>	<b>-0.6</b>	<b>0.9</b>	<b>-2.1</b>	<b>-4.0</b>	<b>0.8</b>
<b>1. Goods (a-b)</b>	<b>-0.7</b>	<b>-1.5</b>	<b>1.0</b>	<b>3.1</b>	<b>3.2</b>	<b>3.0</b>	<b>3.9</b>	<b>6.7</b>	<b>4.2</b>	<b>6.6</b>
a. Exports 3/	19.4	17.8	18.9	21.0	21.6	20.6	20.8	27.9	27.1	25.3
b. Imports	20.1	19.4	17.9	17.9	18.4	17.6	16.8	21.2	22.9	18.6
<b>2. Services (a-b)</b>	<b>-1.2</b>	<b>-1.3</b>	<b>-1.3</b>	<b>-1.2</b>	<b>-1.5</b>	<b>-1.7</b>	<b>-2.4</b>	<b>-3.3</b>	<b>-3.5</b>	<b>-2.7</b>
a. Exports	2.7	3.0	3.0	2.8	2.8	2.9	1.3	1.3	2.0	2.2
b. Imports	3.9	4.3	4.3	4.0	4.3	4.5	3.7	4.6	5.5	4.9
<b>3. Primary income (a+b)</b>	<b>-4.9</b>	<b>-4.0</b>	<b>-4.5</b>	<b>-5.2</b>	<b>-5.1</b>	<b>-4.2</b>	<b>-3.2</b>	<b>-8.0</b>	<b>-7.0</b>	<b>-5.6</b>
a. Private	-4.6	-3.7	-4.1	-4.7	-4.6	-3.8	-2.6	-7.2	-6.4	-5.4
b. Public	-0.3	-0.3	-0.4	-0.5	-0.5	-0.4	-0.6	-0.8	-0.6	-0.2
<b>4. Secondary income 4/</b>	<b>2.7</b>	<b>2.3</b>	<b>2.6</b>	<b>2.5</b>	<b>2.2</b>	<b>2.3</b>	<b>2.5</b>	<b>2.6</b>	<b>2.4</b>	<b>2.5</b>
Of which: Remittances from abroad	1.3	1.4	1.5	1.4	1.4	1.4	1.4	1.6	1.5	1.7
<b>II. FINANCIAL ACCOUNT (1+2+3) 5/</b>	<b>-3.1</b>	<b>-5.4</b>	<b>-2.8</b>	<b>-1.2</b>	<b>-0.8</b>	<b>-3.2</b>	<b>-3.1</b>	<b>-6.8</b>	<b>-3.6</b>	<b>0.5</b>
<i>Net payables (+) / Net receivables (-)</i>										
<b>1. Private sector (a-b)</b>	<b>-3.8</b>	<b>-4.6</b>	<b>-1.1</b>	<b>-0.2</b>	<b>-0.8</b>	<b>-1.1</b>	<b>1.4</b>	<b>-7.2</b>	<b>-5.9</b>	<b>0.3</b>
a. Assets	2.6	-0.5	1.5	2.1	1.2	0.5	0.5	-3.7	-1.2	2.1
b. Liabilities	6.4	4.1	2.5	2.3	2.0	1.5	-0.9	3.4	4.6	1.8
<b>2. Public sector (a-b)</b>	<b>0.0</b>	<b>-1.6</b>	<b>-1.4</b>	<b>-1.6</b>	<b>-0.9</b>	<b>-1.9</b>	<b>-4.8</b>	<b>-6.9</b>	<b>0.5</b>	<b>0.3</b>
a. Assets	0.3	0.2	0.1	-0.3	0.1	-0.1	0.1	0.0	0.0	0.0
b. Liabilities 6/	0.3	1.9	1.4	1.2	1.0	1.8	4.9	6.9	-0.4	-0.3
<b>3. Short-term capital (a-b)</b>	<b>0.7</b>	<b>0.8</b>	<b>-0.4</b>	<b>0.5</b>	<b>0.9</b>	<b>-0.2</b>	<b>0.3</b>	<b>7.3</b>	<b>1.8</b>	<b>-0.1</b>
a. Assets	0.6	1.1	-0.1	0.9	1.2	-0.8	1.2	7.2	1.7	0.7
b. Liabilities	-0.1	0.3	0.3	0.3	0.4	-0.6	0.9	-0.1	-0.1	0.8
<b>III. EXCEPTIONAL FINANCING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>IV. NET ERRORS AND OMISSIONS</b>	<b>0.0</b>	<b>-0.9</b>	<b>-0.6</b>	<b>0.4</b>	<b>-1.3</b>	<b>0.4</b>	<b>-1.4</b>	<b>-2.8</b>	<b>-1.7</b>	<b>-1.4</b>
<b>V. BALANCE OF PAYMENTS RESULT</b>										
<b>V = (I + III) - (II - IV) = (1-2)</b>	<b>-1.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.8</b>	<b>-1.6</b>	<b>3.0</b>	<b>2.6</b>	<b>1.9</b>	<b>-2.1</b>	<b>-1.0</b>
1. Variation in NIRs balance	-1.6	-0.4	0.1	0.9	-1.5	3.5	3.1	1.7	-2.7	-0.3
2. Valuation effect	-0.6	-0.5	0.0	0.1	0.1	0.6	0.5	-0.3	-0.6	0.7
<b>GDP (Millions of USD)</b>	<b>203,811</b>	<b>192,844</b>	<b>196,623</b>	<b>216,786</b>	<b>227,646</b>	<b>233,105</b>	<b>206,195</b>	<b>226,306</b>	<b>244,465</b>	<b>267,346</b>

1/ The Balance of Payments accounts are presented under the format of the Sixth Edition of the International Monetary Fund Balance of Payments Manual.

2/ Preliminary.

3/ Includes an estimate of gold exports not recorded by Customs.

4/ Includes non-domiciled income tax.

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

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

Source: BCRP, Ministry of Economy and Finance (MEF), Superintendence of Banking, Insurance and AFPs (SBS), National Superintendence of Customs and Tax Administration (SUNAT), Ministry of Foreign Trade and Tourism (MINCETUR), PROMPERÚ, Ministry of Foreign Affairs, Cofide, ONP, FCR, Zofratacna, Banco de la Nación, Cavali S.A. ICLV, Proinversión, Bank for International Settlements (BIS) and companies.

Elaborated by: Central Management of Economic Studies.

## Appendix 21

**BALANCE OF TRADE**

(FOB values in millions of USD)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>1. EXPORTS</b>	<b>39,533</b>	<b>34,414</b>	<b>37,082</b>	<b>45,422</b>	<b>49,066</b>	<b>47,980</b>	<b>42,826</b>	<b>63,114</b>	<b>66,167</b>	<b>67,518</b>
Traditional products	27,686	23,432	26,183	33,566	35,638	34,014	29,985	46,804	47,750	48,853
Non-traditional products	11,677	10,895	10,798	11,725	13,240	13,812	12,719	16,117	18,162	18,448
Others	171	88	101	130	189	154	121	193	254	217
<b>2. IMPORTS</b>	<b>41,038</b>	<b>37,326</b>	<b>35,124</b>	<b>38,718</b>	<b>41,866</b>	<b>41,101</b>	<b>34,724</b>	<b>47,999</b>	<b>56,001</b>	<b>49,840</b>
Consumer goods	8,899	8,754	8,608	9,339	9,591	9,588	8,722	10,201	10,974	11,177
Inputs	18,797	15,911	15,022	17,902	20,516	19,110	15,450	23,801	30,954	24,821
Capital assets	12,911	12,002	11,232	11,316	11,641	12,305	10,439	13,886	13,993	13,686
Others assets	431	660	263	160	119	98	113	111	80	156
<b>3. BALANCE OF TRADE</b>	<b>- 1,505</b>	<b>- 2,912</b>	<b>1,958</b>	<b>6,704</b>	<b>7,201</b>	<b>6,879</b>	<b>8,102</b>	<b>15,115</b>	<b>10,166</b>	<b>17,678</b>
Note:										
<b>Variation %: 2/</b>										
Terms of trade	-5.4	-6.8	-0.3	7.5	-0.4	-1.7	9.1	12.2	-10.1	4.8
Price index of X	-6.9	-15.4	-3.3	13.4	6.3	-3.4	3.6	30.7	2.3	-2.4
Price index of M	-1.5	-9.2	-3.0	5.5	6.7	-1.7	-5.0	16.5	13.7	-6.9
Volume index of X	-1.0	2.9	11.4	8.0	1.6	1.2	-13.9	12.7	2.5	4.6
Volume index of M	-1.6	0.2	-3.0	4.5	1.3	-0.2	-11.0	18.6	2.6	-4.4
Value of X	-7.8	-12.9	7.8	22.5	8.0	-2.2	-10.7	47.4	4.8	2.0
Value of M	-3.1	-9.0	-5.9	10.2	8.1	-1.8	-15.5	38.2	16.7	-11.0

1/ Preliminary

2/ X: Exports; M: Imports; X: Exports.

Source: BCRP, National Superintendence of Customs and Tax Administration, Zofratatna, Banco de la Nación and companies

Elaborated by: Central Management of Economic Studies.

## Appendix 22

## NON-TRADITIONAL EXPORTS BY PRODUCT

(Millions USD)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>AGRICULTURE SECTORS</b>	<b>4,198</b>	<b>4,391</b>	<b>4,686</b>	<b>5,103</b>	<b>5,867</b>	<b>6,299</b>	<b>6,735</b>	<b>7,868</b>	<b>8,368</b>	<b>9,180</b>
Legumes	1,112	1,143	1,154	1,130	1,114	1,156	1,186	1,276	1,336	1,285
Fruits	1,628	1,902	2,140	2,527	3,208	3,542	4,009	4,815	4,934	5,692
Miscellaneous vegetable products	411	356	397	488	543	512	435	631	825	716
Cereals and their preparations	355	296	286	303	313	363	360	312	350	378
Tea, coffee, cocoa and essences	355	393	416	371	398	435	489	517	561	742
Rest	337	302	293	283	292	291	255	317	361	367
<b>FISHING</b>	<b>1,189</b>	<b>951</b>	<b>926</b>	<b>1,089</b>	<b>1,375</b>	<b>1,614</b>	<b>1,316</b>	<b>1,516</b>	<b>1,639</b>	<b>1,779</b>
Frozen crustaceans and mollusks	588	439	454	526	686	937	722	809	835	957
Frozen fish	183	174	209	240	236	227	231	332	391	355
Preparations and preserves	326	249	194	240	367	366	287	257	264	346
Dried fish	35	40	37	34	39	41	39	52	54	50
Rest	56	49	32	49	47	43	37	65	94	70
<b>TEXTILES</b>	<b>1,800</b>	<b>1,331</b>	<b>1,196</b>	<b>1,272</b>	<b>1,402</b>	<b>1,355</b>	<b>1,007</b>	<b>1,565</b>	<b>1,873</b>	<b>1,601</b>
Clothing and other apparel	1,218	928	872	903	991	1,006	759	1,144	1,432	1,172
Fabrics	296	182	149	155	167	159	109	181	204	181
Textile fibers	126	95	71	117	134	90	59	121	136	137
Yarns	160	126	104	98	109	99	80	119	101	111
<b>WOOD AND PAPER, AND ARTICLES THEREOF</b>	<b>416</b>	<b>353</b>	<b>322</b>	<b>344</b>	<b>339</b>	<b>322</b>	<b>239</b>	<b>280</b>	<b>313</b>	<b>288</b>
Wood in the rough or in sheets	132	120	102	99	102	108	81	107	114	87
Printed articles	66	56	55	54	52	47	28	33	40	46
Paper and cardboard manufacturing	174	144	132	162	157	146	115	119	140	129
Woodworking	30	25	23	19	18	13	9	12	8	10
Wooden furniture and parts thereof	7	6	4	4	5	4	4	4	5	4
Rest	6	2	5	6	5	3	2	4	6	12
<b>CHEMICALS</b>	<b>1,515</b>	<b>1,406</b>	<b>1,344</b>	<b>1,385</b>	<b>1,562</b>	<b>1,607</b>	<b>1,495</b>	<b>1,905</b>	<b>2,348</b>	<b>1,996</b>
Organic and inorganic chemicals	349	346	345	363	468	498	398	552	838	594
Plastic manufactured articles	186	154	146	148	166	184	162	231	236	219
Dyestuffs, tanning and coloring substances	115	128	162	165	164	138	130	136	179	205
Rubber manufactures	93	77	70	74	77	75	54	76	91	75
Essential oils, toiletries and surfactants	193	178	149	140	124	137	140	160	186	220
Rest	580	523	472	496	564	575	612	750	818	683
<b>NON-METALLIC MINERALS</b>	<b>664</b>	<b>698</b>	<b>642</b>	<b>588</b>	<b>629</b>	<b>607</b>	<b>446</b>	<b>675</b>	<b>1,093</b>	<b>1,194</b>
Cement and construction materials	167	178	159	167	182	151	104	145	156	150
Fertilizers and minerals, raw	375	398	337	251	285	290	233	350	556	626
Glass and glassware	74	77	115	119	91	97	76	100	162	167
Ceramic articles	5	4	4	6	4	4	3	4	6	5
Rest	43	41	27	45	68	65	30	75	213	245
<b>IRON, STEEL, METALLURGY AND JEWELRY</b>	<b>1,149</b>	<b>1,081</b>	<b>1,085</b>	<b>1,273</b>	<b>1,325</b>	<b>1,310</b>	<b>927</b>	<b>1,613</b>	<b>1,723</b>	<b>1,552</b>
Copper products	456	360	277	335	355	326	324	632	644	564
Zinc products	268	236	284	403	422	315	228	337	394	327
Iron products	158	143	139	151	181	173	128	229	238	240
Base metal fabrications	92	86	88	105	97	81	65	100	122	88
Non-ferrous waste and scrap	12	11	13	18	17	12	9	21	28	32
Lead products	10	10	7	14	11	15	2	11	14	16
Silver products	19	126	161	95	78	242	73	115	108	106
Jewelry items	95	83	94	123	129	118	74	121	94	100
Rest	38	26	23	29	35	28	23	48	82	79
<b>METAL-MECHANICS</b>	<b>581</b>	<b>533</b>	<b>450</b>	<b>520</b>	<b>591</b>	<b>567</b>	<b>461</b>	<b>555</b>	<b>649</b>	<b>712</b>
Road vehicles	53	50	37	44	98	67	59	47	47	71
Industrial machinery and equipment and parts thereof	77	82	87	87	85	93	64	79	93	101
Electrical machinery and apparatus and parts thereof	45	43	44	51	55	57	48	66	75	82
Articles manufactured from iron or steel	31	28	24	28	31	32	19	24	26	26
Office and data processing machines	14	11	13	10	13	10	11	12	18	18
Household equipment	2	2	1	2	2	1	2	1	1	2
Civil engineering machinery and equipment, and parts thereof	105	86	66	90	100	104	78	97	130	145
Power generating machinery and equipment	60	64	36	42	40	46	36	40	42	49
Household goods of base metal	9	9	6	10	10	11	13	23	24	19
Rest	188	156	136	157	158	147	131	165	193	198
<b>OTHERS 2/</b>	<b>165</b>	<b>151</b>	<b>146</b>	<b>152</b>	<b>150</b>	<b>131</b>	<b>93</b>	<b>141</b>	<b>157</b>	<b>145</b>
<b>NON-TRADITIONAL PRODUCTS</b>	<b>11,677</b>	<b>10,895</b>	<b>10,798</b>	<b>11,725</b>	<b>13,240</b>	<b>13,812</b>	<b>12,719</b>	<b>16,117</b>	<b>18,162</b>	<b>18,448</b>

1/ Preliminary.

2/ Includes hides and skins and handicrafts, mainly.

Source: BCRP, National Superintendence of Customs and Tax Administration, Zofratatna, Banco de la Nación and companies.

Elaborated by: Central Management of Economic Studies.

## Appendix 23

## EXPORTS BY PRODUCT GROUP

(FOB values in million USD)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>1. TRADITIONAL PRODUCTS</b>	<b>27,686</b>	<b>23,432</b>	<b>26,183</b>	<b>33,566</b>	<b>35,638</b>	<b>34,014</b>	<b>29,985</b>	<b>46,804</b>	<b>47,750</b>	<b>48,853</b>
Fishing	1,731	1,457	1,269	1,789	1,938	1,929	1,542	2,335	2,386	1,142
Agricultural	847	723	878	827	762	774	731	857	1,354	970
Miners	20,545	18,950	21,819	27,582	28,899	28,336	26,128	39,901	38,106	42,790
Oil and Natural gas	4,562	2,302	2,217	3,369	4,039	2,975	1,584	3,711	5,905	3,951
<b>2. NON-TRADITIONAL PRODUCTS</b>	<b>11,677</b>	<b>10,895</b>	<b>10,798</b>	<b>11,725</b>	<b>13,240</b>	<b>13,812</b>	<b>12,719</b>	<b>16,117</b>	<b>18,162</b>	<b>18,448</b>
Agriculture sectors	4,198	4,391	4,686	5,103	5,867	6,299	6,735	7,868	8,368	9,180
Fishing	1,189	951	926	1,089	1,375	1,614	1,316	1,516	1,639	1,779
Textiles	1,800	1,331	1,196	1,272	1,402	1,355	1,007	1,565	1,873	1,601
Wood and paper, and articles thereof	416	353	322	344	339	322	239	280	313	288
Chemicals	1,515	1,406	1,344	1,385	1,562	1,607	1,495	1,905	2,348	1,996
Non-metallic minerals	664	698	642	588	629	607	446	675	1,093	1,194
Iron, steel and jewelry	1,149	1,081	1,085	1,273	1,325	1,310	927	1,613	1,723	1,552
Metal-mechanics	581	533	450	520	591	567	461	555	649	712
Others 2/	165	151	146	152	150	131	93	141	157	145
<b>3. OTHERS 3/</b>	<b>171</b>	<b>88</b>	<b>101</b>	<b>130</b>	<b>189</b>	<b>154</b>	<b>121</b>	<b>193</b>	<b>254</b>	<b>217</b>
<b>4. TOTAL EXPORTS</b>	<b>39,533</b>	<b>34,414</b>	<b>37,082</b>	<b>45,422</b>	<b>49,066</b>	<b>47,980</b>	<b>42,826</b>	<b>63,114</b>	<b>66,167</b>	<b>67,518</b>
Note:										
<b>PERCENTAGE STRUCTURE (%)</b>										
TRADITIONALS	70.0	68.1	70.6	73.9	72.6	70.9	70.0	74.2	72.2	72.4
Fishing	4.4	4.2	3.4	3.9	3.9	4.0	3.6	3.7	3.6	1.7
Agricultural	2.1	2.1	2.4	1.8	1.6	1.6	1.7	1.4	2.0	1.4
Miners	52.0	55.1	58.8	60.7	58.9	59.1	61.0	63.2	57.6	63.4
Oil and Natural gas	11.5	6.7	6.0	7.4	8.2	6.2	3.7	5.9	8.9	5.9
NON-TRADITIONAL	29.5	31.7	29.1	25.8	27.0	28.8	29.7	25.5	27.4	27.3
Others 3/	0.4	0.3	0.3	0.3	0.4	0.3	0.3	0.3	0.4	0.3
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

1/ Preliminary.

2/ Includes hides and skins and handicrafts, mainly.

3/ Includes the sale of fuel and foodstuffs to foreign vessels.

Source: BCRP, National Superintendence of Customs and Tax Administration, Zofratatna, Banco de la Nación and companies

Elaborated by: Central Management of Economic Studies.

## Appendix 24

## EXPORTS OF TRADITIONAL PRODUCTS

(FOB values in million USD)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>AGRICULTURE</b>	<b>847</b>	<b>723</b>	<b>878</b>	<b>827</b>	<b>762</b>	<b>774</b>	<b>731</b>	<b>857</b>	<b>1,354</b>	<b>970</b>
Cotton	4	3	2	1	2	2	1	2	1	9
Volume (Thousand mt)	2	1	1	1	1	1	1	1	0	3
Price (USD/mt)	2,371	2,415	1,889	1,911	2,442	2,148	1,975	3,053	2,159	3,142
Sugar	37	18	28	18	14	41	58	49	72	83
Volume (Thousand mt)	69	35	49	34	33	95	111	79	105	107
Price (USD/mt)	535	519	575	532	432	427	526	615	686	782
Coffee	734	614	763	714	682	637	645	769	1,236	829
Volume (Thousand mt)	182	185	241	247	261	233	215	195	247	205
Price (USD/mt)	4,028	3,319	3,160	2,887	2,610	2,735	2,997	3,946	5,011	4,038
Rest of agricultural 2/	72	87	86	94	64	95	26	38	46	49
<b>FISHING</b>	<b>1,731</b>	<b>1,457</b>	<b>1,269</b>	<b>1,789</b>	<b>1,938</b>	<b>1,929</b>	<b>1,542</b>	<b>2,335</b>	<b>2,386</b>	<b>1,142</b>
Fish meal	1,335	1,158	999	1,459	1,564	1,509	1,180	1,806	1,817	904
Volume (Thousand mt)	856	698	634	1,031	1,027	1,052	862	1,209	1,108	526
Price (USD/mt)	1,560	1,658	1,576	1,415	1,523	1,435	1,369	1,494	1,640	1,718
Fish oil	395	299	270	330	375	420	363	529	569	238
Volume (Thousand mt)	163	119	95	171	196	184	141	226	148	35
Price (USD/mt)	2,419	2,518	2,844	1,928	1,911	2,284	2,574	2,341	3,855	6,705
<b>MINERS</b>	<b>20,545</b>	<b>18,950</b>	<b>21,819</b>	<b>27,582</b>	<b>28,899</b>	<b>28,336</b>	<b>26,128</b>	<b>39,901</b>	<b>38,106</b>	<b>42,790</b>
Copper	8,875	8,168	10,171	13,845	14,939	14,001	13,040	20,694	19,672	23,429
Volume (Thousand mt)	1,320	1,644	2,317	2,438	2,488	2,555	2,184	2,316	2,448	2,961
Price (¢USD/lb.)	305	225	199	258	272	249	271	405	364	359
Tin	342	344	370	352	382	367	886	783	654	
Volume (Thousand mt)	24	21	19	18	17	20	20	26	27	25
Price (¢USD/lb.)	1,025	745	826	928	933	864	828	1,573	1,331	1,190
Iro	647	350	344	484	978	1,147	2,257	1,750	1,724	
Volume (Millions tm)	11	12	11	12	15	16	14	18	19	19
Price (USD/mt)	57	30	31	37	33	62	80	126	92	91
Gold	6,729	6,651	7,426	8,270	8,259	8,555	7,830	10,185	10,194	10,943
Volume (Thousands oz.tr.)	5,323	5,744	5,937	6,564	6,513	6,140	4,427	5,663	5,665	5,624
Price (USD/oz.tr.)	1,264	1,158	1,251	1,260	1,268	1,393	1,769	1,798	1,800	1,946
Refined silver	331	138	120	118	123	81	94	117	90	98
Volume (Millions oz.tr.)	17	9	7	7	8	5	5	5	4	4
Price (USD/oz.tr.)	19	15	17	17	16	17	20	25	21	23
Lead 3/	1,523	1,548	1,658	1,726	1,545	1,567	1,461	2,028	1,786	1,920
Volume (Thousand mt)	771	938	942	866	794	836	746	863	788	827
Price (¢USD/lb.)	90	75	80	90	88	85	89	107	103	105
Zinc	1,504	1,508	1,469	2,399	2,574	2,114	1,707	2,685	2,677	2,356
Volume (Thousand mt)	1,124	1,190	1,103	1,237	1,208	1,195	1,170	1,216	1,100	1,337
Price (¢USD/lb.)	61	57	60	88	97	80	66	100	110	80
Molybdenum	360	220	273	368	612	656	478	1,045	1,150	1,660
Volume (Thousand mt)	16	18	25	25	27	30	30	33	29	37
Price (¢USD/lb.)	990	561	505	656	1,022	981	734	1,455	1,769	2,042
Other miners 4/	38	27	15	51	11	2	6	3	4	6
<b>OIL AND NATURAL GAS</b>	<b>4,562</b>	<b>2,302</b>	<b>2,217</b>	<b>3,369</b>	<b>4,039</b>	<b>2,975</b>	<b>1,584</b>	<b>3,711</b>	<b>5,905</b>	<b>3,951</b>
Crude oil and derivatives	3,776	1,853	1,693	2,597	2,997	2,352	1,008	2,007	2,739	2,399
Volume (Millions bs.)	41	37	41	50	45	38	22	26	28	33
Price (USD/b)	92	50	42	52	67	62	46	76	97	73
Natural gas	786	449	523	772	1,042	623	576	1,703	3,166	1,553
Volume (Thousands m³)	9,227	8,093	9,589	9,222	8,455	9,018	8,829	5,732	7,725	8,212
Price (USD/m³)	85	55	55	84	123	69	65	297	410	189
<b>Traditional products</b>	<b>27,686</b>	<b>23,432</b>	<b>26,183</b>	<b>33,566</b>	<b>35,638</b>	<b>34,014</b>	<b>29,985</b>	<b>46,804</b>	<b>47,750</b>	<b>48,853</b>

1/ Preliminary.

2/ Includes coca leaf and derivatives, molasses, wool and hides.

3/ Includes silver content.

4/ Includes bismuth and tungsten, mainly.

Source: BCRP, National Superintendence of Customs and Tax Administration, Zofratatna, Banco de la Nación and companies.

Elaborated by: Central Management of Economic Studies.



## Appendix 25

## IMPORTS BY ECONOMIC USE OR DESTINATION

(FOB value in millions of USD)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>CONSUMER GOODS</b>	<b>8,899</b>	<b>8,754</b>	<b>8,608</b>	<b>9,339</b>	<b>9,591</b>	<b>9,588</b>	<b>8,722</b>	<b>10,201</b>	<b>10,974</b>	<b>11,177</b>
Non-durable	4,657	4,731	4,635	5,156	5,305	5,421	5,436	5,877	6,561	6,482
Main foods	479	473	480	676	518	450	552	532	588	569
Rest	4,178	4,258	4,154	4,480	4,786	4,971	4,884	5,345	5,973	5,914
Durable	4,243	4,023	3,973	4,183	4,286	4,166	3,286	4,324	4,412	4,695
<b>INPUTS</b>	<b>18,797</b>	<b>15,911</b>	<b>15,022</b>	<b>17,902</b>	<b>20,516</b>	<b>19,110</b>	<b>15,450</b>	<b>23,801</b>	<b>30,954</b>	<b>24,821</b>
Fuels, lubricants and related	5,754	3,671	3,820	5,390	6,593	5,652	2,981	6,075	10,490	8,630
Raw materials for agriculture	1,339	1,236	1,214	1,469	1,459	1,449	1,528	1,901	2,323	1,888
Raw materials for industry	11,704	11,003	9,989	11,044	12,463	12,009	10,941	15,825	18,141	14,303
<b>CAPITAL GOODS</b>	<b>12,911</b>	<b>12,002</b>	<b>11,232</b>	<b>11,316</b>	<b>11,641</b>	<b>12,305</b>	<b>10,439</b>	<b>13,886</b>	<b>13,993</b>	<b>13,686</b>
Construction materials	1,422	1,421	1,112	1,061	1,193	1,304	1,081	1,537	1,455	1,156
For agriculture	141	160	144	143	150	152	153	186	186	161
For the industry	8,689	7,842	7,391	7,399	7,373	7,813	7,102	8,862	8,883	8,792
Transport equipment	2,660	2,579	2,584	2,714	2,926	3,036	2,104	3,301	3,469	3,577
<b>OTHER ASSETS 2/</b>	<b>431</b>	<b>660</b>	<b>263</b>	<b>160</b>	<b>119</b>	<b>98</b>	<b>113</b>	<b>111</b>	<b>80</b>	<b>156</b>
<b>TOTAL IMPORTS</b>	<b>41,038</b>	<b>37,326</b>	<b>35,124</b>	<b>38,718</b>	<b>41,866</b>	<b>41,101</b>	<b>34,724</b>	<b>47,999</b>	<b>56,001</b>	<b>49,840</b>
Note:										
Temporary Admission	326	364	216	387	312	410	412	487	351	277
Free zones 3/	217	207	212	212	212	220	166	199	174	176
<b>Main foods 4/</b>	<b>2,459</b>	<b>2,236</b>	<b>2,166</b>	<b>2,553</b>	<b>2,542</b>	<b>2,447</b>	<b>2,604</b>	<b>3,351</b>	<b>3,819</b>	<b>3,391</b>
Wheat	555	486	391	479	489	464	517	565	781	647
Maize and/or sorghum	479	485	524	553	600	659	653	899	1,046	878
Rice	127	134	152	211	144	149	166	138	66	92
Sugar 5/	80	141	163	258	113	82	132	84	163	179
Dairy	204	124	108	141	186	144	178	214	268	212
Soy	946	791	771	845	935	874	882	1,354	1,404	1,297
Meats	68	74	58	66	75	75	77	96	92	85

1/ Preliminary.

2/ Includes the donation of goods, the purchase of fuel and food from Peruvian vessels, as well as other goods not considered according to the classifier used.

3/ Imports entered into the Tacna Free Trade Zone (Zofratatna).

4/ Excludes donated food.

5/ Includes unrefined raw cane sugar, classified under inputs.

Source: BCRP, National Superintendence of Customs and Tax Administration, Zofratatna, Banco de la Nación and companies.

Elaborated by: Central Management of Economic Studies.

## Appendix 26

**TERMS OF TRADE OF FOREIGN TRADE**

(Year 2007 = 100)

	Exports 1/				Imports 1/				Terms of trade	
	Nominal Prices		Volume		Nominal Prices		Volume			
	Index	% chg.	Index	% chg.	Index	% chg.	Index	% chg.	Index	% chg.
<b>2014</b>	121	-6.9	116	-1.0	125	-1.5	167	-1.6	97	-5.4
<b>2015</b>	103	-15.4	120	2.9	114	-9.2	168	0.2	90	-6.8
<b>2016</b>	99	-3.3	133	11.4	110	-3.0	163	-3.0	90	-0.3
<b>2017</b>	112	13.4	144	8.0	116	5.5	170	4.5	97	7.5
<b>2018</b>	120	6.3	146	1.6	124	6.7	172	1.3	96	-0.4
<b>2019</b>	115	-3.4	148	1.2	122	-1.7	172	-0.2	95	-1.7
<b>2020</b>	120	3.6	127	-13.9	116	-5.0	153	-11.0	103	9.1
<b>2021</b>	156	30.7	144	12.7	135	16.5	181	18.6	116	12.2
<b>2022</b>	160	2.3	147	2.5	154	13.7	186	2.6	104	-10.1
<b>2023</b>	156	-2.4	154	4.6	143	-6.9	178	-4.4	109	4.8

1/ Values weighted according to the previous year's trade structure. Chained Laspeyres index.

Source: BCRP, National Superintendence of Customs and Tax Administration, Zofratatna, Banco de la Nación and companies.

Elaborated by: Central Management of Economic Studies.

## Appendix 27

## INTERNATIONAL PRICES

(Average data for the period)

	Copper LME €USD/lb.	Gold LBMA USD/oz.tr.	Zinc LME €USD/lb.	Silver H.Harman USD/oz.tr.	Lead LME €USD/lb.	Tin LME €USD/lb.	Oil WTI USD/bar.	H.Fishingdo Hamburg USD/mt	Coffee Otr.S.Arab USD/mt	Sugar Cont.14 USD/mt	Wheat USA USD/mt	Maize USA USD/mt	Ac.Soy USA USD/mt	Rice Thailand USD/mt
<b>2014</b>	311	1,266	98	19	95	993	93	1,753	4,466	531	285	152	830	435
<b>2015</b>	250	1,160	88	16	81	729	49	1,728	3,539	546	219	138	666	396
<b>2016</b>	221	1,248	95	17	85	814	43	1,570	3,625	609	167	132	703	406
<b>2017</b>	280	1,257	131	17	105	910	51	1,352	3,359	615	166	128	723	414
<b>2018</b>	296	1,269	133	16	102	914	65	1,515	3,027	559	217	129	652	444
<b>2019</b>	273	1,392	116	16	91	846	57	1,470	3,032	576	199	142	642	434
<b>2020</b>	280	1,770	103	21	83	777	39	1,509	3,461	594	210	137	696	513
<b>2021</b>	422	1,799	136	25	100	1,468	68	1,573	4,572	741	296	226	1,417	475
<b>2022</b>	400	1,801	158	22	98	1,423	95	1,717	6,159	788	422	268	1,639	451
<b>2023</b>	385	1,943	120	23	97	1,175	78	1,994	4,612	894	326	217	1,336	564

Source: Reuters.

Elaborated by: Central Management of Economic Studies.

## Appendix 28

## SERVICES

(Millions of USD)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>I. TRANSPORTATION (a-b)</b>	<b>-1,476</b>	<b>-1,426</b>	<b>-1,248</b>	<b>-1,284</b>	<b>-1,305</b>	<b>-1,524</b>	<b>-1,775</b>	<b>-3,724</b>	<b>-4,724</b>	<b>-2,582</b>
a. Credit	1,421	1,416	1,377	1,529	1,665	1,707	807	1,086	1,586	1,789
b. Debit	2,897	2,841	2,625	2,814	2,970	3,231	2,581	4,809	6,310	4,370
1. Freight	-2,143	-1,964	-1,768	-1,868	-1,962	-2,105	-2,200	-4,247	-5,434	-3,204
Credit	37	31	18	40	52	42	35	47	56	49
Debit	2,180	1,995	1,786	1,908	2,014	2,147	2,234	4,294	5,490	3,253
2. Passengers	301	171	143	161	199	112	21	-17	193	114
Credit	830	831	802	863	947	965	226	355	801	966
Debit	529	660	658	702	749	853	205	372	608	853
3. Others 2/	366	368	376	422	458	469	404	540	518	509
Credit	554	554	557	627	665	699	546	684	729	774
Debit	188	186	181	204	208	230	142	144	211	265
<b>II. TRAVEL (a-b)</b>	<b>1,488</b>	<b>1,430</b>	<b>1,444</b>	<b>1,385</b>	<b>954</b>	<b>973</b>	<b>43</b>	<b>-462</b>	<b>-208</b>	<b>-540</b>
a. Credit	3,077	3,309	3,486	3,576	3,557	3,738	776	688	2,137	2,711
b. Debit	1,589	1,879	2,042	2,191	2,604	2,765	733	1,149	2,345	3,251
<b>III. COMMUNICATIONS (a-b)</b>	<b>-158</b>	<b>-266</b>	<b>-279</b>	<b>-261</b>	<b>-252</b>	<b>-280</b>	<b>-283</b>	<b>-300</b>	<b>-281</b>	<b>-298</b>
a. Credit	108	61	50	56	56	55	53	60	62	69
b. Debit	266	328	329	317	307	335	336	361	343	367
<b>IV. INSURANCE AND REINSURANCE (a-b)</b>	<b>-365</b>	<b>-399</b>	<b>-408</b>	<b>-428</b>	<b>-465</b>	<b>-481</b>	<b>-487</b>	<b>-612</b>	<b>-791</b>	<b>-978</b>
a. Credit	46	74	89	87	89	54	94	103	122	135
b. Debit	411	473	497	516	554	534	581	716	913	1,113
<b>V. OTHER SERVICES (A-B) 3/</b>	<b>-1,950</b>	<b>-1,867</b>	<b>-1,994</b>	<b>-2,037</b>	<b>-2,274</b>	<b>-2,585</b>	<b>-2,379</b>	<b>-2,465</b>	<b>-2,474</b>	<b>-2,944</b>
a. Credit	838	902	872	897	1,016	1,142	996	1,010	1,056	1,104
b. Debit	2,788	2,768	2,866	2,934	3,290	3,727	3,375	3,475	3,530	4,048
<b>VII. TOTAL (a-b)</b>	<b>-2,461</b>	<b>-2,527</b>	<b>-2,485</b>	<b>-2,625</b>	<b>-3,342</b>	<b>-3,896</b>	<b>-4,880</b>	<b>-7,563</b>	<b>-8,478</b>	<b>-7,341</b>
a. Credit	5,490	5,762	5,873	6,147	6,383	6,696	2,726	2,947	4,962	5,808
b. Debit	7,951	8,289	8,358	8,772	9,726	10,592	7,606	10,510	13,440	13,149

1/ Preliminary.

2/ Includes courier and postal services, port charges for ships and aircraft, and transportation commissions, mainly.

3/ Includes government services, financial services (including financial intermediation services indirectly measured -FISIM), computer services, royalties, equipment rental and business services, among others.

Source: BCRP, SBS, SUNAT, MINCETUR, PROMPERÚ, Ministry of Foreign Affairs and companies.

Elaborated by: Central Management of Economic Studies.

## Appendix 29

## PRIMARY INCOME 1/

(Millions of USD)

	2014	2015	2016	2017	2018	2019	2020	2021 2/	2022 2/	2023 2/
<b>I. INCOME</b>	<b>1,170</b>	<b>1,106</b>	<b>1,187</b>	<b>1,654</b>	<b>1,963</b>	<b>2,408</b>	<b>1,588</b>	<b>1,252</b>	<b>2,394</b>	<b>4,718</b>
<b>Private sector</b>	<b>459</b>	<b>582</b>	<b>703</b>	<b>999</b>	<b>1,098</b>	<b>1,215</b>	<b>603</b>	<b>610</b>	<b>1,313</b>	<b>2,230</b>
<b>Public sector</b>	<b>711</b>	<b>524</b>	<b>484</b>	<b>654</b>	<b>865</b>	<b>1,193</b>	<b>985</b>	<b>642</b>	<b>1,081</b>	<b>2,488</b>
<b>II. EXPENDITURE</b>	<b>11,248</b>	<b>8,846</b>	<b>10,047</b>	<b>12,930</b>	<b>13,481</b>	<b>12,206</b>	<b>8,099</b>	<b>19,276</b>	<b>19,599</b>	<b>19,620</b>
<b>Private sector</b>	<b>9,833</b>	<b>7,660</b>	<b>8,727</b>	<b>11,296</b>	<b>11,583</b>	<b>10,059</b>	<b>5,868</b>	<b>16,907</b>	<b>16,955</b>	<b>16,630</b>
Utilities 3/	8,492	6,157	7,116	9,612	9,746	8,211	4,333	15,453	15,049	13,864
Interests	1,341	1,503	1,611	1,684	1,837	1,848	1,535	1,454	1,906	2,766
Bonds	568	600	567	590	661	686	737	781	755	734
Loans	774	903	1,044	1,094	1,176	1,162	798	672	1,151	2,032
Long term	640	776	883	894	909	905	608	490	799	1,350
Short-term 4/	134	127	161	200	267	257	190	182	352	682
<b>Public sector 5/</b>	<b>1,415</b>	<b>1,186</b>	<b>1,320</b>	<b>1,634</b>	<b>1,898</b>	<b>2,147</b>	<b>2,231</b>	<b>2,368</b>	<b>2,644</b>	<b>2,990</b>
Interest on loans	209	198	222	238	256	226	184	174	255	714
Interest on bonds	1,207	987	1,097	1,395	1,642	1,920	2,015	2,161	2,377	2,263
Others	0	0	0	0	1	1	32	33	13	13
<b>III. TOTAL (I-II)</b>	<b>-10,078</b>	<b>-7,740</b>	<b>-8,860</b>	<b>-11,276</b>	<b>-11,518</b>	<b>-9,798</b>	<b>-6,511</b>	<b>-18,023</b>	<b>-17,205</b>	<b>-14,902</b>
Private sector	-9,374	-7,079	-8,024	-10,297	-10,485	-8,844	-5,265	-16,297	-15,642	-14,399
Public sector	-704	-662	-836	-980	-1,034	-953	-1,247	-1,726	-1,563	-503

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

2/ Preliminary.

3/ Profits or losses accrued during the period. Includes profits and dividends remitted abroad plus undistributed earnings.

4/ Includes private and public companies and includes interest on debt with non-residents denominated in domestic currency.

5/ Includes commissions.

Source: BCRP, MEF, Cofide, ONP and companies

Elaborated by: Central Management of Economic Studies.

## Appendix 30

## FINANCIAL ACCOUNT OF PRIVATE SECTOR 1/

(Millions of USD)

	2014	2015	2016	2017	2018	2019	2020	2021 2/	2022 2/	2023 2/
<b>I. ASSETS</b>	<b>5,238</b>	<b>-1,056</b>	<b>2,885</b>	<b>4,612</b>	<b>2,620</b>	<b>1,064</b>	<b>1,097</b>	<b>-8,452</b>	<b>-3,045</b>	<b>5,539</b>
<b>1. Direct investment</b>	<b>837</b>	<b>-663</b>	<b>1,526</b>	<b>1,422</b>	<b>-790</b>	<b>-500</b>	<b>1,880</b>	<b>1,969</b>	<b>-587</b>	<b>1,476</b>
<b>2. Portfolio investment 3/</b>	<b>4,401</b>	<b>-393</b>	<b>1,359</b>	<b>3,191</b>	<b>3,410</b>	<b>1,565</b>	<b>-784</b>	<b>-10,421</b>	<b>-2,458</b>	<b>4,062</b>
<b>II. LIABILITIES</b>	<b>13,062</b>	<b>7,893</b>	<b>4,981</b>	<b>4,965</b>	<b>4,459</b>	<b>3,534</b>	<b>-1,848</b>	<b>7,801</b>	<b>11,284</b>	<b>4,718</b>
<b>1. Direct investment (a+b)</b>	<b>4,263</b>	<b>7,337</b>	<b>6,805</b>	<b>7,413</b>	<b>5,873</b>	<b>4,775</b>	<b>663</b>	<b>7,142</b>	<b>11,201</b>	<b>3,918</b>
a. Patrimony	1,803	6,936	5,899	7,240	6,684	3,356	575	6,642	10,121	4,581
Reinvestment	3,589	2,876	3,325	5,297	4,921	392	96	6,726	8,276	4,781
Contributions and other capital transactions	-1,786	4,060	2,574	1,944	1,763	2,965	480	-84	1,845	-200
b. Debt instruments	2,460	401	906	173	-811	1,419	88	500	1,080	-663
<b>2. Portfolio investment</b>	<b>3,072</b>	<b>-970</b>	<b>-483</b>	<b>1,244</b>	<b>502</b>	<b>1,079</b>	<b>841</b>	<b>1,247</b>	<b>-1,146</b>	<b>-160</b>
Equity investments 4/	-79	-60	-307	-172	-442	-511	-209	-154	-110	-24
Fixed income 5/	3,152	-911	-176	1,416	944	1,590	1,050	1,401	-1,036	-136
<b>3. Loans</b>	<b>5,727</b>	<b>1,527</b>	<b>-1,341</b>	<b>-3,693</b>	<b>-1,915</b>	<b>-2,320</b>	<b>-3,352</b>	<b>-588</b>	<b>1,229</b>	<b>960</b>
Disbursements	9,438	6,053	3,577	4,133	3,353	3,570	1,570	2,909	3,938	3,917
Amortization	-3,711	-4,526	-4,918	-7,826	-5,268	-5,890	-4,922	-3,497	-2,709	-2,957
<b>III. TOTAL (I-II)</b>	<b>-7,824</b>	<b>-8,949</b>	<b>-2,096</b>	<b>-352</b>	<b>-1,839</b>	<b>-2,470</b>	<b>2,944</b>	<b>-16,254</b>	<b>-14,330</b>	<b>821</b>
Note:										
SDI in the country, old methodology 6/	4,537	8,206	6,459	6,530	6,761	6,259	-1,188	5,360	12,191	3,324

1/ Expressed in terms of assets net of liabilities.

2/ Preliminary.

3/ Includes equities and other foreign assets of the financial and non-financial sector. Includes financial derivatives.

4/ Includes net purchases of shares by non-residents through the Lima Stock Exchange (BVL), recorded by CAVALI S.A. ICLV (Central Securities and Settlements Registry).

5/ Includes bonds and similar.

6/ FDI liabilities under the directional principle (Balance of Payments Manual, 5th edition).

Source: BCRP, Cavali S.A. ICLV, Private Investment Promotion Agency (Proinversión) and companies.

Elaborated by: Central Management of Economic Studies.

## Appendix 31

## FINANCIAL ACCOUNT OF PUBLIC SECTOR 1/

(Millions of USD)

	2014	2015	2016	2017	2018	2019	2020	2021 2/	2022 2/	2023 2/
<b>I. ASSETS</b>	<b>633</b>	<b>470</b>	<b>165</b>	<b>-733</b>	<b>288</b>	<b>-253</b>	<b>164</b>	<b>-52</b>	<b>105</b>	<b>-36</b>
<b>II. LIABILITIES</b>	<b>603</b>	<b>3,583</b>	<b>2,839</b>	<b>2,649</b>	<b>2,323</b>	<b>4,187</b>	<b>10,116</b>	<b>15,644</b>	<b>-1,097</b>	<b>-752</b>
<b>1. Portfolio investment 3/</b>	<b>99</b>	<b>2,861</b>	<b>2,929</b>	<b>6,719</b>	<b>1,619</b>	<b>3,766</b>	<b>7,968</b>	<b>11,478</b>	<b>-1,876</b>	<b>-1,654</b>
Emissions	1,690	3,856	1,150	2,610	0	750	7,500	11,172	600	0
General Government	500	3,056	1,150	0	0	750	7,000	10,172	0	0
Financial companies	1,190	800	0	610	0	0	500	0	600	0
Non-financial companies	0	0	0	2,000	0	0	0	1,000	0	0
Amortizations	-863	-621	-909	0	-518	-1,513	-606	0	-658	-1,801
General Government	-863	-621	-909	0	-253	-713	-54	0	0	-1,628
Financial companies	0	0	0	0	-266	-800	-552	0	-658	-173
Non-financial companies	0	0	0	0	0	0	0	0	0	0
Other operations (a-b) 4/	-727	-374	2,688	4,108	2,137	4,530	1,074	306	-1,817	147
a. Sovereign Bonds purchased by non-residents	-657	216	1,959	4,554	1,822	4,190	1,565	-316	-1,888	16
b. Global Bonds purchased by residents	70	591	-728	445	-315	-340	491	-623	-71	-132
<b>2. Loans</b>	<b>504</b>	<b>722</b>	<b>-90</b>	<b>-4,070</b>	<b>704</b>	<b>421</b>	<b>2,148</b>	<b>2,354</b>	<b>779</b>	<b>902</b>
Disbursements	1,232	1,334	958	435	1,800	1,113	2,477	2,789	1,838	2,006
General Government	377	1,274	805	366	473	1,064	2,400	2,779	1,836	1,934
Financial companies	304	36	109	1	44	0	0	0	0	12
Non-financial companies	551	23	44	68	1,283	49	78	10	2	60
Amortizations	-729	-611	-1,048	-4,505	-1,096	-692	-330	-435	-1,060	-1,103
General Government	-536	-571	-640	-3,726	-988	-623	-217	-363	-834	-889
Financial companies	-136	-3	-285	-330	-83	-47	-92	-37	-45	-44
Non-financial companies	-57	-38	-124	-449	-24	-22	-21	-35	-181	-171
<b>3. BCRP: Other operations 5/</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,811</b>	<b>0</b>	<b>0</b>
<b>III. TOTAL (I-II)</b>	<b>31</b>	<b>-3,114</b>	<b>-2,674</b>	<b>-3,382</b>	<b>-2,035</b>	<b>-4,440</b>	<b>-9,951</b>	<b>-15,696</b>	<b>1,203</b>	<b>716</b>

1/ Medium and long-term debt. Expressed in terms of assets net of liabilities.

2/ Preliminary.

3/ Bonds, classified according to the market where they were issued. Brady and Global Bonds, issued abroad, are part of the external public debt, including those acquired by residents.

For financial public companies, since 2012 COFIDE Corporate Bonds are included and since 2013 Mivivienda Fund Corporate Bonds are included. For nonfinancial public companies, since 2017, Petroperu Corporate Bonds are included.

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

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

Source: MEF and BCRP

Elaborated by: Central Management of Economic Studies.

## Appendix 32

## SHORT TERM CAPITAL FINANCIAL ACCOUNT 1/

(Millions of USD)

	2014	2015	2016	2017	2018	2019	2020	2021 2/	2022 2/	2023 2/
<b>1. BANKING COMPANIES (a-b)</b>	<b>62</b>	<b>-588</b>	<b>513</b>	<b>-171</b>	<b>-980</b>	<b>2</b>	<b>983</b>	<b>-1,085</b>	<b>610</b>	<b>-900</b>
a. Assets	520	-247	136	587	-109	-504	838	-1,021	738	137
b. Liabilities	458	342	-377	758	871	-506	-145	64	128	1,037
<b>2. BCRP</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>3. BANCO DE LA NACIÓN (A-B)</b>	<b>100</b>	<b>-93</b>	<b>1</b>	<b>35</b>	<b>-49</b>	<b>22</b>	<b>-9</b>	<b>0</b>	<b>46</b>	<b>-8</b>
a. Assets	100	-93	1	35	-49	22	-9	0	46	-8
b. Liabilities	0	0	0	0	0	0	0	0	0	0
<b>4. NON-BANK FINANCIAL CORPORATIONS (a-b)</b>	<b>-60</b>	<b>329</b>	<b>-368</b>	<b>-16</b>	<b>4</b>	<b>35</b>	<b>-109</b>	<b>182</b>	<b>-346</b>	<b>0</b>
a. Assets	-29	426	-431	166	52	-9	-34	209	-312	62
b. Liabilities	31	97	-64	183	48	-44	75	27	34	63
<b>5. NON-FINANCIAL SECTOR (a-b)</b>	<b>1,287</b>	<b>1,907</b>	<b>-882</b>	<b>1,305</b>	<b>2,969</b>	<b>-525</b>	<b>-244</b>	<b>17,461</b>	<b>4,008</b>	<b>680</b>
a. Assets	544	1,972	77	1,093	2,936	-1,381	1,761	17,177	3,643	1,685
b. Liabilities	-744	65	960	-211	-33	-856	2,005	-283	-365	1,004
<b>6. TOTAL (a-b)</b>	<b>1,389</b>	<b>1,555</b>	<b>-736</b>	<b>1,153</b>	<b>1,944</b>	<b>-467</b>	<b>621</b>	<b>16,558</b>	<b>4,318</b>	<b>-227</b>
a. Assets	1,134	2,058	-216	1,882	2,830	-1,873	2,556	16,365	4,115	1,877
b. Liabilities	-254	504	519	729	886	-1,406	1,935	-192	-203	2,104

1/ Expressed in terms of assets net of liabilities.

2/ Preliminary.

Source: BCRP, Bank for International Settlements (BIS) and companies.

Elaborated by: Central Management of Economic Studies.



## Appendix 33

## POSITION OF EXTERNAL ASSETS AND LIABILITIES 1/

(End-of-period levels in millions of USD)

	2014	2015	2016	2017	2018	2019	2020	2021 2/	2022 2/	2023 2/
<b>I. ASSETS</b>	<b>111,645</b>	<b>111,351</b>	<b>115,895</b>	<b>128,030</b>	<b>127,622</b>	<b>137,082</b>	<b>148,558</b>	<b>160,004</b>	<b>152,622</b>	<b>158,492</b>
1. BCRP reserve assets	62,353	61,537	61,746	63,731	60,288	68,370	74,909	78,539	72,246	71,319
2. Financial system assets 3/	27,646	26,950	28,250	34,543	34,902	38,503	39,834	28,839	25,013	27,142
3. Others assets	21,646	22,864	25,899	29,755	32,432	30,209	33,816	52,625	55,363	60,032
<b>II. LIABILITIES</b>	<b>172,368</b>	<b>177,266</b>	<b>191,679</b>	<b>206,301</b>	<b>210,627</b>	<b>218,753</b>	<b>224,476</b>	<b>246,313</b>	<b>257,255</b>	<b>264,432</b>
1. Direct investment	83,866	91,203	98,008	105,421	111,294	116,069	116,733	123,875	135,076	138,995
2. Equity participation (portfolio)	19,219	12,940	18,642	23,936	20,453	21,804	17,867	17,712	17,603	17,579
3. Debt from loans, bonds and others	69,238	73,071	74,968	76,832	78,713	80,826	89,675	102,038	101,699	105,037
<b>Medium and long term</b>	<b>62,596</b>	<b>65,925</b>	<b>67,303</b>	<b>68,438</b>	<b>69,433</b>	<b>72,951</b>	<b>79,866</b>	<b>92,421</b>	<b>92,285</b>	<b>93,519</b>
Private sector 3/	38,645	39,215	37,687	35,486	34,521	33,687	31,225	31,888	32,171	33,031
Public sector (i+ii-iii) 4/ 5/	23,951	26,710	29,617	32,953	34,912	39,264	48,641	60,533	60,114	60,488
i. External public debt	19,764	23,630	23,762	22,710	22,977	22,554	32,469	45,533	46,194	46,026
ii. Domestic secondary market securities acquired by non-residents	5,547	5,031	7,078	11,911	13,288	17,724	17,676	15,882	14,731	15,141
iii. Secondary market securities external acquired by residents	1,360	1,951	1,223	1,668	1,353	1,013	1,505	882	811	679
<b>Short-term</b>	<b>6,642</b>	<b>7,146</b>	<b>7,665</b>	<b>8,394</b>	<b>9,280</b>	<b>7,874</b>	<b>9,809</b>	<b>9,617</b>	<b>9,414</b>	<b>11,518</b>
Financial system 6/	2,516	2,955	2,514	3,455	4,374	3,824	3,754	3,845	4,007	5,107
Others	4,126	4,191	5,151	4,939	4,907	4,051	6,055	5,772	5,407	6,411
4. Central Reserve Bank of Peru	45	52	60	110	167	54	202	2,688	2,877	2,821
Short-term	45	52	60	110	167	54	202	44	363	286
Long term 7/	0	0	0	0	0	0	0	2,644	2,514	2,535
<b>III. TOTAL (I-II)</b>	<b>-60,723</b>	<b>-65,916</b>	<b>-75,784</b>	<b>-78,271</b>	<b>-83,005</b>	<b>-81,671</b>	<b>-75,918</b>	<b>-86,309</b>	<b>-104,633</b>	<b>-105,940</b>

1/ Expressed in terms of assets net of liabilities.

2/ Preliminary.

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

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

5/ Government bonds issued abroad and held by residents are excluded from public sector external liabilities. Government bonds issued locally and held by non-residents are included in the external liabilities of the public sector.

Includes bonds issued by the Metropolitan Municipality of Lima (MML) on 12/19/2023, acquired by non-residents.

6/ Includes domestic currency obligations with non-residents.

7/ Includes Special Drawing Rights (SDR) allocations.

Source: BCRP, MEF, Cavali S.A.ICLV, Proinversion, BIS and companies.

Elaborated by: Central Management of Economic Studies.

## Appendix 34

## POSITION OF EXTERNAL ASSETS AND LIABILITIES 1/

(Percentage of GDP)

	2014	2015	2016	2017	2018	2019	2020	2021 2/	2022 2/	2023 2/
<b>I. ASSETS</b>	<b>54.8</b>	<b>57.7</b>	<b>58.9</b>	<b>59.1</b>	<b>56.1</b>	<b>58.8</b>	<b>72.0</b>	<b>70.7</b>	<b>62.4</b>	<b>59.3</b>
1. BCRP reserve assets	30.6	31.9	31.4	29.4	26.5	29.3	36.3	34.7	29.6	26.7
2. Financial system assets 3/	13.6	14.0	14.4	15.9	15.3	16.5	19.3	12.7	10.2	10.2
3. Others assets	10.6	11.9	13.2	13.7	14.2	13.0	16.4	23.3	22.6	22.5
<b>II. LIABILITIES</b>	<b>84.6</b>	<b>91.9</b>	<b>97.5</b>	<b>95.2</b>	<b>92.5</b>	<b>93.8</b>	<b>108.9</b>	<b>108.8</b>	<b>105.2</b>	<b>98.9</b>
1. Direct investment	41.1	47.3	49.8	48.6	48.9	49.8	56.6	54.7	55.3	52.0
2. Equity participation (portfolio)	9.4	6.7	9.5	11.0	9.0	9.4	8.7	7.8	7.2	6.6
3. Debt from loans, bonds and others	34.0	37.9	38.1	35.4	34.6	34.7	43.5	45.1	41.6	39.3
<b>Medium and long term</b>	<b>30.7</b>	<b>34.2</b>	<b>34.2</b>	<b>31.6</b>	<b>30.5</b>	<b>31.3</b>	<b>38.7</b>	<b>40.8</b>	<b>37.7</b>	<b>35.0</b>
Private sector 3/	19.0	20.3	19.2	16.4	15.2	14.5	15.1	14.1	13.2	12.4
Public sector (i+ii-iii) 4/ 5/	11.8	13.9	15.1	15.2	15.3	16.8	23.6	26.7	24.6	22.6
i. External public debt	9.7	12.3	12.1	10.5	10.1	9.7	15.7	20.1	18.9	17.2
ii. Secondary market securities domestic purchases by non-residents	2.7	2.6	3.6	5.5	5.8	7.6	8.6	7.0	6.0	5.7
iii. Secondary market securities external acquired by residents	0.7	1.0	0.6	0.8	0.6	0.4	0.7	0.4	0.3	0.3
<b>Short-term</b>	<b>3.3</b>	<b>3.7</b>	<b>3.9</b>	<b>3.9</b>	<b>4.1</b>	<b>3.4</b>	<b>4.8</b>	<b>4.2</b>	<b>3.9</b>	<b>4.3</b>
Financial system 6/	1.2	1.5	1.3	1.6	1.9	1.6	1.8	1.7	1.6	1.9
Others	2.0	2.2	2.6	2.3	2.2	1.7	2.9	2.6	2.2	2.4
4. Central Reserve Bank of Peru	0.0	0.0	0.0	0.1	0.1	0.0	0.1	1.2	1.2	1.1
Short-term	0.0	0.0	0.0	0.1	0.1	0.0	0.1	0.0	0.1	0.1
Long term 7/	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.2	1.0	0.9
<b>III. TOTAL (I-II)</b>	<b>-29.8</b>	<b>-34.2</b>	<b>-38.5</b>	<b>-36.1</b>	<b>-36.5</b>	<b>-35.0</b>	<b>-36.8</b>	<b>-38.1</b>	<b>-42.8</b>	<b>-39.6</b>
<b>Gross Domestic Product, annualized</b>	<b>203,811</b>	<b>192,844</b>	<b>196,623</b>	<b>216,786</b>	<b>227,646</b>	<b>233,105</b>	<b>206,195</b>	<b>226,306</b>	<b>244,465</b>	<b>267,346</b>

1/ Expressed in terms of assets net of liabilities.

2/ Preliminary.

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

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

5/ Government bonds issued abroad and held by residents are excluded from public sector external liabilities. Government bonds issued locally and held by non-residents are included in the external liabilities of the public sector.

Includes bonds issued by the Metropolitan Municipality of Lima (MML) on 12/19/2023, acquired by non-residents.

6/ Includes domestic currency obligations with non-residents.

7/ Includes Special Drawing Rights (SDR) allocations.

Source: BCRP, MEF, Cavali S.A.ICLV, Proinversion, BIS and companies

Elaborated by: Central Management of Economic Studies.

## Appendix 35

## NON-FINANCIAL PUBLIC SECTOR OPERATIONS

(Millions of soles)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>1. Current income of the General Government</b>	<b>128,089</b>	<b>123,092</b>	<b>122,530</b>	<b>126,378</b>	<b>142,562</b>	<b>151,838</b>	<b>127,875</b>	<b>183,874</b>	<b>207,124</b>	<b>197,815</b>
a. Tax revenues	97,654	92,791	92,153	93,400	107,358	113,769	95,523	143,147	161,242	150,985
b. Non-tax revenues	30,434	30,301	30,377	32,978	35,204	38,069	32,352	40,727	45,881	46,830
<b>2. Non-financial expenditures of the General Government</b>	<b>123,784</b>	<b>129,891</b>	<b>130,789</b>	<b>139,822</b>	<b>149,210</b>	<b>154,385</b>	<b>177,542</b>	<b>194,200</b>	<b>206,522</b>	<b>209,589</b>
a. Current Expenditure	89,372	96,700	100,119	106,775	113,070	119,362	145,305	150,235	149,625	156,416
b. Capital expenditures	34,411	33,191	30,669	33,047	36,140	35,023	32,237	43,965	56,897	53,173
- Gross capital formation	29,660	27,171	27,263	28,364	31,348	30,440	27,076	36,867	43,791	46,299
- Others	4,751	6,020	3,406	4,683	4,792	4,583	5,161	7,098	13,106	6,874
<b>3. Others</b>	<b>452</b>	<b>1,322</b>	<b>- 118</b>	<b>699</b>	<b>- 437</b>	<b>654</b>	<b>-2,757</b>	<b>1,360</b>	<b>-1,895</b>	<b>301</b>
<b>4. Primary result (1-2+3)</b>	<b>4,757</b>	<b>-5,478</b>	<b>-8,377</b>	<b>-12,745</b>	<b>-7,085</b>	<b>-1,893</b>	<b>-52,424</b>	<b>-8,965</b>	<b>-1,293</b>	<b>-11,473</b>
<b>5. Interests</b>	<b>6,216</b>	<b>6,388</b>	<b>7,182</b>	<b>8,356</b>	<b>10,015</b>	<b>10,664</b>	<b>11,496</b>	<b>13,200</b>	<b>14,686</b>	<b>16,701</b>
a. External debt	2,909	2,664	3,005	3,181	3,499	3,404	3,365	4,729	5,838	7,339
b. Domestic debt	3,306	3,724	4,177	5,174	6,516	7,260	8,131	8,471	8,849	9,362
<b>6. Economic result</b>	<b>-1,458</b>	<b>-11,866</b>	<b>-15,559</b>	<b>-21,101</b>	<b>-17,100</b>	<b>-12,557</b>	<b>-63,920</b>	<b>-22,166</b>	<b>-15,980</b>	<b>-28,174</b>
<b>7. Net financing</b>	<b>1,458</b>	<b>11,866</b>	<b>15,559</b>	<b>21,101</b>	<b>17,100</b>	<b>12,557</b>	<b>63,920</b>	<b>22,166</b>	<b>15,980</b>	<b>28,174</b>
1. External	- 841	9,815	4,304	-10,364	- 635	4,677	34,349	53,370	4,421	135
In Millions of USD: (a-b+c)	- 284	2,974	1,257	-3,194	- 181	1,398	9,773	13,705	1,153	21
a. Disbursements	1,428	4,354	1,999	2,434	1,756	1,863	9,477	13,961	1,838	1,993
b. Amortization	1,456	1,230	1,672	4,175	1,265	1,358	292	398	1,015	2,688
c. Others 2/	- 256	- 150	930	-1,453	- 672	893	587	142	330	716
2. Internal	2,266	1,957	8,268	31,413	17,681	7,811	29,517	-31,332	11,453	27,960
3. Privatization	34	94	2,987	51	54	69	54	127	106	78

1/ Preliminary.

2/ Includes exceptional financing and short-term financing.

Source: Ministry of Economy and Finance, Banco de la Nación, BCRP, National Superintendence of Tax Administration and Customs, EsSalud, public benefit societies, local governments, state-owned companies and public institutions.

Elaborated by: Central Management of Economic Studies.

## Appendix 36

**NON-FINANCIAL PUBLIC SECTOR OPERATIONS**

(Percentage of GDP)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>1. Current income of the General Government</b>	<b>22.1</b>	<b>20.0</b>	<b>18.5</b>	<b>17.9</b>	<b>19.1</b>	<b>19.5</b>	<b>17.7</b>	<b>20.9</b>	<b>22.1</b>	<b>19.8</b>
a. Tax revenues	16.9	15.1	13.9	13.2	14.4	14.6	13.2	16.3	17.2	15.1
b. Non-tax revenues	5.3	4.9	4.6	4.7	4.7	4.9	4.5	4.6	4.9	4.7
<b>2. Non-financial expenditures of the General Government</b>	<b>21.4</b>	<b>21.1</b>	<b>19.7</b>	<b>19.8</b>	<b>19.9</b>	<b>19.9</b>	<b>24.6</b>	<b>22.1</b>	<b>22.0</b>	<b>21.0</b>
a. Current Expenditure	15.4	15.7	15.1	15.1	15.1	15.4	20.1	17.1	16.0	15.7
b. Capital expenditures	5.9	5.4	4.6	4.7	4.8	4.5	4.5	5.0	6.1	5.3
- Gross capital formation	5.1	4.4	4.1	4.0	4.2	3.9	3.8	4.2	4.7	4.6
- Others	0.8	1.0	0.5	0.7	0.6	0.6	0.7	0.8	1.4	0.7
<b>3. Others</b>	<b>0.1</b>	<b>0.2</b>	<b>0.0</b>	<b>0.1</b>	<b>-0.1</b>	<b>0.1</b>	<b>-0.4</b>	<b>0.2</b>	<b>-0.2</b>	<b>0.0</b>
<b>4. Primary result (1-2+3)</b>	<b>0.8</b>	<b>-0.9</b>	<b>-1.3</b>	<b>-1.8</b>	<b>-0.9</b>	<b>-0.2</b>	<b>-7.3</b>	<b>-1.0</b>	<b>-0.1</b>	<b>-1.1</b>
<b>5. Interests</b>	<b>1.1</b>	<b>1.0</b>	<b>1.1</b>	<b>1.2</b>	<b>1.3</b>	<b>1.4</b>	<b>1.6</b>	<b>1.5</b>	<b>1.6</b>	<b>1.7</b>
a. External debt	0.5	0.4	0.5	0.5	0.5	0.4	0.5	0.5	0.6	0.7
b. Domestic debt	0.6	0.6	0.6	0.7	0.9	0.9	1.1	1.0	0.9	0.9
<b>6. Economic result</b>	<b>-0.3</b>	<b>-1.9</b>	<b>-2.3</b>	<b>-3.0</b>	<b>-2.3</b>	<b>-1.6</b>	<b>-8.9</b>	<b>-2.5</b>	<b>-1.7</b>	<b>-2.8</b>
<b>7. Net financing</b>	<b>0.3</b>	<b>1.9</b>	<b>2.3</b>	<b>3.0</b>	<b>2.3</b>	<b>1.6</b>	<b>8.9</b>	<b>2.5</b>	<b>1.7</b>	<b>2.8</b>
1. External (a-b+c)	-0.1	1.6	0.6	-1.5	-0.1	0.6	4.8	6.1	0.5	0.0
a. Disbursements	0.7	2.3	1.0	1.1	0.8	0.8	4.6	6.2	0.8	0.7
b. Amortization	0.7	0.6	0.9	1.9	0.6	0.6	0.1	0.2	0.4	1.0
c. Others 2/	-0.1	-0.1	0.5	-0.7	-0.3	0.4	0.3	0.1	0.1	0.3
2. Internal	0.4	0.3	1.2	4.4	2.4	1.0	4.1	-3.6	1.2	2.8
3. Privatization	0.0	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0

1/ Preliminary.

2/ Includes exceptional financing and short-term financing.

Source: Ministry of Economy and Finance, Banco de la Nación, BCRP, National Superintendence of Tax Administration and Customs, EsSalud, public benefit societies, local governments, state-owned companies and public institutions.

Elaborated by: Central Management of Economic Studies.

## Appendix 37

**CURRENT INCOME OF THE GENERAL GOVERNMENT**

(Millions of soles)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>I. TAX REVENUES</b>	<b>97,654</b>	<b>92,791</b>	<b>92,153</b>	<b>93,400</b>	<b>107,358</b>	<b>113,769</b>	<b>95,523</b>	<b>143,147</b>	<b>161,242</b>	<b>150,985</b>
1. Income taxes	40,157	34,745	37,214	36,755	41,598	44,015	38,167	54,877	69,922	62,809
- Individuals	10,894	10,557	11,159	11,450	12,474	13,819	12,525	16,016	17,294	17,153
- Legal Entities	25,031	20,542	22,250	20,421	22,756	23,834	21,046	29,822	37,605	36,164
- Regularization	4,232	3,646	3,805	4,884	6,368	6,363	4,596	9,040	15,022	9,492
2. Import taxes	1,790	1,775	1,606	1,448	1,455	1,424	1,159	1,465	1,806	1,547
3. General Sales Tax (IGV)	50,352	51,668	52,692	54,643	60,666	63,504	55,379	78,098	88,305	83,444
- Internal	28,732	30,410	31,040	32,114	35,125	37,892	32,708	42,608	47,375	48,052
- Imports	21,620	21,258	21,652	22,529	25,541	25,613	22,671	35,490	40,930	35,393
4. Selective Consumption Tax (ISC)	5,135	5,495	5,902	6,315	6,860	8,216	6,920	9,138	9,026	9,328
- Fuels	2,041	2,210	2,423	2,604	2,565	3,212	2,970	3,648	3,000	3,464
- Others	3,094	3,284	3,479	3,711	4,295	5,005	3,951	5,490	6,026	5,864
5. Other tax revenues	10,924	10,785	11,096	11,448	13,363	14,660	11,081	19,392	17,809	17,795
- Temporary Tax on Net Assets	3,513	3,697	4,300	4,585	4,953	5,176	4,764	5,926	6,302	6,692
- Financial Transaction Tax	153	161	168	175	200	224	207	271	309	311
- Installment payments	814	922	1,068	1,109	1,320	1,843	1,165	4,437	2,314	2,360
- Special Tax on Mining	372	208	236	638	770	545	430	1,802	1,608	1,233
- Others	6,071	5,797	5,323	4,941	6,120	6,871	4,515	6,957	7,276	7,200
6. Tax refunds	-10,702	-11,677	-16,356	-17,209	-16,583	-18,051	-17,183	-19,824	-25,625	-23,939
<b>II. Non-tax revenues</b>	<b>30,434</b>	<b>30,301</b>	<b>30,377</b>	<b>32,978</b>	<b>35,204</b>	<b>38,069</b>	<b>32,352</b>	<b>40,727</b>	<b>45,881</b>	<b>46,830</b>
1. Essalud and ONP contributions	12,469	13,864	14,481	14,734	16,242	17,262	15,970	18,054	18,770	19,628
2. Oil, gas and mining royalties	2,696	1,663	1,737	2,486	3,035	2,741	2,150	6,062	5,599	4,280
3. Oil canon	2,895	1,622	1,291	1,533	2,090	1,687	1,137	2,600	3,959	2,754
4. Other income 2/	12,374	13,152	12,869	14,225	13,836	16,380	13,095	14,011	17,554	20,167
<b>III. TOTAL (I+ II)</b>	<b>128,089</b>	<b>123,092</b>	<b>122,530</b>	<b>126,378</b>	<b>142,562</b>	<b>151,838</b>	<b>127,875</b>	<b>183,874</b>	<b>207,124</b>	<b>197,815</b>

1/ Preliminary.

2/ Includes own resources and current transfers, interest, profit transfers from Banco de la Nación and BCRP.

Source: Ministry of Economy and Finance, Banco de la Nación, BCRP and National Superintendence of Tax Administration and Customs.

Elaborated by: Central Management of Economic Studies.

## Appendix 38

**CURRENT INCOME OF THE GENERAL GOVERNMENT**

(Percentage of GDP)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>I. TAX REVENUES</b>	<b>16.9</b>	<b>15.1</b>	<b>13.9</b>	<b>13.2</b>	<b>14.4</b>	<b>14.6</b>	<b>13.2</b>	<b>16.3</b>	<b>17.2</b>	<b>15.1</b>
1. Income taxes	6.9	5.7	5.6	5.2	5.6	5.7	5.3	6.2	7.5	6.3
- Individuals	1.9	1.7	1.7	1.6	1.7	1.8	1.7	1.8	1.8	1.7
- Legal Entities	4.3	3.3	3.4	2.9	3.0	3.1	2.9	3.4	4.0	3.6
- Regularization	0.7	0.6	0.6	0.7	0.9	0.8	0.6	1.0	1.6	0.9
2. Import taxes	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
3. General Sales Tax (IGV)	8.7	8.4	8.0	7.7	8.1	8.2	7.7	8.9	9.4	8.4
- Internal	5.0	5.0	4.7	4.5	4.7	4.9	4.5	4.9	5.1	4.8
- Imports	3.7	3.5	3.3	3.2	3.4	3.3	3.1	4.0	4.4	3.5
4. Selective Consumption Tax (ISC)	0.9	0.9	0.9	0.9	0.9	1.1	1.0	1.0	1.0	0.9
- Fuels	0.4	0.4	0.4	0.4	0.3	0.4	0.4	0.4	0.3	0.3
- Others	0.5	0.5	0.5	0.5	0.6	0.6	0.5	0.6	0.6	0.6
5. Other tax revenues	1.9	1.8	1.7	1.6	1.8	1.9	1.5	2.2	1.9	1.8
- Temporary Tax on Net Assets	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7
- Financial Transaction Tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Installment payments	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.5	0.2	0.2
- Special Tax on Mining	0.1	0.0	0.0	0.1	0.1	0.1	0.1	0.2	0.2	0.1
- Others	1.0	0.9	0.8	0.7	0.8	0.9	0.6	0.8	0.8	0.7
6. Tax refunds	-1.9	-1.9	-2.5	-2.4	-2.2	-2.3	-2.4	-2.3	-2.7	-2.4
<b>II. NON-TAX REVENUES</b>	<b>5.3</b>	<b>4.9</b>	<b>4.6</b>	<b>4.7</b>	<b>4.7</b>	<b>4.9</b>	<b>4.5</b>	<b>4.6</b>	<b>4.9</b>	<b>4.7</b>
1. Essalud and ONP contributions	2.2	2.3	2.2	2.1	2.2	2.2	2.2	2.1	2.0	2.0
2. Oil, gas and mining royalties	0.5	0.3	0.3	0.4	0.4	0.4	0.3	0.7	0.6	0.4
3. Oil canon	0.5	0.3	0.2	0.2	0.3	0.2	0.2	0.3	0.4	0.3
4. Other income 2/	2.1	2.1	1.9	2.0	1.8	2.1	1.8	1.6	1.9	2.0
<b>III. TOTAL (I+ II)</b>	<b>22.1</b>	<b>20.0</b>	<b>18.5</b>	<b>17.9</b>	<b>19.1</b>	<b>19.5</b>	<b>17.7</b>	<b>20.9</b>	<b>22.1</b>	<b>19.8</b>

1/ Preliminary.

2/ Includes own resources and current transfers, interest, profit transfers from Banco de la Nación and BCRP.

Source: Ministry of Economy and Finance, Banco de la Nación, BCRP and National Superintendence of Tax Administration and Customs.

Elaborated by: Central Management of Economic Studies.

## Appendix 39

## GENERAL GOVERNMENT EXPENDITURES

(Millions of soles)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>I. NON-FINANCIAL EXPENDITURES</b>	<b>123,784</b>	<b>129,891</b>	<b>130,789</b>	<b>139,822</b>	<b>149,210</b>	<b>154,385</b>	<b>177,542</b>	<b>194,200</b>	<b>206,522</b>	<b>209,589</b>
<b>1. Currents 89,372</b>	<b>96,700</b>	<b>100,119</b>	<b>106,775</b>	<b>113,070</b>	<b>119,362</b>	<b>145,305</b>	<b>150,235</b>	<b>149,625</b>	<b>156,416</b>	
a. Remunerations	34,072	35,449	39,051	42,667	46,167	49,151	53,046	54,226	55,563	62,618
b. Goods and Services	34,977	40,438	40,375	41,703	42,254	45,301	50,038	59,414	60,343	62,807
c. Transfers	20,323	20,813	20,692	22,404	24,649	24,911	42,222	36,595	33,719	30,990
<b>2. Capital expenditures</b>	<b>34,411</b>	<b>33,191</b>	<b>30,669</b>	<b>33,047</b>	<b>36,140</b>	<b>35,023</b>	<b>32,237</b>	<b>43,965</b>	<b>56,897</b>	<b>53,173</b>
a. Gross capital formation	29,660	27,171	27,263	28,364	31,348	30,440	27,076	36,867	43,791	46,299
b. Others	4,751	6,020	3,406	4,683	4,792	4,583	5,161	7,098	13,106	6,874
<b>II. INTERESTS</b>	<b>6,051</b>	<b>6,185</b>	<b>6,910</b>	<b>7,808</b>	<b>9,199</b>	<b>9,867</b>	<b>10,759</b>	<b>12,245</b>	<b>13,706</b>	<b>15,499</b>
1. Domestic debt	3,197	3,598	3,988	4,862	6,318	6,992	7,947	8,372	8,679	8,943
2. External debt	2,853	2,587	2,921	2,946	2,880	2,875	2,812	3,873	5,027	6,556
<b>III. TOTAL (I+II)</b>	<b>129,834</b>	<b>136,076</b>	<b>137,699</b>	<b>147,630</b>	<b>158,409</b>	<b>164,252</b>	<b>188,301</b>	<b>206,445</b>	<b>220,228</b>	<b>225,088</b>

1/ Preliminary.

Source: Ministry of Economy and Finance, Banco de la Nación and BCRP.

Elaborated by: Central Management of Economic Studies.

## Appendix 40

**GASTOS OF GENERAL GOVERNMENT**

(Percentage of GDP)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>I. NON-FINANCIAL EXPENDITURES</b>	<b>21.4</b>	<b>21.1</b>	<b>19.7</b>	<b>19.8</b>	<b>19.9</b>	<b>19.9</b>	<b>24.6</b>	<b>22.1</b>	<b>22.0</b>	<b>21.0</b>
<b>1. Currents</b>	<b>15.4</b>	<b>15.7</b>	<b>15.1</b>	<b>15.1</b>	<b>15.1</b>	<b>15.4</b>	<b>20.1</b>	<b>17.1</b>	<b>16.0</b>	<b>15.7</b>
a. Remunerations	5.9	5.8	5.9	6.0	6.2	6.3	7.4	6.2	5.9	6.3
b. Goods and Services	6.0	6.6	6.1	5.9	5.6	5.8	6.9	6.8	6.4	6.3
c. Transfers	3.5	3.4	3.1	3.2	3.3	3.2	5.9	4.2	3.6	3.1
<b>2. Capital expenditures</b>	<b>5.9</b>	<b>5.4</b>	<b>4.6</b>	<b>4.7</b>	<b>4.8</b>	<b>4.5</b>	<b>4.5</b>	<b>5.0</b>	<b>6.1</b>	<b>5.3</b>
a. Gross capital formation	5.1	4.4	4.1	4.0	4.2	3.9	3.8	4.2	4.7	4.6
b. Others	0.8	1.0	0.5	0.7	0.6	0.6	0.7	0.8	1.4	0.7
<b>II. INTERESTS</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.1</b>	<b>1.2</b>	<b>1.3</b>	<b>1.5</b>	<b>1.4</b>	<b>1.5</b>	<b>1.6</b>
1. Domestic debt	0.6	0.6	0.6	0.7	0.8	0.9	1.1	1.0	0.9	0.9
2. External debt	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.7
<b>III. TOTAL (I+II)</b>	<b>22.4</b>	<b>22.2</b>	<b>20.8</b>	<b>20.9</b>	<b>21.2</b>	<b>21.1</b>	<b>26.1</b>	<b>23.5</b>	<b>23.5</b>	<b>22.5</b>

1/ Preliminary.

Source: Ministry of Economy and Finance, Banco de la Nación and BCRP.

Elaborated by: Central Management of Economic Studies.



## Appendix 41

## REGIONAL GOVERNMENT OPERATIONS

(Millions of soles)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>I. CURRENT INCOME</b>	<b>20,272</b>	<b>20,724</b>	<b>21,957</b>	<b>25,314</b>	<b>27,656</b>	<b>29,824</b>	<b>32,824</b>	<b>37,706</b>	<b>39,100</b>	<b>42,425</b>
<b>II. NON-FINANCIAL EXPENDITURES</b>	<b>23,816</b>	<b>24,510</b>	<b>26,017</b>	<b>28,803</b>	<b>31,402</b>	<b>33,329</b>	<b>36,761</b>	<b>40,580</b>	<b>43,632</b>	<b>50,670</b>
1. Current expenditures	17,353	18,484	20,277	22,861	24,930	26,855	30,403	32,974	33,454	38,512
2. Capital expenditures	6,463	6,026	5,741	5,942	6,472	6,474	6,358	7,606	10,177	12,158
<b>III. CAPITAL INCOME</b>	<b>4,747</b>	<b>4,543</b>	<b>4,821</b>	<b>5,221</b>	<b>4,886</b>	<b>5,657</b>	<b>4,909</b>	<b>5,285</b>	<b>8,690</b>	<b>9,702</b>
<b>IV. PRIMARY RESULT (I-II+III)</b>	<b>1,203</b>	<b>757</b>	<b>761</b>	<b>1,732</b>	<b>1,140</b>	<b>2,151</b>	<b>972</b>	<b>2,411</b>	<b>4,157</b>	<b>1,457</b>
<b>V. INTERESTS</b>	<b>22</b>	<b>43</b>	<b>39</b>	<b>53</b>	<b>53</b>	<b>46</b>	<b>32</b>	<b>37</b>	<b>100</b>	<b>44</b>
<b>VI. ECONOMIC RESULT (IV-V)</b>	<b>1,181</b>	<b>714</b>	<b>722</b>	<b>1,679</b>	<b>1,087</b>	<b>2,106</b>	<b>940</b>	<b>2,374</b>	<b>4,057</b>	<b>1,413</b>

1/ Preliminary.

Source: Ministry of Economy and Finance.

Elaborated by: Central Management of Economic Studies.

## Appendix 42

**REGIONAL GOVERNMENT OPERATIONS**

(Percentage of GDP)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>I. CURRENT INCOME</b>	<b>3.5</b>	<b>3.4</b>	<b>3.3</b>	<b>3.6</b>	<b>3.7</b>	<b>3.8</b>	<b>4.5</b>	<b>4.3</b>	<b>4.2</b>	<b>4.2</b>
<b>II. NON-FINANCIAL EXPENDITURES</b>	<b>4.1</b>	<b>4.0</b>	<b>3.9</b>	<b>4.1</b>	<b>4.2</b>	<b>4.3</b>	<b>5.1</b>	<b>4.6</b>	<b>4.7</b>	<b>5.1</b>
1. Current expenditures	3.0	3.0	3.1	3.2	3.3	3.5	4.2	3.8	3.6	3.9
2. Capital expenditures	1.1	1.0	0.9	0.8	0.9	0.8	0.9	0.9	1.1	1.2
<b>III. CAPITAL INCOME</b>	<b>0.8</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>0.6</b>	<b>0.9</b>	<b>1.0</b>
<b>IV. PRIMARY RESULT (I-II+III)</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>	<b>0.3</b>	<b>0.1</b>	<b>0.3</b>	<b>0.4</b>	<b>0.1</b>
<b>V. INTERESTS</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>VI. ECONOMIC RESULT (IV-V)</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>	<b>0.3</b>	<b>0.1</b>	<b>0.3</b>	<b>0.4</b>	<b>0.1</b>

1/ Preliminary.

Source: Ministry of Economy and Finance.

Elaborated by: Central Management of Economic Studies.

## Appendix 43

**LOCAL GOVERNMENT OPERATIONS**

(Millions of soles)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>I. CURRENT INCOME</b>	<b>16,700</b>	<b>15,774</b>	<b>15,184</b>	<b>16,337</b>	<b>19,022</b>	<b>19,415</b>	<b>26,763</b>	<b>27,365</b>	<b>32,199</b>	<b>30,434</b>
<b>II. NON-FINANCIAL EXPENDITURES</b>	<b>24,412</b>	<b>21,024</b>	<b>22,800</b>	<b>23,923</b>	<b>26,685</b>	<b>24,292</b>	<b>26,645</b>	<b>31,745</b>	<b>37,326</b>	<b>35,782</b>
1. Current expenditures	10,440	10,231	11,000	11,253	11,770	11,988	15,439	15,924	16,727	17,512
2. Capital expenditures	13,972	10,793	11,800	12,671	14,914	12,304	11,206	15,822	20,599	18,270
<b>III. CAPITAL INCOME</b>	<b>7,339</b>	<b>6,610</b>	<b>6,919</b>	<b>9,102</b>	<b>7,358</b>	<b>8,358</b>	<b>7,210</b>	<b>8,704</b>	<b>9,131</b>	<b>10,061</b>
<b>IV. PRIMARY RESULT (I-II+III)</b>	<b>- 374</b>	<b>1,360</b>	<b>- 697</b>	<b>1,516</b>	<b>- 305</b>	<b>3,482</b>	<b>7,328</b>	<b>4,323</b>	<b>4,005</b>	<b>4,713</b>
<b>V. INTERESTS</b>	<b>41</b>	<b>30</b>	<b>28</b>	<b>36</b>	<b>68</b>	<b>55</b>	<b>50</b>	<b>35</b>	<b>25</b>	<b>25</b>
<b>VI. ECONOMIC RESULT (IV-V)</b>	<b>- 415</b>	<b>1,331</b>	<b>- 725</b>	<b>1,481</b>	<b>- 374</b>	<b>3,426</b>	<b>7,278</b>	<b>4,289</b>	<b>3,980</b>	<b>4,688</b>

1/ Preliminary.

Source: Ministry of Economy and Finance.

Elaborated by: Central Management of Economic Studies.

## Appendix 44

**LOCAL GOVERNMENT OPERATIONS**

(Percentage of GDP)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>I. CURRENT INCOME</b>	<b>2.9</b>	<b>2.6</b>	<b>2.3</b>	<b>2.3</b>	<b>2.5</b>	<b>2.5</b>	<b>3.7</b>	<b>3.1</b>	<b>3.4</b>	<b>3.0</b>
<b>II. NON-FINANCIAL EXPENDITURES</b>	<b>4.2</b>	<b>3.4</b>	<b>3.4</b>	<b>3.4</b>	<b>3.6</b>	<b>3.1</b>	<b>3.7</b>	<b>3.6</b>	<b>4.0</b>	<b>3.6</b>
1. Current expenditures	1.8	1.7	1.7	1.6	1.6	1.5	2.1	1.8	1.8	1.8
2. Capital expenditures	2.4	1.8	1.8	1.8	2.0	1.6	1.6	1.8	2.2	1.8
<b>III. CAPITAL INCOME</b>	<b>1.3</b>	<b>1.1</b>	<b>1.0</b>	<b>1.3</b>	<b>1.0</b>	<b>1.1</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>
<b>IV. PRIMARY RESULT (I-II+III)</b>	<b>-0.1</b>	<b>0.2</b>	<b>-0.1</b>	<b>0.2</b>	<b>0.0</b>	<b>0.4</b>	<b>1.0</b>	<b>0.5</b>	<b>0.4</b>	<b>0.5</b>
<b>V. INTERESTS</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>VI. ECONOMIC RESULT (IV-V)</b>	<b>-0.1</b>	<b>0.2</b>	<b>-0.1</b>	<b>0.2</b>	<b>0.0</b>	<b>0.4</b>	<b>1.0</b>	<b>0.5</b>	<b>0.4</b>	<b>0.5</b>

1/ Preliminary.

Source: Ministry of Economy and Finance.

Elaborated by: Central Management of Economic Studies.

## Appendix 45

## OPERATIONS OF NON-FINANCIAL STATE-OWNED ENTERPRISES

(Millions of soles)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>I. CURRENT INCOME</b>	<b>30,969</b>	<b>29,289</b>	<b>29,695</b>	<b>32,279</b>	<b>37,496</b>	<b>37,498</b>	<b>28,823</b>	<b>39,097</b>	<b>45,787</b>	<b>42,670</b>
1 Petroperú	19,261	15,987	15,296	17,711	22,207	21,632	14,804	20,801	26,286	19,763
2 Electroperú	1,251	1,334	1,926	2,373	2,523	2,572	2,751	3,581	3,682	3,862
3 Regional Electricity	4,836	5,552	6,144	5,847	6,174	6,592	5,878	7,975	8,770	9,606
4 Sedapal	1,581	1,785	1,767	1,916	2,207	2,266	1,983	2,290	2,607	2,912
5 Others	4,040	4,631	4,561	4,433	4,386	4,437	3,406	4,451	4,441	6,526
<b>II. NON-FINANCIAL EXPENDITURES</b>	<b>28,777</b>	<b>25,645</b>	<b>26,309</b>	<b>30,090</b>	<b>35,215</b>	<b>33,265</b>	<b>28,314</b>	<b>34,632</b>	<b>48,112</b>	<b>37,563</b>
1 Petroperú	19,280	14,794	14,543	17,279	22,249	19,311	13,377	18,934	30,689	18,678
2 Electroperú	1,058	1,189	1,862	2,195	2,327	2,707	2,457	3,199	3,820	4,077
3 Regional Electricity	4,070	4,571	5,002	4,949	5,113	5,550	5,667	6,460	7,505	8,257
4 Sedapal	1,094	1,098	1,252	1,180	1,331	1,405	1,476	1,606	1,778	1,824
5 Others	3,276	3,993	3,649	4,486	4,195	4,293	5,337	4,433	4,319	4,726
<b>III. CAPITAL EXPENDITURES</b>	<b>3,282</b>	<b>3,374</b>	<b>4,617</b>	<b>4,396</b>	<b>4,290</b>	<b>5,457</b>	<b>4,132</b>	<b>4,511</b>	<b>3,642</b>	<b>3,998</b>
1 Petroperú	1,353	1,860	2,999	2,525	2,365	3,566	2,835	2,659	1,587	1,461
2 Electroperú	58	49	67	47	28	49	46	57	79	35
3 Regional Electricity	689	644	432	522	528	498	289	389	447	544
4 Sedapal	581	375	520	645	704	706	448	797	930	1,385
5 Others	600	446	599	656	665	639	515	608	600	574
<b>IV. CAPITAL INCOME</b>	<b>890</b>	<b>455</b>	<b>172</b>	<b>1,617</b>	<b>414</b>	<b>258</b>	<b>403</b>	<b>1,150</b>	<b>4,380</b>	<b>276</b>
<b>V. PRIMARY RESULT (I-II-III+IV)</b>	<b>- 200</b>	<b>725</b>	<b>-1,059</b>	<b>- 589</b>	<b>-1,595</b>	<b>- 966</b>	<b>-3,220</b>	<b>1,105</b>	<b>-1,586</b>	<b>1,386</b>
1 Petroperú	-1,372	- 668	-2,246	-1,037	-2,408	-1,245	-1,408	- 257	-1,989	- 376
2 Electroperú	135	97	- 3	131	168	- 184	248	324	- 216	- 249
3 Regional Electricity	239	542	754	632	653	612	- 4	1,146	902	901
4 Sedapal	470	509	24	99	172	155	143	216	- 95	- 152
5 Others	328	245	412	- 414	- 180	- 305	-2,199	- 325	- 188	1,261
<b>VI. INTERESTS</b>	<b>165</b>	<b>203</b>	<b>272</b>	<b>548</b>	<b>816</b>	<b>797</b>	<b>737</b>	<b>955</b>	<b>980</b>	<b>1,202</b>
<b>VII. ECONOMIC RESULT 2/</b>	<b>- 365</b>	<b>522</b>	<b>-1,331</b>	<b>-1,137</b>	<b>-2,411</b>	<b>-1,763</b>	<b>-3,957</b>	<b>150</b>	<b>-2,566</b>	<b>184</b>
1 Petroperú	-1,450	- 761	-2,399	-1,465	-3,083	-1,876	-2,012	-1,107	-2,846	-1,313
2 Electroperú	135	97	- 3	131	168	- 184	248	324	- 219	- 277
3 Regional Electricity	213	511	716	597	624	579	- 30	1,131	870	810
4 Sedapal	413	443	- 45	25	77	36	44	133	- 180	- 296
5 Others	323	233	399	- 426	- 196	- 318	-2,207	- 331	- 192	1,259

1/ Preliminary.

2/ Refers to the difference between cash receipts and cash payments reflected in the cash flow; since 2018, in the case of business treatment entities (ETES), included in others, the information corresponds to the accrual basis. The concept of profit refers to the difference between revenues and expenses that are recorded on an accrual basis and shown in the income statement.

Source: State-owned enterprises, Fondo Nacional de Financiamiento de la Actividad Empresarial del Estado (FONAFE) and MEF.

Elaborated by: Central Management of Economic Studies.

## Appendix 46

## OPERACIONES OF LAS COMPAÑIAS ESTATALES NO FINANCIERAS

(Percentage of GDP)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>I. CURRENT INCOME</b>	<b>5.4</b>	<b>4.8</b>	<b>4.5</b>	<b>4.6</b>	<b>5.0</b>	<b>4.8</b>	<b>4.0</b>	<b>4.5</b>	<b>4.9</b>	<b>4.3</b>
1. Petroperú	3.3	2.6	2.3	2.5	3.0	2.8	2.1	2.4	2.8	2.0
2. Electroperú	0.2	0.2	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4
3. Regional Electricity	0.8	0.9	0.9	0.8	0.8	0.8	0.8	0.9	0.9	1.0
4. Sedapal	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
5. Others	0.7	0.8	0.7	0.6	0.6	0.6	0.5	0.5	0.5	0.7
<b>II. NON-FINANCIAL EXPENDITURES</b>	<b>5.0</b>	<b>4.2</b>	<b>4.0</b>	<b>4.3</b>	<b>4.7</b>	<b>4.3</b>	<b>3.9</b>	<b>3.9</b>	<b>5.1</b>	<b>3.8</b>
1. Petroperú	3.3	2.4	2.2	2.4	3.0	2.5	1.9	2.2	3.3	1.9
2. Electroperú	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4
3. Regional Electricity	0.7	0.7	0.8	0.7	0.7	0.7	0.8	0.7	0.8	0.8
4. Sedapal	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
5. Others	0.6	0.7	0.6	0.6	0.6	0.6	0.7	0.5	0.5	0.5
<b>III. CAPITAL EXPENDITURES</b>	<b>0.6</b>	<b>0.5</b>	<b>0.7</b>	<b>0.6</b>	<b>0.6</b>	<b>0.7</b>	<b>0.6</b>	<b>0.5</b>	<b>0.4</b>	<b>0.4</b>
1. Petroperú	0.2	0.3	0.5	0.4	0.3	0.5	0.4	0.3	0.2	0.1
2. Electroperú	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3. Regional Electricity	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.1
4. Sedapal	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
5. Others	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>IV. CAPITAL INCOME</b>	<b>0.2</b>	<b>0.1</b>	<b>0.0</b>	<b>0.2</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.5</b>	<b>0.0</b>
<b>V. PRIMARY RESULT (I-II-III+IV)</b>	<b>0.0</b>	<b>0.1</b>	<b>-0.2</b>	<b>-0.1</b>	<b>-0.2</b>	<b>-0.1</b>	<b>-0.4</b>	<b>0.1</b>	<b>-0.2</b>	<b>0.1</b>
1. Petroperú	-0.2	-0.1	-0.3	-0.1	-0.3	-0.2	-0.2	0.0	-0.2	0.0
2. Electroperú	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3. Regional Electricity	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1
4. Sedapal	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5. Others	0.1	0.0	0.1	-0.1	0.0	0.0	-0.3	0.0	0.0	0.1
<b>VI. INTERESTS</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
<b>VII. ECONOMIC RESULT 2/</b>	<b>-0.1</b>	<b>0.1</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.3</b>	<b>-0.2</b>	<b>-0.5</b>	<b>0.0</b>	<b>-0.3</b>	<b>0.0</b>
1. Petroperú	-0.3	-0.1	-0.4	-0.2	-0.4	-0.2	-0.3	-0.1	-0.3	-0.1
2. Electroperú	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3. Regional Electricity	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1
4. Sedapal	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5. Others	0.1	0.0	0.1	-0.1	0.0	0.0	-0.3	0.0	0.0	0.1

1/ Preliminary.

2/ Refers to the difference between cash receipts and cash payments reflected in the cash flow; since 2018, in the case of business treatment entities (ETES), included in others, the information corresponds to the accrual basis. The concept of profit refers to the difference between revenues and expenses that are recorded on an accrual basis and shown in the income statement.

Source: State-owned enterprises, Fondo Nacional de Financiamiento de la Actividad Empresarial del Estado (FONAFE) and MEF.

Elaborated by: Central Management of Economic Studies.

## Appendix 47

## NET DEBT OF THE NON-FINANCIAL PUBLIC SECTOR

Years (Balance as of December)	Millions of soles			Percentage of GDP		
	Assets	Liabilities	Net Debt	Assets	Liabilities	Net Debt
<b>2014</b>	96,994	114,432	17,438	16.8	19.8	3.0
<b>2015</b>	109,033	142,241	33,208	17.8	23.2	5.4
<b>2016</b>	111,649	156,663	45,014	16.8	23.6	6.8
<b>2017</b>	107,407	173,976	66,569	15.2	24.6	9.4
<b>2018</b>	107,091	190,789	83,698	14.3	25.5	11.2
<b>2019</b>	105,998	206,301	100,303	13.6	26.5	12.9
<b>2020</b>	89,019	249,197	160,177	12.3	34.5	22.2
<b>2021 1/</b>	124,168	314,890	190,722	14.1	35.8	21.7
<b>2022 1/</b>	120,140	317,305	197,166	12.8	33.9	21.1
<b>2023 1/</b>	103,964	329,234	225,270	10.4	32.9	22.5

1/ Preliminary.

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

Elaborated by: Central Management of Economic Studies.

## Appendix 48

**INFLATION**

(Percentage changes)

	Weighting	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>CPI</b>	<b>100.0</b>	<b>3.22</b>	<b>4.40</b>	<b>3.23</b>	<b>1.36</b>	<b>2.19</b>	<b>1.90</b>	<b>1.97</b>	<b>6.43</b>	<b>8.46</b>	<b>3.24</b>
<b>1. CPI without food and energy</b>	<b>55.3</b>	<b>2.51</b>	<b>3.49</b>	<b>2.87</b>	<b>2.15</b>	<b>2.21</b>	<b>2.30</b>	<b>1.76</b>	<b>3.24</b>	<b>5.59</b>	<b>2.90</b>
a. Goods	17.4	2.43	3.57	3.41	1.24	2.25	1.39	1.52	2.62	5.28	2.68
b. Services	37.9	2.55	3.44	2.54	2.70	2.19	2.86	1.91	3.61	5.72	3.01
<b>2. Food and energy</b>	<b>44.7</b>	<b>4.08</b>	<b>5.47</b>	<b>3.66</b>	<b>0.46</b>	<b>2.17</b>	<b>1.43</b>	<b>2.22</b>	<b>10.18</b>	<b>12.02</b>	<b>3.63</b>
a. Food	40.0	4.83	5.37	3.54	0.31	1.95	1.00	2.24	7.97	12.64	4.80
b. Energy	4.8	-0.85	6.20	4.48	1.55	3.67	4.32	2.13	24.41	6.77	-6.79
Fuels	2.1	-5.59	-6.33	0.61	3.95	5.35	-0.39	-4.20	47.20	1.05	-6.36
Electricity	2.6	4.37	18.71	7.53	-0.21	2.39	8.04	6.73	9.50	11.46	-7.11

Source: National Institute of Statistics and Informatics.  
 Elaborated by: Central Management of Economic Studies.



## Appendix 49

## CONSUMER PRICE INDEX

(Percentage changes)

	2014		2015		2016		2017		2018		2019		2020		2021		2022		2023	
	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months
January	0.32	3.07	0.17	3.07	0.37	4.61	0.24	3.10	0.13	1.25	0.07	2.13	0.05	1.89	0.74	2.68	0.04	5.68	0.23	8.66
February	0.60	3.78	0.30	2.77	0.17	4.47	0.32	3.25	0.25	1.18	0.13	2.00	0.14	1.90	-0.13	2.40	0.31	6.15	0.29	8.65
March	0.52	3.38	0.76	3.02	0.60	4.30	1.30	3.97	0.49	0.36	0.73	2.25	0.65	1.82	0.84	2.60	1.48	6.82	1.25	8.40
April	0.39	3.52	0.39	3.02	0.01	3.91	-0.26	3.69	-0.14	0.48	0.20	2.59	0.10	1.72	-0.10	2.38	0.96	7.96	0.56	7.97
May	0.23	3.56	0.56	3.37	0.21	3.54	-0.42	3.04	0.02	0.93	0.15	2.73	0.20	1.78	0.27	2.45	0.38	8.09	0.32	7.89
June	0.16	3.45	0.33	3.54	0.14	3.34	-0.16	2.73	0.33	1.43	-0.09	2.29	-0.27	1.60	0.52	3.25	1.19	8.81	-0.15	6.46
July	0.43	3.33	0.45	3.56	0.08	2.96	0.20	2.85	0.38	1.62	0.20	2.11	0.46	1.86	1.01	3.81	0.94	8.74	0.39	5.88
August	-0.09	2.69	0.38	4.04	0.36	2.94	0.67	3.17	0.13	1.07	0.06	2.04	-0.11	1.69	0.98	4.95	0.67	8.40	0.38	5.58
September	0.16	2.74	0.03	3.90	0.21	3.13	-0.02	2.94	0.19	1.28	0.01	1.85	0.14	1.82	0.40	5.23	0.52	8.53	0.02	5.04
October	0.38	3.09	0.14	3.66	0.41	3.41	-0.47	2.04	0.08	1.84	0.11	1.88	0.02	1.72	0.58	5.83	0.35	8.28	-0.32	4.34
November	-0.15	3.16	0.34	4.17	0.29	3.35	-0.20	1.54	0.12	2.17	0.11	1.87	0.52	2.14	0.36	5.66	0.52	8.45	-0.16	3.64
December	0.23	3.22	0.45	4.40	0.33	3.23	0.16	1.36	0.18	2.19	0.21	1.90	0.05	1.97	0.78	6.43	0.79	8.46	0.41	3.24
Memo:																				
Annual average	3.25		3.55		3.59		2.80		1.32		2.14		1.83		3.98		7.88		6.26	

Source: National Institute of Statistics and Informatics.  
 Elaborated by: Central Management of Economic Studies.

## Appendix 50

## CPI WITHOUT FOOD AND ENERGY

(Percentage changes)

	2014		2015		2016		2017		2018		2019		2020		2021		2022		2023	
	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months
January	0.03	2.95	0.00	2.48	-0.07	3.42	0.04	2.98	-0.13	1.97	0.05	2.40	0.07	2.31	0.00	1.69	-0.16	3.08	0.05	5.80
February	0.19	2.96	0.16	2.45	0.52	3.79	0.14	2.59	0.14	1.97	0.12	2.39	0.15	2.34	0.03	1.57	0.21	3.26	0.27	5.87
March	0.78	2.78	0.91	2.58	0.70	3.58	0.84	2.72	0.85	1.99	1.02	2.56	0.42	1.73	0.64	1.79	0.83	3.46	0.88	5.92
April	0.20	2.83	0.34	2.74	0.03	3.25	0.09	2.79	0.01	1.91	0.04	2.59	0.18	1.87	0.11	1.72	0.45	3.81	0.20	5.66
May	0.14	2.82	0.25	2.84	0.32	3.33	0.08	2.54	0.17	2.00	0.14	2.56	0.13	1.86	0.17	1.76	0.60	4.26	0.08	5.11
June	0.11	2.77	0.26	3.00	0.21	3.28	0.06	2.38	0.28	2.23	0.02	2.30	0.07	1.91	0.20	1.89	0.86	4.95	0.14	4.35
July	0.24	2.73	0.59	3.36	0.19	2.87	0.17	2.36	0.27	2.33	0.12	2.15	0.03	1.81	0.28	2.14	0.74	5.44	0.29	3.89
August	-0.03	2.56	0.09	3.48	0.17	2.96	0.38	2.57	0.09	2.04	0.14	2.20	0.11	1.79	0.35	2.39	0.31	5.39	0.24	3.81
September	0.09	2.57	0.06	3.44	0.11	3.01	-0.01	2.45	0.04	2.09	0.01	2.16	0.05	1.83	0.23	2.57	0.33	5.51	0.13	3.61
October	0.12	2.56	0.14	3.46	0.12	3.00	0.02	2.35	0.06	2.13	0.23	2.34	0.08	1.68	0.30	2.79	0.50	5.72	0.22	3.32
November	0.13	2.50	0.12	3.46	0.15	3.02	0.03	2.23	0.07	2.16	0.04	2.31	0.11	1.75	0.23	2.91	0.23	5.71	0.00	3.09
December	0.49	2.51	0.53	3.49	0.38	2.87	0.29	2.15	0.34	2.21	0.34	2.30	0.34	1.76	0.66	3.24	0.54	5.59	0.36	2.90
Memo:																				
<b>Annual average</b>	<b>2.71</b>		<b>3.07</b>		<b>3.20</b>		<b>2.51</b>		<b>2.08</b>		<b>2.35</b>		<b>1.89</b>		<b>2.21</b>		<b>4.69</b>		<b>4.42</b>	

Source: National Institute of Statistics and Informatics.  
 Elaborated by: Central Management of Economic Studies.

## Appendix 51

**CPI FOOD AND ENERGY**

(Percentage changes)

	2014		2015		2016		2017		2018		2019		2020		2021		2022		2023	
	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months
January	0.66	3.20	0.37	3.78	0.88	6.01	0.46	3.23	0.43	0.43	0.08	1.81	0.04	1.39	1.62	3.84	0.28	8.72	0.43	12.19
February	1.09	4.76	0.48	3.14	-0.22	5.28	0.53	4.01	0.38	0.28	0.13	1.55	0.13	1.39	-0.31	3.38	0.44	9.54	0.32	12.05
March	0.21	4.10	0.60	3.54	0.47	5.15	1.84	5.43	0.06	-1.47	0.38	1.88	0.91	1.93	1.07	3.55	2.28	10.85	1.69	11.41
April	0.63	4.36	0.45	3.35	-0.01	4.68	-0.65	4.75	-0.31	-1.13	0.39	2.60	0.01	1.55	-0.35	3.17	1.57	12.98	0.96	10.74
May	0.32	4.44	0.94	3.98	0.08	3.78	-1.00	3.62	-0.16	-0.30	0.15	2.92	0.30	1.69	0.38	3.26	0.14	12.71	0.59	11.25
June	0.22	4.26	0.42	4.19	0.06	3.41	-0.41	3.14	0.40	0.51	-0.21	2.28	-0.66	1.24	0.90	4.87	1.59	13.48	-0.49	8.98
July	0.67	4.05	0.29	3.80	-0.04	3.07	0.24	3.43	0.51	0.79	0.30	2.07	0.98	1.92	1.85	5.78	1.18	12.74	0.51	8.26
August	-0.15	2.84	0.72	4.70	0.58	2.93	1.01	3.87	0.18	-0.04	-0.03	1.85	-0.37	1.57	1.70	7.98	1.09	12.06	0.53	7.66
September	0.24	2.93	-0.01	4.44	0.32	3.26	-0.03	3.52	0.37	0.35	0.01	1.49	0.24	1.81	0.59	8.36	0.74	12.23	-0.12	6.73
October	0.68	3.71	0.15	3.89	0.75	3.88	-1.03	1.69	0.11	1.51	-0.03	1.35	-0.06	1.78	0.90	9.40	0.17	11.42	-0.94	5.55
November	-0.48	3.95	0.60	5.02	0.46	3.73	-0.46	0.76	0.19	2.17	0.19	1.35	1.00	2.60	0.50	8.86	0.86	11.82	-0.35	4.28
December	-0.08	4.08	0.35	5.47	0.29	3.66	0.00	0.46	-0.01	2.17	0.07	1.43	-0.30	2.22	0.92	10.18	1.09	12.02	0.46	3.63
Memo:																				
<b>Annual average</b>	<b>3.88</b>		<b>4.11</b>		<b>4.06</b>		<b>3.15</b>		<b>0.43</b>		<b>1.88</b>		<b>1.76</b>		<b>6.06</b>		<b>11.73</b>		<b>8.46</b>	

Source: National Institute of Statistics and Informatics.  
 Elaborated by: Central Management of Economic Studies.

## Appendix 52

## NOMINAL EXCHANGE RATE - END OF PERIOD 1/

(Percentage changes)

	2014		2015		2016		2017		2018		2019		2020		2021		2022		2023	
	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months
January	0.9	9.5	2.3	8.4	1.7	13.5	-2.2	-5.3	-0.9	-2.1	-1.3	3.7	1.8	1.2	0.5	7.9	-3.8	5.6	0.8	0.1
February	-0.7	8.3	1.2	10.5	1.6	14.0	-0.7	-7.5	1.4	-0.1	-0.9	1.3	2.2	4.4	0.2	5.8	-2.3	3.0	-1.1	1.4
March	0.3	8.5	0.1	10.3	-5.6	7.5	-0.4	-2.4	-1.0	-0.6	0.5	2.8	-0.3	3.6	2.9	9.2	-1.5	-1.5	-1.2	1.7
April	0.0	6.2	1.0	11.3	-1.6	4.7	-0.1	-0.9	0.7	0.1	-0.3	1.9	-1.7	2.1	0.9	12.1	3.7	1.2	-1.2	-3.1
May	-1.5	1.2	1.0	14.1	3.1	6.8	0.8	-3.0	0.7	0.1	1.8	2.9	1.5	1.9	0.9	11.4	-3.4	-3.1	-1.0	-0.7
June	1.0	0.5	0.7	13.7	-2.4	3.6	-0.5	-1.1	0.0	0.6	-2.4	0.5	3.1	7.6	1.0	9.2	3.3	-0.9	-1.3	-5.1
July	0.0	0.1	0.4	14.1	2.1	5.3	-0.4	-3.5	0.0	1.0	0.6	1.1	-0.3	6.6	4.6	14.6	2.5	-2.9	-0.5	-7.9
August	1.7	1.3	1.4	13.8	1.0	4.9	0.0	-4.5	0.7	1.7	2.7	3.1	0.5	4.4	1.0	15.2	-2.0	-5.8	2.4	-3.8
September	1.7	4.0	-0.4	11.4	0.2	5.6	0.8	-4.0	0.1	1.1	-0.4	2.5	1.5	6.3	1.2	14.9	3.6	-3.7	2.6	-4.7
October	1.1	5.5	2.0	12.5	-1.1	2.4	-0.5	-3.4	2.0	3.6	-1.1	-0.5	0.4	7.9	-3.5	10.4	0.2	0.0	1.2	-3.8
November	-0.1	4.2	2.7	15.6	1.4	1.1	-0.5	-5.2	0.4	4.5	1.5	0.5	-0.1	6.2	1.9	12.6	-3.5	-5.2	-2.7	-3.0
December	2.4	6.9	1.1	14.2	-1.6	-1.6	0.3	-3.4	-0.1	4.1	-2.4	-1.8	0.4	9.3	-1.7	10.3	-0.9	-4.5	-0.7	-2.8
<b>Annual average</b>	<b>4.6</b>		<b>12.5</b>		<b>5.5</b>		<b>-3.7</b>		<b>1.2</b>		<b>1.5</b>		<b>5.1</b>		<b>11.2</b>		<b>-1.6</b>		<b>-2.7</b>	

1/ Corresponds to the bank selling exchange rate.  
Source: Superintendency of Banking, Insurance and AFPs  
Elaborated by: Central Management of Economic Studies.

## Appendix 53

## NOMINAL EXCHANGE RATE - PERIOD AVERAGE 1/

(Percentage changes)

	2014		2015		2016		2017		2018		2019		2020		2021		2022		2023	
	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months
January	0.8	10.1	1.5	7.0	1.6	14.4	-1.6	-2.8	-1.0	-3.7	-0.6	4.0	-0.8	-0.5	0.6	8.9	-3.7	7.4	0.0	-1.5
February	0.1	9.1	2.4	9.5	2.0	13.9	-2.4	-7.0	1.0	-0.4	-0.7	2.3	1.9	2.1	0.6	7.5	-2.5	4.0	0.2	1.3
March	-0.2	8.2	0.4	10.2	-2.8	10.2	0.1	-4.2	0.1	-0.4	-0.5	1.6	3.0	5.7	1.7	6.2	-1.4	0.9	-1.6	1.1
April	-0.4	7.6	0.9	11.7	-3.1	5.8	-0.5	-1.7	-0.7	-0.5	0.0	2.3	-2.7	2.9	-0.2	8.9	0.0	1.1	-0.4	0.7
May	-0.3	5.4	1.0	13.1	1.0	5.9	0.8	-1.8	1.3	0.0	0.9	1.8	0.7	2.7	2.0	10.3	0.5	-0.4	-2.0	-1.8
June	0.3	1.7	0.3	13.1	-0.5	4.9	-0.2	-1.5	-0.1	0.1	-0.2	1.7	1.4	4.3	3.7	12.8	-0.3	-4.2	-1.0	-2.6
July	-0.3	0.3	0.6	14.2	-0.5	3.7	-0.6	-1.5	0.2	0.9	-1.1	0.4	1.4	6.9	0.7	12.1	4.1	-0.9	-1.3	-7.7
August	1.0	0.5	1.8	15.1	1.0	2.9	-0.2	-2.8	0.3	1.4	2.6	2.7	1.3	5.5	3.7	14.7	-0.8	-5.2	2.6	-4.6
September	1.8	3.1	-0.6	12.4	1.5	5.1	0.1	-4.0	0.7	2.0	-0.6	1.4	-0.2	5.9	0.5	15.6	0.6	-5.1	0.9	-4.3
October	1.5	4.9	0.9	11.8	0.1	4.2	0.2	-4.0	0.7	2.5	0.1	0.8	1.1	7.0	-2.2	11.7	2.1	-0.9	3.1	-3.4
November	0.7	4.5	2.7	14.1	0.5	2.0	-0.3	-4.8	1.2	4.1	0.4	-0.1	0.4	7.0	0.1	11.4	-2.5	-3.5	-2.1	-3.0
December	1.3	6.4	1.4	14.2	-0.2	0.4	0.2	-4.4	-0.3	3.6	-0.5	-0.3	-0.1	7.4	0.5	12.1	-1.2	-5.1	-0.7	-2.5
<b>Annual average</b>	<b>5.1</b>		<b>12.2</b>		<b>6.0</b>		<b>-3.4</b>		<b>0.8</b>		<b>1.5</b>		<b>4.7</b>		<b>11.1</b>		<b>-1.2</b>		<b>-2.4</b>	

1/ Corresponds to the bank selling exchange rate.  
Source: Superintendency of Banking, Insurance and AFPs.  
Elaborated by: Central Management of Economic Studies.

## Appendix 54

**MULTILATERAL REAL EXCHANGE RATE**

(Percentage changes)

	2014		2015		2016		2017		2018		2019		2020		2021		2022		2023	
	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months	Monthly	12 months
January	0.6	7.7	0.5	0.5	0.0	2.5	-0.8	-3.8	1.3	2.7	0.6	-1.5	0.4	-0.9	0.8	10.0	-2.7	4.0	2.4	-8.7
February	-0.3	5.5	2.0	2.8	3.2	3.6	-1.8	-8.4	2.3	6.9	0.1	-3.6	1.0	-0.1	1.0	10.0	-1.7	1.2	-0.2	-7.3
March	-0.4	6.1	-1.8	1.4	-2.1	3.3	-1.3	-7.7	-0.9	7.4	-1.2	-3.9	0.0	1.2	0.1	10.0	-2.2	-1.1	-3.2	-8.2
April	-0.3	5.7	1.2	2.9	-1.8	0.3	0.4	-5.7	-0.4	6.5	-0.1	-3.5	-4.6	-3.4	0.3	15.7	-1.1	-2.5	0.1	-7.1
May	-0.1	4.1	1.2	4.3	0.4	-0.5	1.4	-4.7	-0.4	4.6	-0.6	-3.7	0.0	-2.9	3.2	19.4	-2.2	-7.5	-2.9	-7.8
June	0.1	0.9	-0.3	3.8	-0.9	-1.1	0.6	-3.3	-1.5	2.5	0.2	-2.1	3.4	0.3	3.3	19.3	-1.0	-11.4	-1.3	-8.1
July	-0.7	0.0	-0.6	4.0	-0.8	-1.3	0.0	-2.5	-1.6	0.8	-0.7	-1.2	1.6	2.6	-0.9	16.4	1.6	-9.1	-1.1	-10.5
August	0.6	0.1	-0.6	2.7	1.4	0.7	0.6	-3.3	-0.4	-0.3	0.9	0.2	2.8	4.5	2.6	16.1	-1.2	-12.5	1.5	-8.1
September	1.0	1.3	-1.6	0.1	1.3	3.6	1.5	-3.1	0.4	-1.3	-0.8	-1.0	0.7	6.1	0.4	15.8	-1.9	-14.5	0.2	-6.1
October	0.3	1.1	1.3	1.0	-0.9	1.4	-0.2	-2.4	0.5	-0.6	0.8	-0.7	1.6	6.9	-2.5	11.2	0.4	-12.0	2.6	-4.0
November	-0.3	0.1	1.6	2.9	-1.3	-1.4	-0.3	-1.4	0.4	0.1	0.5	-0.6	0.8	7.3	0.0	10.3	-2.0	-13.8	-1.0	-3.0
December	0.1	0.6	0.2	3.0	-1.5	-3.0	0.5	0.5	-0.4	-0.8	-0.4	-0.6	1.6	9.4	-0.6	7.8	0.0	-13.2	-0.1	-3.1
<b>Annual average</b>	<b>2.7</b>		<b>2.4</b>		<b>0.7</b>		<b>-3.8</b>		<b>2.3</b>		<b>-1.9</b>		<b>2.6</b>		<b>13.4</b>		<b>-7.9</b>		<b>-6.9</b>	

Source: Superintendency of Banking, Insurance and AFPs.  
Elaborated by: Central Management of Economic Studies.

## Appendix 55

## BILATERAL AND MULTILATERAL REAL EXCHANGE RATE

(Average data for the period)

	NOMINAL EXCHANGE RATE INDEX (\$/. X USD)			INFLATION UNITED STATES	BILATERAL REAL REAL BILATERAL 1/			NOMINAL EXCHANGE RATE INDEX (\$/. X BASKET) 2/	MULTILATERAL EXTERNAL PRICE INDEX 3/	REAL EXCHANGE RATE INDEX MULTILATERAL 2/ 3/
	Base: 2009 = 100			Base: 2009 = 100	Base: 2009 = 100			Base: 2009 = 100	Base: 2009 = 100	Base: 2009 = 100
	Buy	Sale	Average		Buy	Sale	Average			
<b>2014</b>	<b>94.2</b>	<b>94.3</b>	<b>94.3</b>	<b>110.3</b>	<b>90.1</b>	<b>90.1</b>	<b>90.1</b>	<b>96.9</b>	<b>115.4</b>	<b>96.8</b>
<b>2015</b>	<b>105.7</b>	<b>105.8</b>	<b>105.7</b>	<b>110.5</b>	<b>97.7</b>	<b>97.7</b>	<b>97.7</b>	<b>101.1</b>	<b>117.4</b>	<b>99.2</b>
<b>2016</b>	<b>112.0</b>	<b>112.1</b>	<b>112.1</b>	<b>111.9</b>	<b>101.2</b>	<b>101.3</b>	<b>101.3</b>	<b>103.2</b>	<b>119.9</b>	<b>99.9</b>
<b>2017</b>	<b>108.2</b>	<b>108.3</b>	<b>108.3</b>	<b>114.3</b>	<b>97.1</b>	<b>97.2</b>	<b>97.2</b>	<b>100.0</b>	<b>122.2</b>	<b>96.0</b>
<b>2018</b>	<b>109.1</b>	<b>109.2</b>	<b>109.1</b>	<b>117.0</b>	<b>99.0</b>	<b>99.1</b>	<b>99.0</b>	<b>101.4</b>	<b>125.0</b>	<b>98.3</b>
<b>2019</b>	<b>110.8</b>	<b>110.8</b>	<b>110.8</b>	<b>119.2</b>	<b>100.2</b>	<b>100.3</b>	<b>100.2</b>	<b>99.4</b>	<b>127.8</b>	<b>96.4</b>
<b>2020</b>	<b>116.0</b>	<b>116.1</b>	<b>116.1</b>	<b>120.6</b>	<b>104.3</b>	<b>104.4</b>	<b>104.4</b>	<b>102.0</b>	<b>130.2</b>	<b>98.9</b>
<b>2021</b>	<b>128.8</b>	<b>128.9</b>	<b>128.9</b>	<b>126.3</b>	<b>116.6</b>	<b>116.8</b>	<b>116.7</b>	<b>117.0</b>	<b>133.8</b>	<b>112.2</b>
<b>2022</b>	<b>127.2</b>	<b>127.5</b>	<b>127.4</b>	<b>136.4</b>	<b>115.4</b>	<b>115.6</b>	<b>115.5</b>	<b>110.2</b>	<b>141.0</b>	<b>103.3</b>
January	129.0	129.3	129.1	131.0	117.4	117.6	117.5	116.3	137.1	110.7
February	125.8	126.0	125.9	132.2	115.1	115.3	115.2	113.9	138.0	108.8
March	124.0	124.3	124.2	134.0	113.4	113.6	113.5	112.0	139.2	106.3
April	124.1	124.3	124.2	134.8	112.9	113.2	113.0	111.2	140.0	105.2
May	124.7	124.9	124.8	136.2	114.3	114.5	114.4	108.7	140.6	102.9
June	124.3	124.6	124.4	138.1	114.2	114.4	114.3	108.4	141.4	101.9
July	129.4	129.7	129.6	138.1	117.8	118.0	117.9	110.8	141.9	103.5
August	128.5	128.7	128.6	138.1	116.1	116.3	116.2	110.1	142.0	102.3
September	129.3	129.5	129.4	138.3	116.5	116.7	116.6	108.2	142.5	100.4
October	132.0	132.2	132.1	138.9	119.0	119.1	119.1	108.5	143.1	100.8
November	128.7	128.8	128.8	138.8	115.2	115.4	115.3	107.0	143.0	98.8
December	127.0	127.3	127.2	138.3	112.5	112.8	112.6	107.8	143.0	98.7
<b>2023</b>	<b>124.2</b>	<b>124.4</b>	<b>124.3</b>	<b>142.0</b>	<b>110.4</b>	<b>110.5</b>	<b>110.4</b>	<b>106.0</b>	<b>145.2</b>	<b>96.2</b>
January	127.2	127.3	127.3	139.4	113.3	113.5	113.4	109.9	143.9	101.1
February	127.5	127.6	127.5	140.2	113.9	114.0	113.9	109.9	144.1	100.8
March	125.4	125.6	125.5	140.7	111.0	111.2	111.1	107.5	144.3	97.6
April	125.0	125.1	125.0	141.4	110.6	110.7	110.6	108.0	144.7	97.7
May	122.4	122.6	122.5	141.8	108.2	108.4	108.3	105.1	144.8	94.9
June	121.1	121.3	121.2	142.2	107.6	107.8	107.7	103.5	144.9	93.6
July	119.5	119.7	119.6	142.5	105.9	106.1	106.0	102.4	145.4	92.6
August	122.7	122.8	122.7	143.1	108.8	109.0	108.9	104.0	145.9	94.0
September	123.8	123.9	123.8	143.5	110.1	110.2	110.1	104.1	146.2	94.3
October	127.6	127.8	127.7	143.4	113.8	113.9	113.8	106.4	146.3	96.7
November	124.8	125.0	124.9	143.1	111.3	111.4	111.4	105.4	146.0	95.8
December	123.9	124.1	124.0	143.0	109.9	110.1	110.0	105.6	146.0	95.6

1/ Considers the price index of the United States of America.

2/ Considers the buying and selling exchange rate.

3/ Considers the price index of the 20 main trading partners.

Source: Superintendencia de Banca y Seguros y AFPs, International Financial Statistics of the International Monetary Fund, Instituto Nacional de Estadística e Informática and Reuters.

Elaborated by: Central Management of Economic Studies.

## Appendix 56

## REAL EXCHANGE RATE

(Percentage changes of average data for the period) 1/

	NOMINAL EXCHANGE RATE INDEX (\$/. X USD)			INFLATION UNITED STATES	REAL BILATERAL EXCHANGE RATE INDEX 2/			NOMINAL EXCHANGE RATE INDEX (\$/. X BASKET) 3/	EXTERNAL MULTILATERAL INFLATION 4/	REAL EXCHANGE RATE INDEX MULTILATERAL 3/ 4/
	Base: 2009 = 100			Base: 2009 = 100	Base: 2009 = 100			Base: 2009 = 100	Base: 2009 = 100	Base: 2009 = 100
	Buy	Sale	Average		Buy	Sale	Average			
2014	5.0	5.1	5.1	1.6	3.4	3.4	3.4	3.7	2.3	2.7
2015	12.2	12.2	12.2	0.1	8.4	8.5	8.5	4.3	1.7	2.4
2016	6.0	6.0	6.0	1.3	3.6	3.6	3.6	2.1	2.1	0.7
2017	-3.4	-3.4	-3.4	2.1	-4.0	-4.0	-4.0	-3.1	2.0	-3.8
2018	0.8	0.8	0.8	2.4	1.9	1.9	1.9	1.4	2.2	2.3
2019	1.5	1.5	1.5	1.8	1.2	1.2	1.2	-2.0	2.3	-1.9
2020	4.7	4.7	4.7	1.2	4.1	4.1	4.1	2.6	1.8	2.6
2021	11.0	11.1	11.0	4.7	11.8	11.8	11.8	14.7	2.8	13.4
2022	-1.2	-1.2	-1.2	8.0	-1.1	-1.0	-1.1	-5.8	5.4	-7.9
January	-3.6	-3.7	-3.7	0.8	-2.9	-2.9	-2.9	-3.3	0.6	-2.7
February	-2.5	-2.5	-2.5	0.9	-2.0	-1.9	-1.9	-2.1	0.7	-1.7
March	-1.4	-1.4	-1.4	1.3	-1.5	-1.5	-1.5	-1.6	0.8	-2.2
April	0.0	0.0	0.0	0.6	-0.4	-0.4	-0.4	-0.7	0.6	-1.1
May	0.5	0.5	0.5	1.1	1.2	1.2	1.2	-2.2	0.4	-2.2
June	-0.3	-0.3	-0.3	1.4	-0.1	-0.1	-0.1	-0.4	0.5	-1.0
July	4.1	4.1	4.1	0.0	3.2	3.2	3.2	2.2	0.3	1.6
August	-0.7	-0.8	-0.7	0.0	-1.4	-1.4	-1.4	-0.6	0.1	-1.2
September	0.6	0.6	0.6	0.2	0.3	0.3	0.3	-1.7	0.3	-1.9
October	2.1	2.1	2.1	0.4	2.1	2.1	2.1	0.3	0.4	0.4
November	-2.6	-2.5	-2.5	-0.1	-3.2	-3.1	-3.1	-1.4	-0.1	-2.0
December	-1.3	-1.2	-1.2	-0.3	-2.4	-2.3	-2.3	0.8	0.0	0.0
2023	-2.4	-2.4	-2.4	4.1	-4.3	-4.4	-4.4	-3.9	3.0	-6.9
January	0.2	0.0	0.1	0.8	0.7	0.6	0.7	2.0	0.6	2.4
February	0.2	0.2	0.2	0.6	0.5	0.5	0.5	-0.1	0.1	-0.2
March	-1.6	-1.6	-1.6	0.3	-2.5	-2.5	-2.5	-2.1	0.2	-3.2
April	-0.4	-0.4	-0.4	0.5	-0.4	-0.4	-0.4	0.4	0.2	0.1
May	-2.1	-2.0	-2.0	0.3	-2.1	-2.1	-2.1	-2.7	0.1	-2.9
June	-1.0	-1.0	-1.0	0.3	-0.6	-0.5	-0.5	-1.5	0.1	-1.3
July	-1.4	-1.3	-1.4	0.2	-1.6	-1.5	-1.6	-1.0	0.3	-1.1
August	2.7	2.6	2.6	0.4	2.7	2.7	2.7	1.5	0.4	1.5
September	0.9	0.9	0.9	0.2	1.1	1.1	1.1	0.1	0.2	0.2
October	3.1	3.1	3.1	0.0	3.4	3.4	3.4	2.2	0.1	2.6
November	-2.2	-2.1	-2.1	-0.2	-2.2	-2.2	-2.2	-0.9	-0.2	-1.0
December	-0.8	-0.7	-0.7	-0.1	-1.3	-1.2	-1.2	0.2	0.0	-0.1

1/ For monthly data, the variation is with respect to the previous month.

2/ Considers the price index of the United States of America.

3/ Considers the average buying and selling exchange rate.

4/ Considers the price index of the 20 main trading partners.

Source: Superintendencia de Banca y Seguros y AFPs, International Financial Statistics of the International Monetary Fund, Instituto Nacional de Estadística e Informática and Reuters.

Elaborated by: Central Management of Economic Studies.



## Appendix 57

## EXCHANGE RATE OF THE MAIN CURRENCIES AGAINST THE US DOLLAR

(End of period data)

	Euro (€)	Yen (¥)	Pound Sterling (£)	Real Brasileiro (R)	Chilean Peso (\$)	Mexican Peso (\$)	Colombian Peso (\$)	Argentine Peso (\$)	SDR 1/
<b>2014</b>	0.827	119.680	0.642	2.66	606	14.74	2,388	8.54	1.449
<b>2015</b>	0.921	120.300	0.679	3.96	708	17.17	3,170	12.94	1.386
<b>2016</b>	0.951	116.870	0.811	3.25	669	20.72	3,002	15.85	1.344
<b>2017</b>	0.834	112.670	0.740	3.31	615	19.65	2,982	18.59	1.424
<b>2018</b>	0.874	109.930	0.781	3.88	693	19.65	3,245	37.65	1.391
<b>2019</b>	0.892	108.610	0.754	4.02	752	18.93	3,285	59.86	1.383
<b>2020</b>	0.819	103.240	0.731	5.19	710	19.87	3,415	84.08	1.440
<b>2021</b>	0.880	115.080	0.739	5.57	851	20.49	4,065	102.68	1.400
<b>2022</b>	0.934	131.110	0.827	5.29	848	19.47	4,847	176.74	1.331
<b>2023</b>	0.906	141.060	0.786	4.85	881	16.95	3,873	808.45	1.342

1/ Special Drawing Right. USD per SDR.

Source: International Monetary Fund and Reuters.

Elaborated by: Central Management of Economic Studies.

## Appendix 58

## EVOLUTION OF LIQUIDITY AND CREDIT TO THE PRIVATE SECTOR 1/

(Percentage of GDP)

	Currency in circulation	Money	Quasi-money	Liquidity in domestic currency	Liquidity in Foreign currency 2/	Total Liquidity 2/	Credit to the private sector in domestic currency	Credit to the private sector in foreign currency 2/ 3/	Total credit to the private sector 2/
<b>2014</b>	6.8	11.8	14.4	26.2	12.5	38.6	24.0	14.8	38.8
<b>2015</b>	6.6	11.6	13.8	25.4	15.2	40.6	29.0	12.6	41.6
<b>2016</b>	6.5	11.1	14.5	25.7	13.6	39.3	28.8	11.7	40.5
<b>2017</b>	6.5	11.6	15.5	27.1	13.0	40.1	28.4	11.5	40.0
<b>2018</b>	6.7	12.3	16.4	28.7	12.8	41.5	30.0	11.7	41.6
<b>2019</b>	6.7	12.8	17.8	30.6	13.0	43.5	31.8	11.0	42.7
<b>2020</b>	9.9	19.8	23.7	43.5	16.9	60.5	40.8	11.5	52.4
<b>2021</b>	9.5	16.5	19.0	35.4	15.4	50.8	35.4	10.3	45.7
<b>2022</b>	8.5	14.6	18.8	33.4	14.1	47.5	34.0	10.4	44.4
<b>2023</b>	7.5	13.7	18.8	32.5	13.0	45.5	32.1	9.8	41.9

1/ Figures at the end of the period.

2/ Balances denominated in foreign currency are valued at the average end-of-period buying and selling exchange rate.

3/ Does not include loans granted by branches abroad.

Source: Deposit-creating corporation

Elaborated by: Central Management of Economic Studies.

## Appendix 59

## EVOLUTION OF LIQUIDITY AND CREDIT TO THE PRIVATE SECTOR 1/

(Percentage changes)

	Currency in circulation	Money	Quasi-money	Liquidity in domestic currency	Liquidity in Foreign currency	Total Liquidity 2/	Credit to the private sector in domestic currency	Credit to the private sector in foreign currency 3/	Total credit to the private sector 2/
<b>2014</b>	11.5	9.7	11.3	10.6	0.8	6.7	17.7	0.0	9.4
<b>2015</b>	3.8	4.5	2.0	3.1	13.1	6.8	28.0	-20.7	6.9
<b>2016</b>	6.5	3.5	13.6	9.0	-1.8	4.7	7.2	1.9	5.5
<b>2017</b>	6.7	10.7	13.9	12.5	5.5	9.9	5.3	8.5	6.3
<b>2018</b>	7.8	12.8	11.9	12.3	0.1	8.0	11.6	3.0	8.9
<b>2019</b>	4.7	7.8	12.5	10.5	7.6	9.6	10.1	-0.3	7.0
<b>2020</b>	37.3	43.9	23.7	32.2	10.6	25.2	19.4	-11.0	10.9
<b>2021</b>	16.0	1.1	-2.5	-0.9	0.8	-0.4	5.5	-0.8	4.1
<b>2022</b>	-3.8	-5.3	5.6	0.5	1.8	0.9	2.4	12.1	4.5
<b>2023</b>	-5.6	0.1	6.8	3.9	0.9	3.0	0.8	3.1	1.3

1/ Figures at the end of the period.

2/ Balances denominated in foreign currency are valued at the average end-of-period buying and selling exchange rate.

3/ Does not include loans granted by branches abroad.

Source: Deposit-creating corporations.

Elaborated by: Central Management of Economic Studies.

## Appendix 60

## DEPOSITORY CORPORATIONS' MONETARY ACCOUNTS 2/

(Millions of soles)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>I. SHORT-TERM NET FOREIGN ASSETS</b>	<b>188,237</b>	<b>209,960</b>	<b>209,538</b>	<b>208,196</b>	<b>203,324</b>	<b>225,459</b>	<b>273,645</b>	<b>310,399</b>	<b>275,105</b>	<b>263,455</b>
<b>(Millions of USD)</b>	<b>63,167</b>	<b>61,572</b>	<b>62,363</b>	<b>64,258</b>	<b>60,334</b>	<b>68,115</b>	<b>75,592</b>	<b>78,186</b>	<b>72,206</b>	<b>71,012</b>
A. Assets	194,409	218,395	216,358	217,079	213,651	235,002	283,682	321,470	287,561	278,067
B. Liabilities	6,172	8,435	6,819	8,882	10,326	9,543	10,038	11,072	12,456	14,613
<b>II. OTHER NET FOREIGN OPERATIONS</b>	<b>-36,678</b>	<b>-37,975</b>	<b>-33,971</b>	<b>-30,575</b>	<b>-30,910</b>	<b>-31,042</b>	<b>-25,758</b>	<b>-36,059</b>	<b>-38,372</b>	<b>-42,413</b>
<b>(Millions of USD) 3/</b>	<b>-11,647</b>	<b>-10,805</b>	<b>-9,485</b>	<b>-8,334</b>	<b>-7,516</b>	<b>-7,885</b>	<b>-5,687</b>	<b>-8,070</b>	<b>-8,610</b>	<b>-9,313</b>
A. Credits	5,508	6,349	8,833	8,394	10,662	9,299	11,411	11,583	9,641	7,850
B. Obligations	42,186	44,324	42,803	38,969	41,572	40,341	37,169	47,642	48,013	50,263
<b>III. DOMESTIC CREDIT (A+B-C+D)</b>	<b>71,947</b>	<b>77,416</b>	<b>84,818</b>	<b>105,577</b>	<b>138,124</b>	<b>144,173</b>	<b>188,401</b>	<b>172,058</b>	<b>208,150</b>	<b>233,660</b>
<b>A. Public sector</b>	<b>-73,327</b>	<b>-78,013</b>	<b>-78,200</b>	<b>-62,827</b>	<b>-57,302</b>	<b>-62,434</b>	<b>-39,595</b>	<b>-73,724</b>	<b>-57,951</b>	<b>-29,305</b>
1. Credits	16,571	21,430	22,595	29,882	32,402	30,039	34,821	34,202	46,629	58,469
Central Government	14,664	18,665	18,995	25,020	27,283	25,664	30,269	31,489	44,456	55,722
Rest of Public sector	1,906	2,765	3,600	4,862	5,119	4,375	4,551	2,713	2,173	2,748
2. Deposits	89,898	99,443	100,795	92,709	89,704	92,473	74,416	107,927	104,579	87,774
Central Government	71,041	79,953	81,660	73,681	70,432	74,709	57,528	87,556	86,170	70,589
Rest of Public sector	18,857	19,490	19,135	19,027	19,272	17,765	16,888	20,370	18,409	17,185
<b>B. Private sector</b>	<b>224,376</b>	<b>255,471</b>	<b>268,562</b>	<b>282,293</b>	<b>311,368</b>	<b>332,255</b>	<b>377,815</b>	<b>401,228</b>	<b>415,653</b>	<b>418,416</b>
Domestic currency	139,013	177,988	190,750	200,877	224,163	246,884	294,673	310,790	318,375	320,779
Foreign currency	85,363	77,483	77,812	81,416	87,205	85,372	83,142	90,439	97,277	97,637
<b>(Millions of USD)</b>	<b>28,645</b>	<b>22,722</b>	<b>23,158</b>	<b>25,128</b>	<b>25,877</b>	<b>25,792</b>	<b>22,968</b>	<b>22,781</b>	<b>25,532</b>	<b>26,317</b>
<b>C. Capital, reserves, provisions and results</b>	<b>55,844</b>	<b>64,614</b>	<b>76,980</b>	<b>84,485</b>	<b>92,257</b>	<b>104,011</b>	<b>115,726</b>	<b>115,033</b>	<b>113,387</b>	<b>128,792</b>
<b>D. Others Assets and Liabilities (net)</b>	<b>-23,258</b>	<b>-35,428</b>	<b>-28,564</b>	<b>-29,404</b>	<b>-23,685</b>	<b>-21,637</b>	<b>-34,093</b>	<b>-40,413</b>	<b>-36,166</b>	<b>-26,659</b>
<b>IV. MONETARY OBLIGATIONS</b>										
<b>WITH THE PRIVATE SECTOR (I+II+III)</b>	<b>223,505</b>	<b>249,401</b>	<b>260,386</b>	<b>283,198</b>	<b>310,538</b>	<b>338,590</b>	<b>436,287</b>	<b>446,398</b>	<b>444,882</b>	<b>454,702</b>
<b>A. Domestic currency</b>	<b>151,445</b>	<b>156,170</b>	<b>170,211</b>	<b>191,498</b>	<b>215,028</b>	<b>237,622</b>	<b>314,109</b>	<b>311,331</b>	<b>312,966</b>	<b>325,057</b>
<b>1. Money</b>	<b>68,278</b>	<b>71,324</b>	<b>73,805</b>	<b>81,713</b>	<b>92,198</b>	<b>99,427</b>	<b>143,100</b>	<b>144,621</b>	<b>136,968</b>	<b>137,087</b>
Banknotes and coins in circulation	39,173	40,643	43,295	46,178	49,778	52,129	71,576	83,058	79,890	75,399
Demand deposits en Domestic currency	29,105	30,681	30,509	35,535	42,420	47,298	71,524	61,563	57,078	61,688
<b>2. Quasi-money</b>	<b>83,167</b>	<b>84,846</b>	<b>96,406</b>	<b>109,785</b>	<b>122,830</b>	<b>138,195</b>	<b>171,009</b>	<b>166,710</b>	<b>175,998</b>	<b>187,971</b>
Savings deposits	35,591	36,751	40,696	45,692	53,723	59,557	95,720	106,469	95,254	91,641
Term deposits	43,691	43,890	51,078	59,135	63,952	72,839	71,758	57,506	76,751	87,665
Others values	3,885	4,204	4,632	4,958	5,155	5,799	3,531	2,735	3,993	8,665
<b>B. Quasi-money in foreign currency</b>	<b>72,060</b>	<b>93,231</b>	<b>90,175</b>	<b>91,700</b>	<b>95,510</b>	<b>100,968</b>	<b>122,178</b>	<b>135,067</b>	<b>131,916</b>	<b>129,644</b>
<b>(Millions of USD)</b>	<b>24,181</b>	<b>27,340</b>	<b>26,838</b>	<b>28,302</b>	<b>28,341</b>	<b>30,504</b>	<b>33,751</b>	<b>34,022</b>	<b>34,624</b>	<b>34,945</b>

1/ Preliminary.

2/ Balances denominated in foreign currency are valued at the average exchange rate of purchase and sale at the end of the period.

3/ It records the balances of transactions carried out in foreign currency.

Source: Depository corporations

Elaborated by: Central Management of Economic Studies.

## Appendix 61

## MONETARY ACCOUNTS OF BANKS 2/

(Millions of soles)

	2014	2015	2016	2017	2018	2019	2020	2021 1/	2022 1/	2023 1/
<b>I. SHORT-TERM NET FOREIGN ASSETS</b>	<b>2,078</b>	<b>64</b>	<b>2,043</b>	<b>1,728</b>	<b>532</b>	<b>-919</b>	<b>2,963</b>	<b>-1,493</b>	<b>800</b>	<b>-467</b>
<b>(Millions of USD)</b>	<b>697</b>	<b>19</b>	<b>608</b>	<b>533</b>	<b>158</b>	<b>-278</b>	<b>818</b>	<b>-376</b>	<b>210</b>	<b>-126</b>
Assets	8,118	8,322	8,659	10,252	10,298	8,445	12,270	9,404	11,873	13,085
Liabilities	6,039	8,258	6,616	8,525	9,765	9,364	9,307	10,897	11,073	13,552
<b>II. OTHER NET FOREIGN OPERATIONS</b>	<b>-35,594</b>	<b>-37,060</b>	<b>-32,533</b>	<b>-29,630</b>	<b>-30,476</b>	<b>-29,690</b>	<b>-24,396</b>	<b>-24,022</b>	<b>-26,857</b>	<b>-30,437</b>
<b>(Millions of USD) 3/</b>	<b>-11,944</b>	<b>-10,868</b>	<b>-9,683</b>	<b>-9,145</b>	<b>-9,043</b>	<b>-8,970</b>	<b>-6,739</b>	<b>-6,051</b>	<b>-7,049</b>	<b>-8,204</b>
Credits	3,152	3,760	2,728	2,094	4,074	4,147	6,031	6,084	4,719	2,930
Obligations	38,747	40,820	35,262	31,724	34,550	33,837	30,427	30,106	31,577	33,368
<b>III. DOMESTIC CREDIT (A+B-C+D)</b>	<b>178,324</b>	<b>203,100</b>	<b>200,453</b>	<b>212,549</b>	<b>231,128</b>	<b>251,023</b>	<b>310,767</b>	<b>316,453</b>	<b>315,144</b>	<b>326,284</b>
<b>A. Public sector (net)</b>	<b>-6,478</b>	<b>-8,276</b>	<b>-7,075</b>	<b>-780</b>	<b>-1,406</b>	<b>425</b>	<b>11,500</b>	<b>2,426</b>	<b>11,269</b>	<b>19,564</b>
1. Credits	8,327	9,897	11,088	16,001	19,080	19,928	24,640	22,165	32,091	38,438
- Central Government	6,421	7,427	7,827	11,227	13,961	15,630	20,672	19,532	30,203	36,396
- Rest of Public sector	1,906	2,470	3,262	4,774	5,119	4,298	3,969	2,632	1,888	2,041
2. Obligations	14,805	18,173	18,164	16,781	20,486	19,503	13,141	19,738	20,822	18,873
- Central Government	762	3,366	3,191	2,215	5,212	5,449	835	4,852	6,681	6,149
- Rest of Public sector	14,043	14,807	14,973	14,565	15,274	14,054	12,306	14,886	14,141	12,725
<b>B. Private sector</b>	<b>187,736</b>	<b>218,504</b>	<b>227,199</b>	<b>234,815</b>	<b>258,461</b>	<b>273,797</b>	<b>317,105</b>	<b>339,075</b>	<b>346,808</b>	<b>343,823</b>
1. In Domestic currency	105,758	144,762	153,011	157,463	175,753	192,823	238,575	252,451	252,880	249,247
2. In Foreign currency	81,978	73,742	74,188	77,352	82,708	80,974	78,530	86,624	93,928	94,576
<b>(Millions of USD)</b>	<b>27,510</b>	<b>21,625</b>	<b>22,080</b>	<b>23,874</b>	<b>24,543</b>	<b>24,463</b>	<b>21,693</b>	<b>21,820</b>	<b>24,653</b>	<b>25,492</b>
<b>C. Capital, reserves, provisions and results</b>	<b>44,980</b>	<b>53,929</b>	<b>59,773</b>	<b>65,912</b>	<b>70,915</b>	<b>77,792</b>	<b>89,123</b>	<b>91,464</b>	<b>96,613</b>	<b>106,029</b>
<b>D. Other net accounts</b>	<b>42,046</b>	<b>46,801</b>	<b>40,102</b>	<b>44,426</b>	<b>44,988</b>	<b>54,594</b>	<b>71,285</b>	<b>66,417</b>	<b>53,681</b>	<b>68,926</b>
<b>IV. MONETARY OBLIGATIONS</b>										
<b>WITH THE PRIVATE SECTOR (A+B+C)</b>	<b>144,808</b>	<b>166,105</b>	<b>169,962</b>	<b>184,647</b>	<b>201,184</b>	<b>220,414</b>	<b>289,334</b>	<b>290,938</b>	<b>289,087</b>	<b>295,380</b>
<b>A. Money</b>	<b>23,105</b>	<b>24,006</b>	<b>24,293</b>	<b>29,513</b>	<b>35,947</b>	<b>40,071</b>	<b>62,330</b>	<b>51,916</b>	<b>46,920</b>	<b>50,821</b>
1. Demand deposits en Domestic currency	23,105	24,006	24,293	29,513	35,947	40,071	62,330	51,916	46,920	50,821
<b>B. Quasi-money en Domestic currency</b>	<b>54,393</b>	<b>55,414</b>	<b>62,331</b>	<b>69,955</b>	<b>76,469</b>	<b>85,781</b>	<b>111,695</b>	<b>109,608</b>	<b>115,759</b>	<b>119,900</b>
1. Savings deposits	24,964	25,896	28,639	32,097	38,390	42,820	70,900	79,808	70,534	67,142
2. Term deposits	27,794	28,004	32,476	36,857	37,432	42,765	40,778	29,771	45,156	52,717
3. Others values	1,635	1,514	1,217	1,001	647	196	17	29	69	40
<b>C. Quasi-money en Foreign currency</b>	<b>67,310</b>	<b>86,685</b>	<b>83,337</b>	<b>85,179</b>	<b>88,768</b>	<b>94,563</b>	<b>115,309</b>	<b>129,415</b>	<b>126,408</b>	<b>124,659</b>
<b>(Millions of USD)</b>	<b>22,587</b>	<b>25,421</b>	<b>24,803</b>	<b>26,290</b>	<b>26,341</b>	<b>28,569</b>	<b>31,853</b>	<b>32,598</b>	<b>33,178</b>	<b>33,601</b>

1/ Preliminary.

2/ Balances denominated in foreign currency are valued at the average exchange rate of purchase and sale at the end of the period.

3/ It records the balances of transactions carried out in foreign currency.

Source: Banking system institutions.

Elaborated by: Central Management of Economic Studies.

## Appendix 62

## MONETARY ACCOUNTS OF THE CENTRAL RESERVE BANK OF PERU 1/

(Millions of soles)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>I. NET INTERNATIONAL RESERVES</b>	<b>185,678</b>	<b>209,663</b>	<b>207,263</b>	<b>206,132</b>	<b>202,609</b>	<b>226,126</b>	<b>270,439</b>	<b>311,627</b>	<b>273,876</b>	<b>263,532</b>
(Millions of USD)	<b>62,308</b>	<b>61,485</b>	<b>61,686</b>	<b>63,621</b>	<b>60,121</b>	<b>68,316</b>	<b>74,707</b>	<b>78,495</b>	<b>71,883</b>	<b>71,033</b>
A. Assets	185,811	209,841	207,466	206,490	203,170	226,304	271,169	311,802	275,259	264,594
B. Liabilities	133	178	203	358	561	179	730	175	1,383	1,061
<b>II. OTHER NET FOREIGN LIABILITIES</b>	<b>58</b>	<b>67</b>	<b>63</b>	<b>62</b>	<b>65</b>	<b>64</b>	<b>67</b>	<b>-10,425</b>	<b>-9,513</b>	<b>-9,340</b>
(Millions of USD) 2/	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>-2,624</b>	<b>-2,494</b>	<b>-2,515</b>
A. Credits	1,783	2,138	5,944	5,595	5,517	4,993	5,244	5,454	4,871	4,876
B. Obligations 3/	1,724	2,071	5,881	5,533	5,452	4,929	5,178	15,879	14,384	14,216
<b>III. DOMESTIC CREDIT (A+B+C- D+E)</b>	<b>-71,175</b>	<b>-61,801</b>	<b>-66,877</b>	<b>-61,413</b>	<b>-71,516</b>	<b>-77,308</b>	<b>-48,184</b>	<b>-97,108</b>	<b>-89,832</b>	<b>-78,662</b>
<b>A. Public sector</b>	<b>-62,614</b>	<b>-67,334</b>	<b>-71,043</b>	<b>-63,272</b>	<b>-58,177</b>	<b>-60,785</b>	<b>-45,720</b>	<b>-69,133</b>	<b>-62,645</b>	<b>-44,419</b>
1. Credits 4/	1,998	2,813	2,638	2,588	2,538	2,398	3,559	4,002	6,454	11,641
2. Obligations	64,612	70,147	73,681	65,860	60,715	63,183	49,278	73,135	69,099	56,059
2.1 Central Government	64,231	70,070	73,271	65,464	60,520	62,903	48,845	72,942	68,991	55,585
2.2 Rest of Public sector 5/	380	77	409	396	195	280	434	193	109	474
<b>B. Private sector</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>C. Financial system</b>	<b>-2,651</b>	<b>18,983</b>	<b>17,556</b>	<b>13,246</b>	<b>4,297</b>	<b>1,751</b>	<b>37,709</b>	<b>27,666</b>	<b>8,449</b>	<b>1,126</b>
1. Banco de la Nación	-12,551	-11,121	-11,172	-8,854	-9,011	-15,649	-25,763	-27,502	-25,526	-21,234
2. Banking companies	9,379	29,717	28,210	21,538	13,228	17,038	58,508	51,215	31,840	21,703
3. Rest of the financial system	521	388	519	562	80	363	4,964	3,954	2,135	657
<b>D. Capital, reserves, provisions and results</b>	<b>-592</b>	<b>738</b>	<b>1,431</b>	<b>1,460</b>	<b>2,731</b>	<b>5,647</b>	<b>7,947</b>	<b>6,645</b>	<b>-828</b>	<b>4,280</b>
<b>E. Others Assets and Liabilities (net)</b>	<b>-6,501</b>	<b>-12,713</b>	<b>-11,960</b>	<b>-9,926</b>	<b>-14,906</b>	<b>-12,627</b>	<b>-32,227</b>	<b>-48,996</b>	<b>-36,462</b>	<b>-31,089</b>
<b>IV. MONETARY OBLIGATIONS WITH THE PRIVATE SECTOR (I+II+III)</b>	<b>114,562</b>	<b>147,929</b>	<b>140,449</b>	<b>144,781</b>	<b>131,158</b>	<b>148,882</b>	<b>222,322</b>	<b>204,094</b>	<b>174,531</b>	<b>175,531</b>
<b>A. In Domestic currency</b>	<b>68,359</b>	<b>71,280</b>	<b>74,730</b>	<b>89,028</b>	<b>87,692</b>	<b>92,295</b>	<b>174,519</b>	<b>139,356</b>	<b>121,657</b>	<b>131,179</b>
1. Primary base issuance	53,865	51,291	53,375	57,207	61,367	64,565	85,987	97,279	92,991	90,022
1.1. Banknotes and coins issued	47,543	48,890	51,056	55,271	59,244	62,099	82,689	93,541	90,418	86,747
- Vaulted funds	8,370	8,247	7,761	9,092	9,467	9,970	11,113	10,484	10,527	11,348
- Currency in circulation	39,173	40,643	43,295	46,178	49,778	52,129	71,576	83,058	79,890	75,399
1.2. Deposits	6,322	2,401	2,318	1,937	2,123	2,465	3,298	3,738	2,573	3,275
- Banking companies	3,856	1,402	1,280	1,184	1,156	1,332	2,250	2,483	1,174	1,397
- Banco de la Nación 6/	1,250	350	350	250	250	280	280	420	400	800
- Rest of Financial system	1,215	649	688	503	717	854	767	835	1,000	1,079
2. Others Deposits 7/	1,016	1,115	2,097	1,592	1,802	2,115	44,058	15,666	6,095	8,622
3. Securities issued 8/	13,478	18,873	19,258	30,229	24,523	25,615	44,474	26,410	22,571	32,534
<b>B. In Foreign currency</b>	<b>46,202</b>	<b>76,649</b>	<b>65,719</b>	<b>55,753</b>	<b>43,465</b>	<b>56,587</b>	<b>47,803</b>	<b>64,738</b>	<b>52,874</b>	<b>44,352</b>
(Millions of USD)	<b>15,504</b>	<b>22,478</b>	<b>19,559</b>	<b>17,208</b>	<b>12,898</b>	<b>17,096</b>	<b>13,205</b>	<b>16,307</b>	<b>13,878</b>	<b>11,955</b>
1. Deposits	46,202	76,648	65,718	55,752	43,465	56,587	47,803	64,738	52,874	44,352
1.1. Banking companies	44,345	74,363	63,513	53,978	42,176	54,981	46,032	62,695	51,422	43,478
1.2. Rest of Financial system	1,857	2,285	2,206	1,774	1,288	1,607	1,771	2,043	1,452	874
2. Certificates	1	1	1	1	1	0	0	0	0	0

1/ Balances denominated in foreign currency are valued at the average purchase and sale exchange rate at the end of the period.

2/ Recorded only the balances of transactions carried out in foreign currency.

3/ As of August 23, 2021, IMF SDR allocations are considered as long-term external liabilities, in line with the Balance of Payments and International Investment Position Manual - Sixth Edition (BPM6).

4/ Includes bonds issued by the Public Treasury acquired by the BCRP in the secondary market, in accordance with Article 61 of the BCRP's Organic Law.

5/ Includes COFIDE.

6/ As of December 31, 2007, the monetary base includes deposits in Banco de la Nación's current account.

7/ Considers sterilization deposits in domestic currency (overnight and term deposits) of financial system entities.

8/ Includes BCRP securities purchased by financial system and private sector entities. The Adjustable Certificates of Deposit are recorded at the value indexed by the exchange rate.

Source: BCRP.

Elaborated by: Central Management of Economic Studies.

## Appendix 63

## OPERATIONS OF THE CENTRAL RESERVE BANK OF PERU

(Millions of soles)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>I FOREIGN EXCHANGE OPERATIONS</b>	<b>-14,822</b>	<b>-28,100</b>	<b>2,783</b>	<b>31,111</b>	<b>4,784</b>	<b>4,439</b>	<b>49,558</b>	<b>-174</b>	<b>-15,911</b>	<b>-11,548</b>
(Millions of USD)	<b>-5,128</b>	<b>-8,918</b>	<b>928</b>	<b>9,604</b>	<b>1,452</b>	<b>1,335</b>	<b>13,944</b>	<b>126</b>	<b>-4,188</b>	<b>-3,127</b>
1. Trading Desk Transactions	-4,208	-8,064	786	5,246	184	405	-159	-11,626	-1,236	-81
2. Public sector	-955	657	-321	4,152	1,380	927	13,692	11,752	-2,952	-3,046
3. Others	35	-1,511	463	207	-112	3	411	0	0	0
<b>II NET INTERNAL ASSETS</b>	<b>18,850</b>	<b>29,570</b>	<b>-131</b>	<b>-28,228</b>	<b>-1,185</b>	<b>-2,087</b>	<b>-30,111</b>	<b>11,656</b>	<b>12,743</b>	<b>7,057</b>
1. Deposits Publics	158	5,793	2,227	-13,702	2,623	-6,122	-11,490	-28,766	13,282	28,132
2. Temporary purchase of securities	350	1,200	-401	3,321	530	400	-41	-345	1,839	3,229
3. Currency repo operations	8,600	19,005	-975	-9,950	-9,322	3,692	-5,080	-2,628	-2,230	-885
4. Portfolio repo operations	0	0	0	0	0	0	464	5,977	-101	-76
5. Government-guaranteed portfolio repo operations	0	0	0	0	0	0	50,729	-11,902	-20,107	-13,884
6. BCRP Certificates of Deposit	3,417	195	-7,584	-7,783	3,686	-1,304	-12,703	26,720	1,903	-22,642
7. Certificates of Deposits Resetable BCRP	521	-4,469	6,254	-30	835	0	-6,392	5,064	1,416	-618
8. BCRP Certificates of Deposits with restricted negotiation	0	0	0	0	0	0	0	0	0	0
9. Certificates of deposit payable in dollars from the BCRP	0	0	0	-400	400	0	0	0	0	0
10. Variable-rate certificates of deposit of the BCRP	0	-161	161	0	0	0	0	-12,686	-441	13,127
11. Term deposits	0	-840	840	0	0	0	-36,017	23,841	7,321	-1,015
12. Overnight deposits	2,080	741	-1,822	505	-210	-313	-5,925	4,551	2,251	-1,512
13. Reserve requirements in domestic currency	2,100	4,044	569	-950	-560	-846	-1,975	189	1,121	-1,523
14. Rest	1,623	4,062	600	760	834	2,406	-1,681	1,641	6,488	4,724
<b>III CURRENCY IN CIRCULATION</b>	<b>4,028</b>	<b>1,470</b>	<b>2,653</b>	<b>2,883</b>	<b>3,599</b>	<b>2,352</b>	<b>19,447</b>	<b>11,482</b>	<b>-3,167</b>	<b>-4,491</b>
Note: Period-end balances										
- Currency in circulation	39,173	40,643	43,295	46,178	49,778	52,129	71,576	83,058	79,890	75,399
- CD BCRP	15,575	15,380	22,964	30,747	27,061	28,365	41,067	14,347	12,444	35,086
- CDR BCRP 1/	2,627	7,249	792	829	0	0	6,407	1,353	0	521
- CDBCRP with restricted trading	0	0	0	0	0	0	0	0	0	0
- CDLD BCRP	0	0	0	400	0	0	0	0	0	0
- CDV BCRP 2/	0	161	0	0	0	0	0	12,686	13,127	0
- Term deposits (DP BCRP)	0	840	0	0	0	0	36,017	12,177	4,856	5,871
- Public Sector deposits	36,488	30,694	28,467	42,169	39,546	45,669	57,174	86,272	73,236	44,353

1/ Includes indexation adjustment.

2/ Includes the readjustment of the balance due to variations in the BCRP benchmark rate.

Note:

CD BCRP: Certificate of deposit

BCRP CDRs: Certificates of deposit indexed at the exchange rate

BCRP CDLD: Certificates of deposit payable in U.S. dollars

CDV BCRP: Certificate of deposit resettable at the benchmark rate.

Source: BCRP.

Elaborated by: Central Management of Economic Studies.

## Appendix 64

**FLOW OF NET INTERNATIONAL RESERVES (NIRS)**

(Millions of USD)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>I. FOREIGN EXCHANGE OPERATIONS</b>	<b>-5,128</b>	<b>-8,918</b>	<b>928</b>	<b>9,604</b>	<b>1,452</b>	<b>1,335</b>	<b>13,944</b>	<b>126</b>	<b>-4,188</b>	<b>-3,127</b>
1. Net purchases at the Trading Desks	-4,208	-8,064	786	5,246	184	405	-159	-11,626	-1,236	-81
a. Purchases	20	0	2,090	5,246	184	405	32	0	0	0
b. Sales	-4,228	-8,064	-1,304	0	0	0	-191	-11,626	-1,236	-81
2. Net purchases from the public sector	-955	657	-321	4,152	1,380	927	13,692	11,752	-2,952	-3,046
3. Other operations (net)	35	-1,511	463	207	-112	3	411	0	0	0
<b>II. FINANCIAL SYSTEM DEPOSITS</b>	<b>1,265</b>	<b>6,911</b>	<b>-2,623</b>	<b>-2,591</b>	<b>-4,397</b>	<b>4,710</b>	<b>-3,761</b>	<b>3,159</b>	<b>-2,539</b>	<b>-1,866</b>
<b>III. PUBLIC SECTOR DEPOSITS</b>	<b>1,161</b>	<b>1,681</b>	<b>1,465</b>	<b>-5,716</b>	<b>-1,197</b>	<b>474</b>	<b>-5,571</b>	<b>-1,120</b>	<b>1,033</b>	<b>1,506</b>
<b>IV. OTHERS</b>	<b>-653</b>	<b>-497</b>	<b>431</b>	<b>639</b>	<b>643</b>	<b>1,675</b>	<b>1,780</b>	<b>1,624</b>	<b>-918</b>	<b>2,636</b>
<b>V. TOTAL</b>	<b>-3,355</b>	<b>-823</b>	<b>201</b>	<b>1,936</b>	<b>-3,500</b>	<b>8,195</b>	<b>6,391</b>	<b>3,789</b>	<b>-6,612</b>	<b>-850</b>

Source: BCRP.

Elaborated by: Central Management of Economic Studies.



## Appendix 65

## NOMINAL AND REAL INTEREST RATES IN DOMESTIC AND FOREIGN CURRENCIES

(Year-end, in annual effective terms)

	Domestic currency										Foreign currency									
	Average active (TAMN)		Corporate active preferred 90 days 1/		Average passive (TIPMN)		Savings		Interbank		Average active (TAMEX)		Average passive (TIPMEX)		Savings		Interbank		Libor 3m 4/	
	Nominal	Real 2/	Nominal	Real 2/	Nominal	Real 2/	Nominal	Real 2/	Nominal	Real 2/	Nominal	Real 3/	Nominal	Real 3/	Nominal	Real 3/	Nominal	Real 3/	Nominal	Real 3/
<b>2014</b>	15.7	12.1	4.7	1.4	2.3	-0.9	0.5	-2.6	3.8	0.6	7.5	10.9	0.4	3.5	0.2	3.3	0.2	3.3	0.25	3.4
<b>2015</b>	16.1	11.2	4.9	0.5	2.4	-1.9	0.5	-3.7	3.8	-0.6	7.9	18.4	0.3	10.1	0.2	9.9	0.2	9.9	0.54	10.3
<b>2016</b>	17.2	13.5	5.2	1.9	2.6	-0.6	0.5	-2.6	4.4	1.1	7.6	2.5	0.3	-4.4	0.2	-4.6	0.6	-4.2	0.98	-3.8
<b>2017</b>	15.8	14.2	3.6	2.2	2.5	1.1	0.6	-0.7	3.3	1.9	6.7	1.5	0.5	-4.3	0.2	-4.7	1.3	-3.6	1.61	-3.3
<b>2018</b>	14.3	11.8	4.3	2.1	2.4	0.2	0.8	-1.3	2.8	0.5	7.9	9.8	0.8	2.6	0.2	2.0	2.3	4.1	2.79	4.7
<b>2019</b>	14.1	12.0	3.3	1.3	2.2	0.3	0.7	-1.2	2.3	0.3	7.5	3.8	0.8	-2.7	0.2	-3.3	1.8	-1.8	1.91	-1.6
<b>2020</b>	12.1	9.9	0.6	-1.3	1.0	-0.9	0.6	-1.3	0.2	-1.7	6.1	13.6	0.3	7.4	0.1	7.2	0.3	7.4	0.23	7.3
<b>2021</b>	11.0	4.3	2.9	-3.3	1.0	-5.1	0.6	-5.5	2.3	-3.9	6.8	10.7	0.2	3.8	0.1	3.8	0.3	3.9	0.21	3.8
<b>2022</b>	14.3	5.4	8.7	0.3	3.0	-5.1	0.6	-7.2	7.5	-0.9	9.1	-4.0	1.0	-11.1	0.2	-11.9	4.2	-8.3	4.74	-7.9
<b>2023</b>	15.9	12.2	7.7	4.3	3.5	0.3	0.8	-2.3	6.9	3.5	11.0	4.7	1.9	-3.9	0.2	-5.5	5.5	-0.5	5.63	-0.4

1/ Since 2010, they correspond to corporate loans.

2/ The inflation rate for the last twelve months is discounted to the nominal interest rate.

3/ The nominal interest rate is adjusted for the variation in the exchange rate of the last twelve months and discounted by the inflation rate of the last twelve months.

4/ As of 2023 the 3-month Term SOFR rate is used.

Source: Superintendence of Banking, Insurance and AFPs, BCRP

Elaborated by: Central Management of Economic Studies.

## Appendix 66

## INDICATORS OF THE SOUNDNESS OF BANKS 1/

(Percentage)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>1. SOLVENCY</b>										
Global Capital Ratio 2/	14.4	14.2	15.0	15.2	14.7	14.6	15.5	14.9	14.4	16.4
<b>2. ASSET QUALITY</b>										
Overdue Portfolio / Direct Credits	2.5	2.5	2.8	3.0	3.0	3.0	3.8	3.8	4.0	4.3
Overdue Portfolio D.C. / Direct Loans D.C.	2.8	2.5	2.8	3.3	3.2	3.3	3.9	3.9	4.2	4.8
Overdue Portfolio F.C. / Direct Loans F.C.	2.0	2.7	2.7	2.5	2.4	2.3	3.5	3.4	3.4	3.0
Refinanced and Restructured Loans / Direct Loans	1.0	1.1	1.2	1.4	1.5	1.4	1.7	1.9	1.8	2.1
Provisions / Overdue Portfolio	165.0	166.6	160.6	152.6	153.6	152.1	177.7	155.5	148.5	144.6
Provisions / (Overdue Portfolio + Refinanced and Restructured loans)	116.4	117.5	111.6	105.7	102.0	103.0	122.3	103.8	102.3	97.7
<b>3. MANAGEMENT</b>										
Operating Expenses / Total Financial Margin	45.3	43.0	43.0	42.5	42.2	41.1	43.4	46.6	42.5	40.8
<b>4. PROFITABILITY</b>										
Net Income / Average Shareholders' Equity (R.O.E.)	19.7	22.1	19.9	18.3	18.4	18.3	4.0	13.3	17.3	14.3
Net Income / Average Assets (R.O.A.)	1.9	2.1	2.0	2.1	2.2	2.2	0.4	1.4	2.0	1.8
<b>5. LIQUIDITY 3/</b>										
Liquidity Ratio in D.C.	24.4	26.5	27.4	34.3	27.0	27.0	52.2	33.6	27.0	30.5
Liquidity Ratio in F.C.	54.7	46.6	43.9	44.9	44.5	49.6	49.2	51.4	48.0	44.1

1/ Includes Bank of China as of 2020, and Bci as of 2022.

2/ Effective equity as a percentage of total risk-weighted assets and contingent liabilities (credit risk, market risk and operational risk).

3/ Average daily ratio of liquid assets to short-term liabilities of banks.

Source: Superintendency of Banking, Insurance and AFPs.

Elaborated by: Gerencia of Operaciones Monetarias and Estabilidad Financiera.

## Appendix 67

## PRIMARY BOND MARKET

(Millions of soles)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>I. BONDS ISSUED BY THE PRIVATE SECTOR 1/</b>	<b>17,324</b>	<b>20,646</b>	<b>21,825</b>	<b>22,554</b>	<b>23,052</b>	<b>22,982</b>	<b>21,414</b>	<b>19,584</b>	<b>16,878</b>	<b>14,634</b>
<b>BALANCES BY TYPE</b>										
Financial leasing	739	852	885	1,015	887	654	262	106	87	24
Subordinates	2,560	2,795	2,570	2,586	2,567	2,436	2,647	2,856	2,549	1,971
Mortgage	3	-	-	-	-	-	-	-	-	-
Securitization	2,574	3,165	2,496	1,849	1,820	1,747	1,700	1,605	1,405	1,307
Corporate	11,448	13,834	15,874	17,104	17,778	18,145	16,805	15,016	12,837	11,332
<b>BALANCES BY TERM OF ISSUE</b>										
Up to 3 years	1,290	1,410	2,436	2,715	3,140	2,678	1,589	810	36	-
More than 3, up to 5 years	2,203	2,941	2,484	2,303	2,121	1,909	1,973	1,389	905	572
More than 5 years	13,831	16,295	16,906	17,536	17,791	18,396	17,852	17,385	15,936	14,062
<b>PERCENTAGE COMPOSITION BY CURRENCY</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Soles Fixed rate	53.1	53.1	63.4	69.5	75.9	78.2	77.4	75.5	73.1	73.2
Soles VAC	7.5	6.5	6.4	5.4	5.3	5.6	4.1	4.8	5.8	5.4
Dollars	38.3	40.0	30.0	25.1	18.8	16.2	18.4	19.7	21.1	21.3
Others	1.1	0.4	0.2	0.0	-	-	-	-	-	-
<b>II. PUBLIC TREASURY SOVEREIGN BONDS ( A)+(B) 2/</b>	<b>43,018</b>	<b>47,623</b>	<b>63,030</b>	<b>86,339</b>	<b>100,864</b>	<b>120,398</b>	<b>123,117</b>	<b>128,070</b>	<b>135,961</b>	<b>150,824</b>
<b>a. BALANCE OF FIXED-RATE BONDS</b>	<b>40,379</b>	<b>44,808</b>	<b>59,431</b>	<b>82,659</b>	<b>97,943</b>	<b>117,490</b>	<b>120,209</b>	<b>125,163</b>	<b>133,054</b>	<b>147,916</b>
Up to 3 years	3,070	2,299	618	4,401	1,574	157	1,309	8,050	8,050	11,321
More than 3, up to 5 years	-	6,069	4,401	-	5,739	8,049	6,740	12,591	12,574	11,519
More than 5, up to 10 years	17,692	12,213	19,701	26,313	37,916	41,409	42,578	47,531	68,310	73,111
More than 10 years	19,617	24,227	34,711	51,945	52,714	67,876	69,582	56,990	44,120	51,966
<b>b. BALANCE OF VAC BONDS</b>	<b>2,639</b>	<b>2,815</b>	<b>3,599</b>	<b>3,681</b>	<b>2,921</b>	<b>2,907</b>	<b>2,907</b>	<b>2,907</b>	<b>2,907</b>	<b>2,907</b>
Up to 10 years	1,108	1,110	1,658	1,658	898	884	961	961	961	961
More than 10, up to 20 years	28	969	988	988	988	988	1,139	1,139	1,139	1,139
More than 20, up to 30 years	934	41	652	652	652	652	424	424	424	424
More than 30 years	569	696	301	383	383	383	383	383	383	383
<b>Note:</b>										
<b>Private Sector Bonds (Percentage of GDP)</b>	<b>3.0</b>	<b>3.4</b>	<b>3.3</b>	<b>3.2</b>	<b>3.1</b>	<b>3.0</b>	<b>3.0</b>	<b>2.2</b>	<b>1.8</b>	<b>1.5</b>
<b>Sovereign bonds (Percentage of GDP)</b>	<b>7.4</b>	<b>7.8</b>	<b>9.5</b>	<b>12.2</b>	<b>13.5</b>	<b>15.5</b>	<b>17.1</b>	<b>14.6</b>	<b>14.5</b>	<b>15.1</b>

1/ Only bonds placed through public offerings are included.

2/ Sovereign bonds are classified according to their residual term.

Source: Issuing companies, Superintendencia del Mercado de Valores (SMV) and Ministerio de Economía y Finanzas (MEF).

Elaborated by: Central Management of Economic Studies.

## Appendix 68

## PRIVATE PENSION SYSTEM

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>I. VALUE OF PENSION FUNDS</b>										
Millions of soles	113,467	123,006	135,158	154,887	152,071	173,328	163,329	131,918	104,630	121,586
Percentage increase	12.2	8.4	9.9	14.6	-1.8	14.0	-5.8	-19.2	-20.7	16.2
Percentage of GDP 1/	19.6	20.0	20.4	21.9	20.3	22.3	22.6	15.0	11.2	12.2
Fund type 0	-	-	1,208	1,782	2,266	2,832	4,032	4,718	5,068	5,675
Fund type 1	13,981	16,332	15,757	16,612	16,072	20,031	24,110	18,916	16,035	20,049
Fund type 2	77,738	85,674	96,671	113,184	112,497	129,890	117,973	91,687	68,965	81,104
Fund type 3	21,748	21,000	21,522	23,310	21,236	20,575	17,213	16,596	14,562	14,758
<b>II. NUMBER OF MEMBERS</b>										
In Thousands	5,730	5,963	6,264	6,605	7,019	7,427	7,781	8,252	8,816	9,286
Percentage increase	4.5	4.1	5.0	5.4	6.3	5.8	4.8	6.1	6.8	5.3
<b>III. ANNUAL PROFITABILITY</b>										
Nominal	7.9	4.8	11.3	13.2	-2.4	13.7	11.3	5.4	-7.5	9.9
Real 2/	5.5	1.2	6.5	10.4	-3.4	10.8	8.4	0.1	-14.4	6.5
<b>IV. COMPOSITION OF THE INVESTMENT PORTFOLIO (%)</b>										
<b>Government securities</b>	<b>17.7</b>	<b>17.8</b>	<b>21.9</b>	<b>21.7</b>	<b>23.2</b>	<b>23.1</b>	<b>16.9</b>	<b>15.6</b>	<b>19.2</b>	<b>24.4</b>
Central government securities	17.3	17.8	21.5	21.6	23.2	23.1	16.9	15.6	19.2	24.4
Central Bank Securities	0.4	-	0.4	0.1	-	-	0.1	-	-	-
<b>Financial system companies</b>	<b>18.2</b>	<b>23.2</b>	<b>19.0</b>	<b>16.7</b>	<b>14.0</b>	<b>13.8</b>	<b>15.6</b>	<b>17.5</b>	<b>19.1</b>	<b>15.5</b>
Deposits in domestic currency	0.8	0.8	2.4	3.3	2.4	1.6	4.4	3.3	4.3	3.3
Deposits in foreign currency 3/	5.8	10.6	3.5	2.5	0.2	0.6	0.2	0.5	0.5	0.1
Shares	1.2	0.9	1.9	1.9	2.9	3.3	3.2	4.5	4.4	3.7
Bonds	5.7	6.6	6.9	5.5	5.1	5.3	4.4	5.0	5.0	4.2
Others 4/	4.7	4.4	4.4	3.7	3.4	3.1	3.3	4.3	4.9	4.2
<b>Non-financial companies</b>	<b>23.4</b>	<b>18.8</b>	<b>20.0</b>	<b>18.5</b>	<b>17.6</b>	<b>17.6</b>	<b>18.0</b>	<b>22.9</b>	<b>24.9</b>	<b>21.3</b>
Common and investment shares	11.4	6.6	8.4	8.6	8.2	8.2	9.3	13.3	15.4	14.1
Corporate bonds	6.9	6.7	6.7	6.5	6.8	7.0	6.7	7.3	7.9	6.0
Others 5/	5.1	5.5	4.8	3.3	2.6	2.3	2.0	2.3	1.5	1.2
<b>Investments abroad</b>	<b>40.6</b>	<b>40.2</b>	<b>38.1</b>	<b>43.3</b>	<b>44.6</b>	<b>44.9</b>	<b>49.7</b>	<b>43.4</b>	<b>36.9</b>	<b>39.8</b>
Foreign government debt securities	0.6	0.1	0.5	0.6	1.0	2.6	4.3	1.0	2.4	6.7
Foreign Mutual Funds	35.6	37.8	35.0	40.7	42.2	40.4	43.4	40.3	31.2	29.3
Shares of foreign companies	0.9	0.3	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0
American Depositary Shares (ADS)	0.3	0.1	0.1	0.1	0.0	0.0	-	-	-	-
Others	3.2	2.0	2.3	1.9	1.3	1.8	2.0	2.1	3.3	3.8
Transit operations	-	-	1.0	-0.3	0.6	0.6	-0.2	0.6	-0.1	-0.9

1/ Preliminary for the last 3 years.

2/ As of December 2005, the actual return corresponds to Fund Type 2.

3/ Includes current account and certificates in foreign currency.

4/ Includes mortgage bills and guaranteed promissory notes.

5/ Includes commercial paper, repo operations and promissory notes.

Source: Superintendency of Banking, Insurance and AFPs.

Elaborated by: Central Management of Economic Studies.

## Appendix 69

## STOCK MARKET

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>I. MAIN STOCK MARKET INDEXES 1/</b>										
(Base: 31/12/91 = 100)										
SP/BVL Peru General	14,794	9,849	15,567	19,974	19,350	20,526	20,822	21,112	21,330	25,960
SP/BVL LIMA 25	20,265	12,902	23,578	30,767	26,508	25,753	25,199	30,274	30,116	33,008
<b>III. ANNUAL AMOUNTS TRADED</b>										
(Millions of soles)										
Variable income	13,344	7,728	10,458	22,769	13,319	13,849	14,688	17,763	10,997	6,807
Fixed income	3,093	3,411	4,923	6,478	7,049	4,391	5,420	4,041	3,246	1,599
<b>Total</b>	<b>16,436</b>	<b>11,139</b>	<b>15,381</b>	<b>29,247</b>	<b>20,369</b>	<b>18,240</b>	<b>20,107</b>	<b>21,803</b>	<b>14,243</b>	<b>8,407</b>
<b>IV. MARKET CAPITALIZATION</b>										
Millions of soles	360,840	309,004	416,167	526,354	479,301	537,308	599,007	591,734	540,354	657,589
(Millions of USD)	121,087	90,617	123,859	162,455	142,226	162,329	165,472	149,051	141,825	177,248
Percentage of GDP 2/	62.4	50.3	62.8	74.5	64.1	69.1	83.0	67.4	57.7	65.8
<b>V. DEMATERIALIZED HOLDINGS 3/</b>										
(Millions of soles)										
Variable income	157,192	145,341	194,927	223,035	219,582	228,718	210,250	192,215	191,468	215,361
Fixed income	75,835	82,167	105,450	132,143	144,475	170,975	174,444	142,473	149,165	148,943
<b>Total</b>	<b>233,027</b>	<b>227,508</b>	<b>300,377</b>	<b>355,179</b>	<b>364,058</b>	<b>399,692</b>	<b>384,694</b>	<b>334,687</b>	<b>340,632</b>	<b>364,304</b>
Percentage of GDP 2/	40.3	37.0	45.3	50.3	48.7	51.4	53.3	38.1	36.4	36.5
<b>VI. PARTICIPATION OF NON-RESIDENTS 4/</b>										
(Percentages)										
Variable income	39.9	34.6	35.2	37.4	34.2	34.2	34.0	34.2	34.1	31.3
Fixed income	24.0	20.9	23.7	28.3	26.7	30.8	32.3	36.1	29.6	19.6
<b>Total</b>	<b>34.7</b>	<b>29.7</b>	<b>31.2</b>	<b>34.0</b>	<b>31.2</b>	<b>32.7</b>	<b>33.2</b>	<b>35.0</b>	<b>32.1</b>	<b>26.5</b>

1/ As of May 1, 2015, an agreement between the Lima Stock Exchange and S&P Dow Jones Indices came into effect for the calculation, marketing, licensing and distribution of new indices. These include the SP/BVL Peru General and SP/BVL Peru 25, which replace the former general and selective indexes, and also include new sector indexes.

2/ Preliminary for the last 3 years.

3/ Corresponds to dematerialized holdings recorded in CAVALI.

4/ With respect to securities recorded in CAVALI.

Source: Lima Stock Exchange, CAVALI S.A. ICLV

Elaborated by: Central Management of Economic Studies.

## Appendix 70

**MUTUAL INVESTMENT FUNDS**

(Millions of soles)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>I. MUTUAL FUND ASSETS BY MUTUAL FUND TYPE</b>	<b>18,727</b>	<b>21,094</b>	<b>25,231</b>	<b>29,676</b>	<b>29,875</b>	<b>35,441</b>	<b>45,972</b>	<b>32,472</b>	<b>28,295</b>	<b>32,897</b>
Fixed income	16,472	18,736	19,683	20,907	15,888	20,654	23,844	14,999	12,678	16,550
Mixed income	2,256	2,358	5,548	8,769	13,987	14,787	22,127	17,473	15,617	16,347
<b>BY CURRENCY</b>										
Domestic currency	9,074	7,793	9,708	12,637	12,488	13,183	18,819	11,244	8,430	9,266
Foreign currency	9,653	13,301	15,523	17,038	17,387	22,258	27,153	21,228	19,865	23,630
(Millions of USD)	3,240	3,898	4,625	5,258	5,151	6,720	7,497	5,343	5,210	6,368
<b>II. NUMBER OF PARTICIPANTS (in thousands)</b>	<b>352</b>	<b>385</b>	<b>419</b>	<b>443</b>	<b>439</b>	<b>436</b>	<b>437</b>	<b>367</b>	<b>341</b>	<b>348</b>
Fixed income	307	342	338	335	268	312	271	210	188	198
Mixed income	46	43	81	108	171	123	166	157	153	149
<b>III. COMPOSITION OF THE INVESTMENT PORTFOLIO (Percentages)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Deposits	63.1	54.8	53.3	50.0	41.0	40.8	36.3	33.8	30.4	37.7
Negotiable fixed-income instruments	11.9	8.6	7.2	6.5	10.7	8.7	13.9	11.1	10.5	7.9
Sovereign Bonds	2.6	0.9	0.7	0.9	0.9	0.7	0.8	0.3	0.3	0.6
BCRP Securities	1.1	0.5	1.4	1.5	0.5	0.1	2.6	0.4	0.0	0.0
Others	8.2	7.1	5.0	4.1	9.3	8.0	10.4	10.4	10.1	7.3
Equity instruments	2.5	1.4	1.8	1.8	2.7	3.4	3.6	3.3	2.2	2.4
Investments abroad	22.4	33.6	36.0	39.6	44.0	43.8	42.2	48.4	54.4	51.4
Repo operations and derivative instruments	0.1	1.6	1.8	2.1	1.6	3.3	4.1	3.4	2.5	0.6

Source: Superintendencia del Mercado de Valores (SMV).  
Elaborated by: Central Management of Economic Studies.



Numismatic series "Builders of the Republic. Bicentennial 1821-2021" and "Women in the Process of Independence of Peru"





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