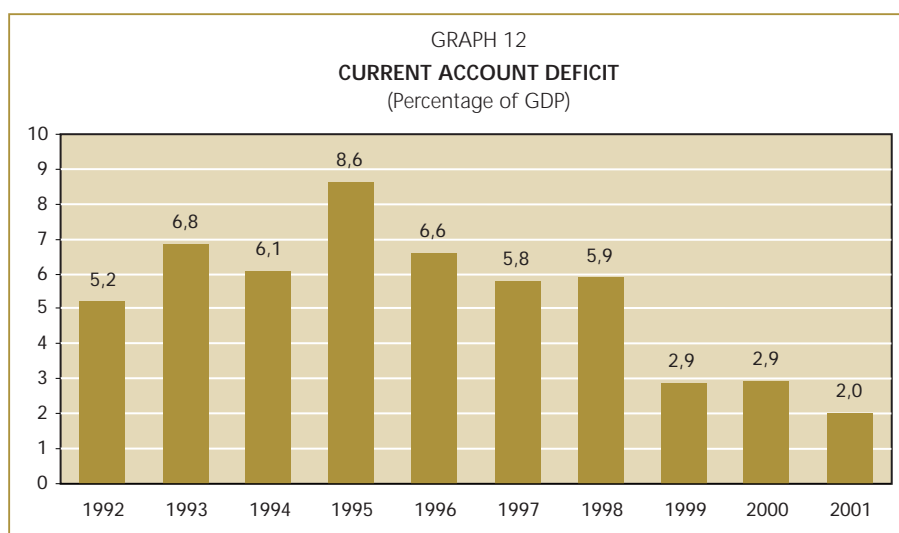


### III. EXTERNAL SECTOR

In 2001, the current account deficit of the balance of payments came down from US\$ 1 568 million to US\$ 1 094 million. In terms of GDP this meant a reduction from 2,9 to 2,0 percent, mainly due to the results of the trade balance and of financial and investment income. The trade deficit decreased from US\$ 317 million in 2000 to US\$ 90 million in 2001 because of reduction in imports (US\$ 153 million). This was caused by the slowdown of domestic economic activity

and, to a lesser extent, to an increase in exports (US\$ 73 million) favored by the activity of the Antamina mining project and the increase of non traditional exports, which offset the decrease of international prices. The lower deficit in financial and investment income (US\$ 249 million) is related to reduced remittances profits and dividends by foreign enterprises, as a consequence of their smaller profitability, and the decrease in international interest rates.



The financial account of the balance of payments registered an inflow of US\$ 1 059 million, US\$ 169 million higher than the previous year. The higher inflow of long term private and public capital must be noted. The private financial account registered privatization receipts slightly higher than the previous year (US\$ 267 million compared with US\$ 229 million in 2000). Further, there were higher

inflows of other private capital that increased from US\$ 736 million in 2000 to US\$ 884 million in 2001, as a result of the financial flows directed to the Antamina mining project (US\$ 562 million) that offset the effects of the unfavorable international environment. Total direct investment, excluding privatization receipts, and long term disbursements to the private sector reached US\$ 1 154 million, higher than



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the previous year (US\$ 1 036 million). This totally financed the current account deficit of the balance of payments of 2001. It must be mentioned that the outflow of short term capital slightly increased from US\$ 355 in 2000 to US\$ 486 million in 2001. The lower deficit of the current account and the

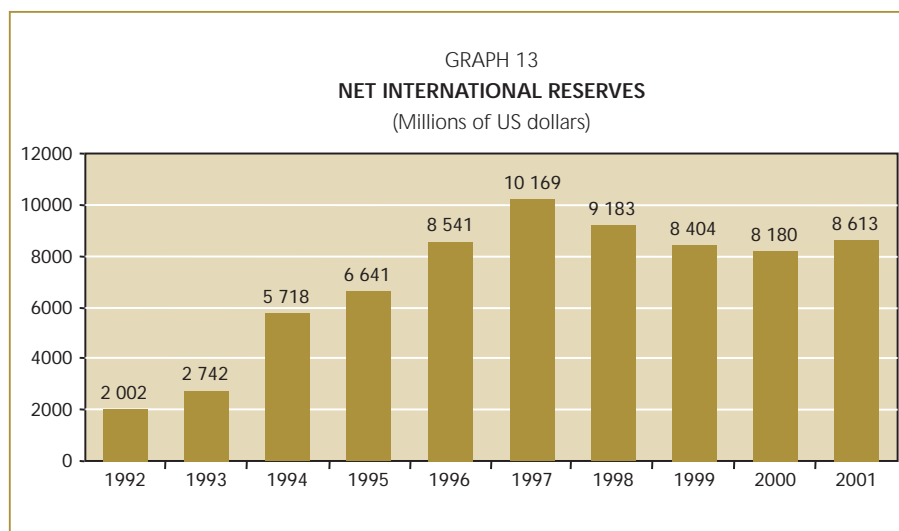
better result of the financial account determined an increase of US\$ 433 million in the net international reserves of the Central Bank (the stock amounts to US\$ 8 613 million), reversing the negative trend registered for three years and improving the external vulnerability indicators.

TABLE 15  
BALANCE OF PAYMENTS

	Millions of US dollars			Percentage of GDP		
	1999	2000	2001	1999	2000	2001
<b>I. CURRENT ACCOUNT BALANCE</b>	<b>-1 478</b>	<b>-1 568</b>	<b>-1 094</b>	<b>-2,9</b>	<b>-2,9</b>	<b>-2,0</b>
1. Trade balance	-630	-317	-90	-1,2	-0,6	-0,2
a. Exports	6 119	7 034	7 108	11,9	13,1	13,2
b. Imports	-6 749	-7 351	-7 198	-13,1	-13,7	-13,3
2. Services	-666	-793	-800	-1,3	-1,5	-1,5
a. Exports	1 594	1 580	1 489	3,1	3,0	2,8
b. Imports	-2 260	-2 373	-2 289	-4,4	-4,4	-4,2
3. Investment income	-1 146	-1 452	-1 203	-2,2	-2,7	-2,2
a. Private sector	-577	-937	-624	-1,1	-1,8	-1,2
b. Public sector	-569	-515	-579	-1,1	-1,0	-1,1
4. Current transfers	964	993	999	1,9	1,9	1,8
<b>II. FINANCIAL ACCOUNT</b>	<b>571</b>	<b>890</b>	<b>1 059</b>	<b>1,1</b>	<b>1,7</b>	<b>2,0</b>
1. Private sector	1 865	965	1 151	3,6	1,8	2,1
a. Foreign direct investment without privatization	1 593	433	796	3,1	0,8	1,5
b. Long-term loans	350	603	358	0,7	1,1	0,7
c. Bonds (net)	-18	-48	-47	0,0	-0,1	-0,1
d. Stock market and ADR's	-107	123	43	-0,2	0,2	0,1
e. Other external assets	-172	-375	-265	-0,3	-0,7	-0,5
f. Privatization	219	229	267	0,4	0,4	0,5
2. Public sector	383	280	394	0,7	0,5	0,7
a. Disbursements	1 237	1 485	1 344	2,4	2,8	2,5
b. Amortization	-971	-1 042	-918	-1,9	-1,9	-1,7
c. Net external assets	117	-163	-32	0,2	-0,3	-0,1
3. Short-term capital	-1 676	-355	-486	-3,2	-0,7	-0,9
<b>III. EXCEPTIONAL FINANCING</b>	<b>30</b>	<b>-58</b>	<b>31</b>	<b>0,1</b>	<b>-0,1</b>	<b>0,1</b>
<b>IV. FLOW OF NET RESERVES OF BCRP (1 - 2)</b>	<b>775</b>	<b>190</b>	<b>-448</b>	<b>1,5</b>	<b>0,4</b>	<b>-0,8</b>
(Increase with negative sign)						
1. Change in Central Bank reserves	780	224	-433	1,5	0,4	-0,8
2. Valuation changes and monetization of gold	5	34	15	0,0	0,1	0,0
<b>V. NET ERRORS AND OMISSIONS</b>	<b>102</b>	<b>547</b>	<b>452</b>	<b>0,2</b>	<b>1,0</b>	<b>0,8</b>

The ratio of international reserves to imports of goods increased from 13 months in 2000 to 14 months in 2001, and the stock of international reserves reached 1,5 times total external debt due in one year. These indicators measure the capability of the country to confront any restricted access to

international capital markets. Also, the level of international reserves to base money – a ratio that evaluates the ability of the economy to respond to foreign exchange demand shocks- remained around 5 times; this shows the comfortable position of international liquidity.



On the other hand, the concentration of exports in four main export products, totalling 48 percent remains but the relative importance of the four main international markets for our exports diminished slightly over the last three years.

In the same way, the ratio of total debt service to exports of goods and services showed a significant reduction from 50 percent in 2000 to 39 percent in 2001. In the case of the public debt service, it

decreased from 25 to 23 percent. These figures reflect the country's capability to generate real resources to make external payments in the short run.

With respect to the solvency indicators, these reflect a slightly better real capability of the economy to face external payments in the medium and long term. Thus, the ratio of debt to GDP decreased from 53 percent to 51 percent and the ratio of debt to exports, from 3,3 times to 3,2 times.



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TABLE 16  
EXTERNAL VULNERABILITY INDICATORS

	1999	2000	2001
Current account deficit (%GDP)	2,9	2,9	2,0
Exports - Concentration by products (%) <sup>1/</sup>	48	49	48
Exports - Concentration by markets (%) <sup>2/</sup>	53	50	49
Long term private capital (% of current account balance) <sup>3/</sup>	111	47	81
Net international reserves (millions of US\$)	8 404	8 180	8 613
Net international reserves / Debt due in one year (n° of times) <sup>4/</sup>	1,2	1,5	1,5
Net international reserves (n° of months of imports of goods)	14,9	13,4	14,4
Net international reserves /Base money (n° of times)	5,0	5,1	4,9
Total external debt (% of GDP)	55,6	52,6	50,9
Total external debt / Exports of goods and services (n° of times)	3,7	3,3	3,2
Public external debt (% of GDP)	37,8	35,9	35,1
Public external debt / Exports of goods and services (n° of times)	2,5	2,2	2,2
Total external debt service (% of exports of goods and services)	49,2	49,9	39,4
Public external debt service (% of exports of goods and services)	26,7	24,9	23,4

1/ Share of gold, copper, fishmeal and zinc in total exports.  
2/ Share of USA, United Kingdom, Switzerland and Japan, in total exports.  
3/ Private sector financial account without privatization.  
4/ Short term debt and medium and long term debt due in one year.

### 1. Exports

In 2001, exports reached US\$ 7 108 million, US\$ 73 million higher (1 percent) than 2000, due basically to the

evolution of non traditional exports which increased US\$ 137 million, in contrast to traditional exports which diminished by US\$ 78 million (2 percent).

TABLE 17  
EXPORTS

	Millions of US dollars			Percentage change	
	1999	2000	2001	2000	2001
<b>I. TRADITIONAL PRODUCTS</b>	<b>4 142</b>	<b>4 821</b>	<b>4 743</b>	<b>16,4</b>	<b>-1,6</b>
<b>FISHING</b>	<b>601</b>	<b>955</b>	<b>926</b>	<b>58,9</b>	<b>-3,0</b>
Fishmeal	533	874	835	64,0	-4,5
Fish oil	68	81	91	18,5	13,0
<b>AGRICULTURAL</b>	<b>282</b>	<b>249</b>	<b>207</b>	<b>-11,8</b>	<b>-16,7</b>
Coffee	268	223	180	-16,6	-19,2
Sugar	9	16	17	70,7	4,5
Cotton	2	5	5	214,3	-4,8
Other agricultural products 1/	3	5	5	42,9	17,8
<b>MINERAL</b>	<b>3 008</b>	<b>3 216</b>	<b>3 188</b>	<b>6,9</b>	<b>-0,9</b>
Gold	1 192	1 145	1 166	-4,0	1,9
Copper 2/	776	933	987	20,1	5,9
Zinc	462	496	419	7,2	-15,4
Lead 2/	177	190	196	7,5	3,0
Silver (refined)	169	179	169	6,0	-6,1
Tin	133	166	130	25,1	-21,7
Iron	67	67	81	-0,3	22,3
Other mineral products 3/	31	40	39	31,4	-4,0
<b>PETROLEUM AND DERIVATIVES</b>	<b>251</b>	<b>402</b>	<b>421</b>	<b>60,1</b>	<b>4,9</b>
<b>II. NON-TRADITIONAL PRODUCTS</b>	<b>1 876</b>	<b>2 044</b>	<b>2 181</b>	<b>8,9</b>	<b>6,7</b>
Textile	575	701	664	21,8	-5,2
Agriculture and livestock	406	394	437	-2,9	10,9
Basic metal industries	198	215	189	8,7	-12,1
Chemical	195	212	246	8,9	16,1
Fishing	190	177	197	-7,1	11,5
Fabricated metal products and machinery	76	96	158	26,5	64,3
Non-metallic minerals	51	47	58	-9,3	23,8
Other products 4/	185	202	232	9,2	14,5
<b>III. OTHER PRODUCTS</b>	<b>100</b>	<b>169</b>	<b>184</b>	<b>68,6</b>	<b>8,7</b>
Fishing concessions	31	83	102	166,1	22,0
Other 5/	69	86	82	24,3	-4,1
<b>IV. TOTAL EXPORTS</b>	<b>6 119</b>	<b>7 034</b>	<b>7 108</b>	<b>15,0</b>	<b>1,0</b>

1/ Coca leaf and derivatives, molasses, wool and furs.  
2/ Includes silver content.  
3/ Includes molybdenum, bismuth and tungsten.  
4/ Includes jewelry in gold and silver, timber and papers, fur and leathers and handicrafts.  
5/ Fuel and food sold to foreign ships and aircrafts and repairs on capital goods.

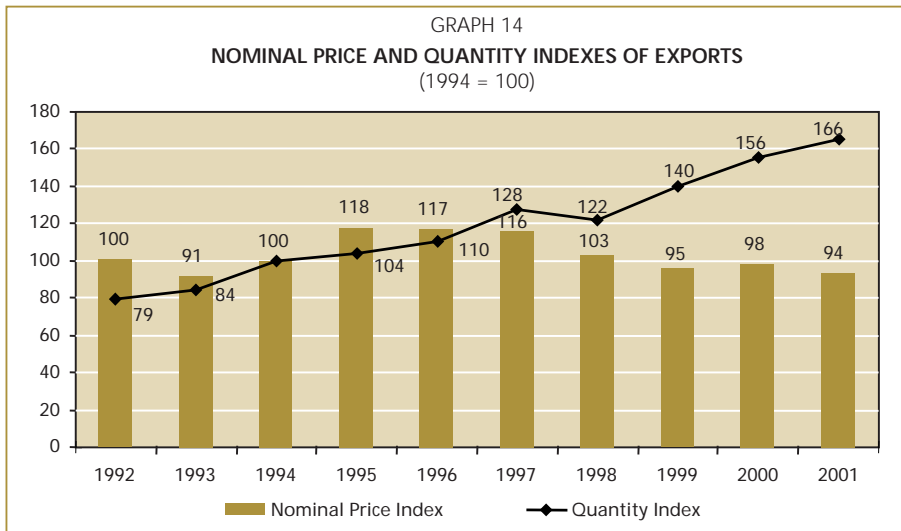


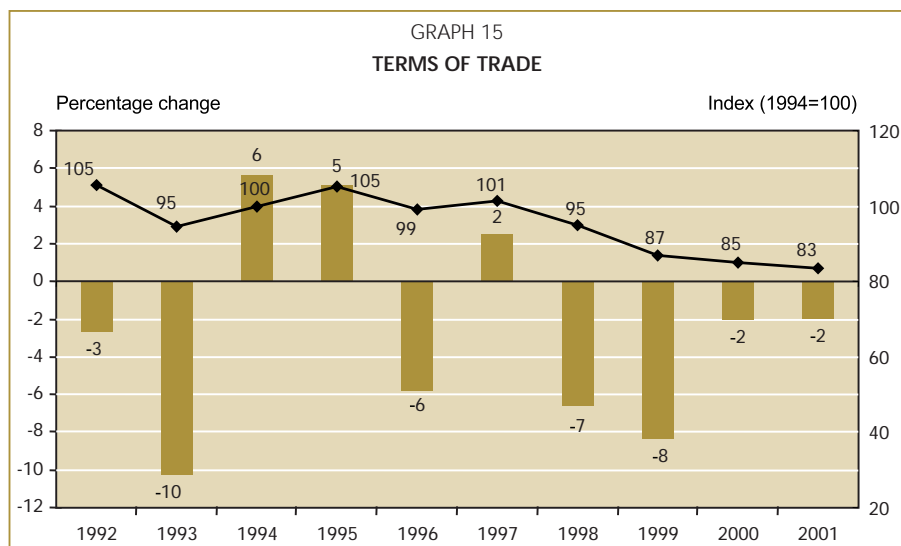
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On average, export prices fell by 5 percent, offset by the increase in average volume (6 percent). It must be mentioned that excluding the Antamina effect, exports would have reached only US\$ 6 958 million (1 percent lower to the year 2000), and the volume would have registered an increase of 4 percent.

Lower average prices were partially explained by lower international quotations, particularly gold (3 percent), lead (3 percent), coffee (29 percent), and petroleum (21 percent). In addition, the beginning of copper

production in the Antamina mining project in July and zinc in November, produced a reduction in the average price of those metals (copper, 18 percent and zinc, 27 percent) since this enterprise exports basically ore concentrates. The effect of the beginning of the production of Antamina was observed also in the average export volume; copper volume increased 30 percent (157 thousand MT) and zinc volume increased 16 percent (129 thousand MT), in the latter case also because of the increase in the production of medium mining enterprises.





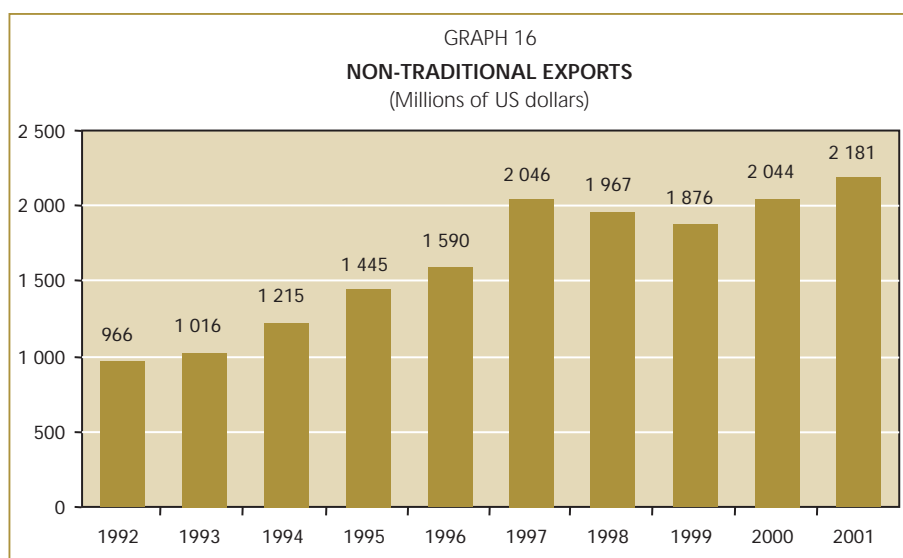
### Traditional exports

The evolution of traditional exports was determined mainly by the unfavorable environment of international prices and the beginning of the activities of the Antamina mining project.

The price effect for exports was negative in US\$ 453 million, particularly mining exports like copper (US\$ 189 million), zinc (US\$ 141 million) and gold (US\$ 38 million), as well as petroleum and derivatives (US\$ 115 million) and agricultural products, specially coffee (US\$ 73 million). This effect was partially offset by the positive price effect for fishing products, mainly fishmeal (US\$ 113 million).

### Non traditional exports

Non traditional exports were US\$ 2 181 million. The economic sectors which showed higher increases were agriculture and livestock (US\$ 43 million or 11 percent), fishing (US\$ 20 million or 11 percent), fabricated metal products and machinery (US\$ 62 million or 64 percent), chemicals (US\$ 34 million or 16 percent), non-metallic minerals (US\$ 11 million or 24 percent) and other products (US\$ 29 million or 14 percent). The downturn of the world economy affected mainly the basic metal industries (12 percent lower), and reinforced the reduction in textile exports.



## 2. Imports

In 2001 imports totaled US\$ 7 198 million, US\$ 153 million (2 percent) lower than in 2000, associated to the low dynamism of economic activity and particularly of private investment. The

reduction of capital imports (US\$ 198 million), of intermediate goods (US\$ 48 million) and other goods (US\$ 29 million) explained the reduction, although this was partially offset by imports of consumer goods.



TABLE 18  
IMPORTS

	Millions of US dollars			Percentage change	
	1999	2000	2001	2000	2001
<b>I. CONSUMER GOODS</b>	<b>1 432</b>	<b>1 446</b>	<b>1 567</b>	<b>0,9</b>	<b>8,4</b>
Non-durable	927	859	936	- 7,3	9,0
Durable	506	587	631	15,9	7,5
<b>II. RAW MATERIALS AND INTERMEDIATE GOODS</b>	<b>3 006</b>	<b>3 654</b>	<b>3 607</b>	<b>21,6</b>	<b>- 1,3</b>
Fuels	641	1 084	907	69,1	- 16,3
For agriculture	186	214	232	14,8	8,5
For industry	2 179	2 357	2 467	8,2	4,7
<b>III. CAPITAL GOODS</b>	<b>2 133</b>	<b>2 109</b>	<b>1 911</b>	<b>- 1,1</b>	<b>- 9,4</b>
Building materials	199	211	169	6,4	- 20,1
For agriculture	62	30	20	- 50,8	- 33,5
For industry	1 395	1 427	1 351	2,3	- 5,3
Transportation equipment	477	440	371	- 7,7	- 15,7
<b>IV. OTHER GOODS <sup>1/</sup></b>	<b>178</b>	<b>142</b>	<b>113</b>	<b>- 20,4</b>	<b>- 20,5</b>
<b>V. TOTAL IMPORTS</b>	<b>6 749</b>	<b>7 351</b>	<b>7 198</b>	<b>8,9</b>	<b>- 2,1</b>
Note:					
<b>Foodstuff <sup>2/</sup></b>	<b>566</b>	<b>482</b>	<b>530</b>	<b>- 14,9</b>	<b>10,0</b>
Wheat	157	151	179	- 4,0	18,7
Corn and/or sorghum	101	80	81	- 21,0	1,8
Rice	52	24	15	- 53,9	- 36,7
Sugar <sup>3/</sup>	74	41	50	- 45,3	23,9
Dairy products	57	44	43	- 23,5	- 2,5
Soybean	105	125	145	18,9	16,5
Meat	20	18	16	- 7,4	- 9,6

1/ Includes donated goods, capital goods under leasing and other not considered in other category.  
2/ Excludes gifts of food.  
3/ Includes non-refined sugar classified as raw materials.

### 3. International trade

In 2001, the United States of America was Peru's main commercial partner, accounting for 28 percent of its total trade (1 percentage point lower than in 2000). This reduction was explained by a decrease

in exports (3 percentage points), generated by the slowdown of the economic activity in the United States of America and stronger international competition. The second most important Peruvian partner was the United Kingdom, that reached 7 percent (2 percentage



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points higher than in 2000) explained by a 5 percentage points increase in exports. These two countries, together with Chile,

Spain, Japan and the People's Republic of China, totaled more than 50 percent of Peru's international trade.

TABLE 19  
DIRECTION OF TRADE  
(In percent of total)

	Exports <sup>1/</sup>			Imports <sup>2/</sup>			X + M		
	1999	2000	2001	1999	2000	2001	1999	2000	2001
United States of America	29,6	27,7	25,1	31,7	29,7	30,1	30,7	28,7	27,6
United Kingdom	9,4	8,4	13,4	1,2	1,4	1,1	5,1	4,8	7,2
Spain	3,0	2,7	3,0	7,5	9,2	8,8	5,4	6,0	6,0
Chile	2,9	3,8	4,0	6,7	7,1	8,0	4,9	5,5	6,0
Japan	4,3	5,5	6,5	4,6	4,2	3,4	4,5	4,8	4,9
People's Republic of China	3,6	6,4	6,1	1,7	1,8	1,9	2,6	4,1	4,0
Brazil	2,9	3,2	3,2	3,9	4,4	3,9	3,4	3,8	3,6
Colombia	1,7	2,1	2,2	4,7	4,7	4,0	3,3	3,4	3,1
Germany	4,1	3,1	3,0	3,8	3,1	3,4	3,9	3,1	3,2
Venezuela	1,5	1,6	2,1	4,4	4,8	4,0	3,0	3,2	3,0
Switzerland	9,2	7,9	4,4	1,6	1,4	1,4	5,2	4,6	2,9
Mexico	2,8	2,2	1,8	2,7	2,9	2,6	2,8	2,5	2,2
Republic of South Korea	1,5	2,2	1,9	2,7	2,5	2,8	2,1	2,4	2,3
Other countries	23,6	23,1	23,4	22,7	22,7	24,7	23,1	22,9	24,1
<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>

X: Exports M: Imports  
 1/ Exports exclude products classified as other exports and the repair of foreign ships and aircrafts.  
 2/ Imports exclude products classified as other imports and the repair of national ships and aircrafts abroad.

The European Union registered the biggest increase in trade share among other economic groups (2 percentage points higher than the previous year). This increase was explained by countries outside Euro Zone (mainly the United Kingdom). On the other hand, the decrease of Peruvian exports to the United States of America resulted

in lower NAFTA and APEC trade share (reduction of 2 percentage points and 1 percentage point, respectively). Because of higher exports and imports, Andean Community trade share increased 1 percentage point. Finally, ALADI and MERCOSUR trade share were 24 and 6 percent, respectively, similar to the previous year.

**TABLE 20**  
**COMMERCIAL TRADE BY MAIN ECONOMIC BLOCS <sup>1/</sup>**  
(In percent of total)

	1999			2000			2001		
	X	M	X + M	X	M	X + M	X	M	X + M
APEC <sup>2/</sup>	51	55	53	55	54	54	52	54	53
NAFTA <sup>3/</sup>	34	37	35	32	35	33	29	34	32
EU	25	20	23	21	21	21	26	20	23
EURO ZONE	16	18	17	13	18	15	13	18	16
ALADI	15	29	22	16	30	23	17	30	24
ANDEAN COMMUNITY <sup>4/</sup>	6	8	7	6	8	7	7	8	8
MERCOSUR	3	8	6	4	8	6	4	8	6

X: Exports M: Imports  
<sup>1/</sup> Partial amounts do not add up 100 percent due to superposition of countries among commercial blocs.  
<sup>2/</sup> Asia-Pacific Economic Cooperation.  
<sup>3/</sup> North American Free Trade Agreement, signed in 1993 by the United States of America, Canada and Mexico.  
<sup>4/</sup> Excludes trade of petroleum and derivatives.

#### 4. Private Sector Financial Account

Private sector financial account registered an inflow of US\$ 1 151 million, explained by long-term capital flows, excluding privatization receipts, for US\$ 884 million and privatization receipts corresponding to direct investment of US\$ 267 million. Total inflows were higher than the previous

year (US\$ 186 millions) mainly because of direct investment inflows (US\$ 363 millions) corresponding to Bank Wiese and to smaller acquisitions of external assets (US\$ 110 millions). This was partially offset by lower disbursements of medium and long term debt as Antamina's project was finished as well as the negative environment that delayed many projects.



TABLE 21  
PRIVATE SECTOR LONG-TERM CAPITAL FLOWS

	Millions of US dollars			Percentage of GDP		
	1999	2000	2001	1999	2000	2001
<b>I. LONG-TERM CAPITAL FLOWS EXCLUDING PRIVATIZATION (1+2+3+4+5)</b>	<b>1 646</b>	<b>736</b>	<b>884</b>	<b>3,2</b>	<b>1,4</b>	<b>1,6</b>
1. DIRECT INVESTMENT WITHOUT PRIVATIZATION	1 593	433	796	3,1	0,8	1,5
2. LONG-TERM LOANS	350	603	358	0,7	1,1	0,7
Disbursements	1 418	2 048	1 237	2,7	3,8	2,3
Amortization	-1 068	-1 445	- 879	-2,1	-2,7	-1,6
3. BONDS (NET) <sup>1/</sup>	- 18	- 48	- 47	0,0	-0,1	-0,1
4. STOCK MARKET AND ADR's <sup>2/</sup>	- 107	123	43	-0,2	0,2	0,1
5. OTHER EXTERNAL ASSETS <sup>3/</sup>	- 172	- 375	- 265	-0,3	-0,7	-0,5
<b>II. PRIVATIZATION</b>	<b>219</b>	<b>229</b>	<b>267</b>	<b>0,4</b>	<b>0,4</b>	<b>0,5</b>
<b>III. TOTAL</b>	<b>1 865</b>	<b>965</b>	<b>1 151</b>	<b>3,6</b>	<b>1,8</b>	<b>2,1</b>

1/ In net terms, bonds issued minus bonds redeemed. Includes notes and securitization, among others.  
2/ Considers the net acquisition of financial assets by non residents registered in Cavali (compensation and liquidation of securities institution). Includes the acquisition of American Depository Receipts (ADR's).  
3/ Includes mainly equities and other financial assets from abroad acquired by the financial and non financial sector.

Gross financing (direct investment excluding privatization receipts and medium and long term debt disbursements) was directed in 50 percent to the mining sector, which nevertheless decreased from last year due to the ending of Antamina's project. The services, financial and industrial sectors as a group represented 41 percent of total external financing to the private sector. While the industrial sector required higher financing mainly oriented to Backus company, the service sector

reduced its financing demand due to the lower requirement of Bellsouth partially offset by higher requirements of SAC Perú; the financial sector also reduced its financing requirements.

Direct investment without privatization reached US\$ 796 million this year explained by Wiese Sudameris Bank (US\$ 166 million), BHP Tintaya (US\$ 130 million), Messer Perú (US\$ 43 million) as well as the acquisition of Unión de Cervecerías Backus & Johnson's shares by Polar group (US\$ 110 million).

Net inflows from medium and long term debt<sup>1</sup> amounted to US\$ 358 million. Disbursements amounted to US\$ 1 237 million and amortization to US\$ 879 million. Disbursements were US\$ 811 million lower than the previous year while amortization was US\$ 566 million lower than the previous year.

Disbursements were oriented to Antamina (US\$ 562 million), Cajamarquilla (US\$ 103 million) and Yanacocha (US\$ 55 million); services companies like SAC Perú (US\$ 43 million) and energy companies like Termoselva and Eteselva (US\$ 60 million in conjunction).

TABLE 22  
MAIN LONG-TERM PRIVATE CAPITAL EXCLUDING PRIVATIZATION (\*)  
(Millions of US dollars)

	1999	2000	2001
Hydrocarbons (net of debt service and depreciation) <sup>1/</sup>	153	22	26
Mining	1 152	1 202	976
Financial sector	549	325	281
Services	413	628	234
Industrial sector	326	143	285
Energy	357	148	139
<b>TOTAL</b>	<b>2 949</b>	<b>2 469</b>	<b>1 941</b>

(\*) Includes foreign direct investment inflows and long-term debt disbursements.  
1/ Net of debt amortization to direct investors and of other debits to direct investment.

Capital flows corresponding to bonds were negative in US\$ 47 million, because of payments made by Southern, Yanacocha and Telefónica del Perú. Equity capital inflows amounted to US\$ 43 million, which correspond mainly to the acquisition of shares from Buenaventura and Iscaycruz (for a total of US\$ 88 million) and the net sale of shares from Unión de Cervecerías Backus & Johnson and Cementos Lima (for a total of US\$ 34 million).

## 5. Public Sector Financial Account

The positive balance of the public sector financial account -US\$ 394 million, up US\$ 114 million from the previous year- was the result of disbursements amounting to US\$ 1 344 million, which were partially offset by a US\$ 918 million outflow associated with maturities falling due and a US\$ 32 million net flow in the “net external assets” item. The latter records capital subscriptions payments

1/ This item has been revised, after mainly considering new information from banking enterprises (net flows of loans).



made by the government and COFIDE to multilateral organizations by US\$ 54 million and a reduction in the stock of Brady bonds collaterals of US\$ 22 million, as a result of Brady bonds swaps made in previous years.

#### **6. International Assets and Liabilities Position**

For 2001, the external position show total financial assets of US\$ 14 779 million, mainly Central Bank reserve assets that reach US\$ 8 837 million. Total assets were higher by US\$ 556 million because of the increase of Central Bank reserve assets (US\$ 275 million) and of the financial sector (US\$ 262 million).

Total liabilities were US\$ 40 604 million, mainly medium and long term debt of the public sector (US\$ 18 967 million), the stock of foreign investment

(US\$ 10 669 million) and the medium and long term debt of the private sector (US\$ 5 215 million).

Medium- and long-term private external debt increased by US\$ 322 million with respect to 2000 and totals an equivalent to 9,7 percent of GDP while medium- and long-term public debt amounted US\$ 238 million lower than in 2000 and represents 35 percent of GDP, a slight downturn with respect to the previous year. The latter was explained by an augment of US\$ 424 million in the net indebtedness and a reduction of US\$ 662 million caused by exchange rate movements.

It must be mentioned that medium and long term debt including bonds, reaches 45,1 percent of GDP, 2,8 times exports of goods and services and 2,4 times of total credits of the current account of the balance of payments.

**TABLE 23**  
**INTERNATIONAL INVESTMENT POSITION**  
(Levels at the end of period)

	Millions of US dollars			Percentage of GDP		
	1999	2000	2001	1999	2000	2001
<b>I. ASSETS</b>	<b>14 399</b>	<b>14 223</b>	<b>14 779</b>	<b>27,9</b>	<b>26,6</b>	<b>27,4</b>
1. RESERVE ASSETS OF THE BCRP	9 002	8 562	8 837	17,4	16,0	16,4
2. FINANCIAL SYSTEM (EXCLUDES BCRP)	2 063	2 408	2 670	4,0	4,5	4,9
3. OTHER ASSETS	3 334	3 253	3 272	6,5	6,1	6,1
<b>II. LIABILITIES</b>	<b>41 371</b>	<b>40 931</b>	<b>40 604</b>	<b>80,1</b>	<b>76,5</b>	<b>75,2</b>
<b>1. BONDS AND PRIVATE AND PUBLIC EXTERNAL DEBT</b>	<b>28 684</b>	<b>28 150</b>	<b>27 508</b>	<b>55,6</b>	<b>52,6</b>	<b>50,9</b>
a. MEDIUM AND LONG-TERM	24 419	24 447	24 383	47,3	45,7	45,1
Private sector <sup>1/</sup>	4 330	4 893	5 215	8,4	9,1	9,7
BCRP	589	349	202	1,1	0,7	0,4
Public sector	19 500	19 205	18 967	37,8	35,9	35,1
b. SHORT-TERM	4 265	3 703	3 125	8,3	6,9	5,8
Financial system (excludes BCRP)	2 061	1 744	1 375	4,0	3,3	2,5
BCRP	10	34	23	0,0	0,1	0,0
Other <sup>2/</sup>	2 194	1 925	1 727	4,2	3,6	3,2
<b>2. DIRECT INVESTMENT</b>	<b>9 829</b>	<b>10 503</b>	<b>10 669</b>	<b>19,0</b>	<b>19,6</b>	<b>19,7</b>
<b>3. STOCK MARKET AND ADR's</b>	<b>2 859</b>	<b>2 278</b>	<b>2 427</b>	<b>5,5</b>	<b>4,3</b>	<b>4,5</b>

1/ Bonds included.  
2/ Non-financial private sector's short term debt is mainly accounted.