



ANNUAL REPORT 2010



BANCO CENTRAL DE RESERVA DEL PERÚ

CENTRAL RESERVE BANK OF PERU

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As of December 31, 2010

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Introduction

The international scenario in 2010 was marked by economic recovery in most countries, as well as by the beginning of a significant rise in commodity prices and increased international liquidity. This recovery was not homogeneous worldwide. In emerging economies, it was mainly based on the dynamic growth of domestic demand. On the other hand, economic recovery in developed countries was slower and depended on their possibility of sustaining fiscal and monetary stimulus policies. The uncertainty generated by the fiscal problems of some Eurozone countries and the rise in the international prices of food and energy were risk factors that limited a more favorable evolution of global economic activity.

Positive growth rates were again observed in the domestic economy since Q4-2009 as a result of the simultaneous implementation of monetary and fiscal stimulus in response to the international economic crisis. In 2010, with a more favorable international environment and a domestic market driven by private agents' optimistic expectations, high growth rates were observed, leading GDP to record a growth rate of 8.8 percent with an output gap that continued closing over the year.

GDP growth was driven by domestic demand, which grew 12.8 percent. Factors accounting for this result included the recovery of private consumption and the expansion of private investment at similar rates as the ones observed prior to the international financial crisis. Non primary sectors' contribution to growth –particularly labor-intensive sectors, such as construction and non primary manufacturing – was extremely important due to the positive effects they generate on the levels of employment and income.

Inflation returned to the target range in May, after the effect of lower imported inflation in 2009 disappeared and rises in the international prices of food and fuels were then observed. The latter was coupled by rises in agricultural and domestic prices due to lower supply as a result of adverse climatic conditions during the first months of the year. In this context, inflation reached 2.4 percent in September, declining thereafter to 2.1 percent in December. Core inflation –trend indicator of inflation– fell around the 2 percent target over the year, with rates ranging between 1.8 and 2.2 percent, and recording a rate of 2.1 percent at the end of the year.



In a context of strong growth of domestic demand and reversal of the economic cycle, the Central Bank preventively started gradually withdrawing monetary stimulus by raising the reference interest rate and the rate of reserve requirements. Between May and September, the reference rate was raised from a historical minimum level of 1.25 to 3.0 percent. A pause was made in this cycle of adjustments in Q4 considering the evolution of inflation and inflation expectations in a context of increased uncertainty about global growth, given the fiscal problems observed in some Eurozone countries.

Moreover, the reserve requirements measures were also aimed at offsetting the dynamism of credit and liquidity in the domestic market in a context characterized by increased capital inflows and appreciatory expectations due to the presence of higher liquidity in global markets and investors' lower risk aversion.

Interest rates, especially shorter term rates, increased in line with the rises in the reference rate and the adjustments implemented in reserve requirements during the year. Despite this, the rates on loans for micro businesses, consumer loans and mortgages declined due to increased competition in these market segments, as well as due to the greater availability of funds in dollars.

Monetary aggregates grew in line with the greater dynamism of economic activity in a context of a less flexible monetary policy. Credit to the private sector increased by 21 percent and the dollarization ratio of credit to the private sector fell from 47 to 46 percent between 2009 and 2010.

As regards the Central Bank interventions in the foreign exchange market, the BCRP purchased foreign currency for a total of US\$ 2,655 million in the first four months of the year with the aim of mitigating the volatility caused by the sales of dollars associated with the period of regularization of the income tax and a higher supply position in the forward market. Between June and October, due to the acceleration of capital inflows, the BCRP intervened in the foreign exchange market purchasing US\$ 6,309 million through front desk operations. In this way, the Central Bank accumulated international reserves for a total of US\$ 10,970 million, as a result of which international reserves amounted to US\$ 44,105 million at December, level equivalent to 29 percent of GDP.

Between 2009 and 2010 the fiscal deficit declined from 1.6 to 0.5 percent of GDP, mainly as a result of tax collection improvements. This implied a lower fiscal impulse than the one observed in 2009, in line with the announcement of the withdrawal of fiscal stimulus. The increase in the revenues of the general government from 18.7 to 19.8 percent of GDP represented an increase of nearly 19 percent in real terms, and is explained by both higher domestic economic activity and by the rise in the prices of our main export commodities. The general government expenditures grew 11 percent in real terms, with capital expenditure growing 20 percent, which represented 6 percent of GDP.

The current account of the balance of payments declined from a surplus of 0.2 percent of GDP in 2009 to a deficit of 1.5 percent of GDP in 2010. This result is mostly explained by the higher

prices of imports, particularly fuels, as well as by the higher volume of imports generated by the strong dynamism of domestic demand during the year. The inflow of long term private capitals observed during the year, which amounted to nearly US\$ 14.4 billion, was associated with the increased amount of funds oriented to finance investment projects, with banks' higher debt contracted abroad, and with non residents' demand for government securities.

***ECONOMIC
ACTIVITY***



Production and employment

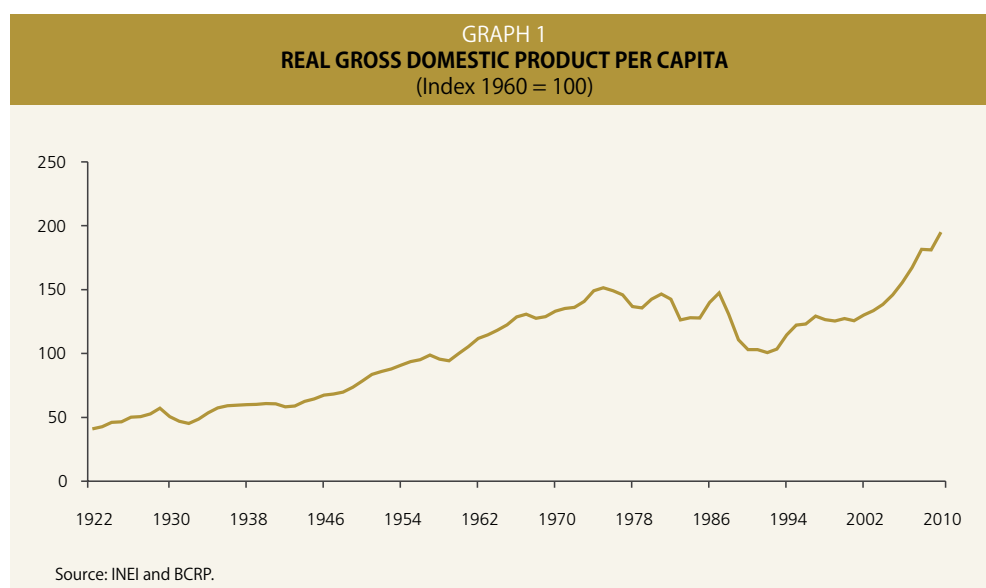
Reaching a new maximum historical record, production in per capita terms grew 7.6 percent.

Recovering from the weak economic cycle of 2009, the Peruvian economy grew at a rate of 8.8 percent in 2010. Growth in 2010 was mostly driven by domestic demand, which recovered from the decline observed in the previous year and showed an expansion of 12.8 percent.

This growth in the domestic economy was favored by a context of global economic recovery, as well as by the recovery of the United States, our main trading partner, and by high growth in China, our second main trading partner.

GDP growth was led mainly by non primary sectors, whose dynamism had a positive impact on employment in urban areas which grew 4.2 percent in 2010. On the other hand, growth in primary sectors was affected by the problems derived from La Niña in the case of fishing, while mining contracted 0.1 percent dragging the effects of the investments postponed since Q4-2008 when the international financial crisis started.

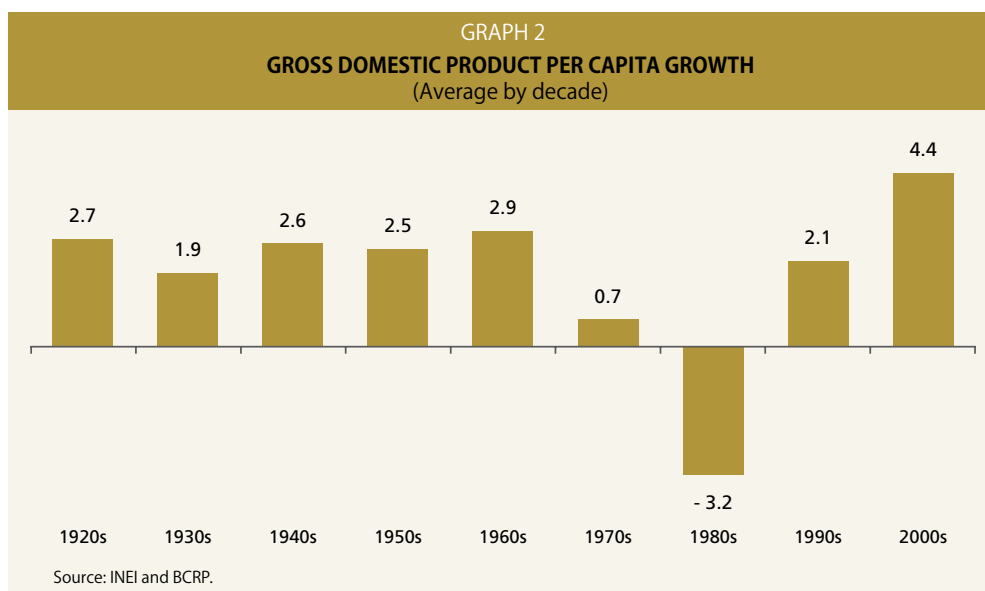
Reaching a new maximum historical record, production in per capita terms grew 7.6 percent. Measured in 2010 constant dollars, GDP per capita in 2010 was US\$ 5,225 (64 percent higher than the level observed 5 years ago and twice the level observed 10 years ago¹).



¹ Measured as GDP per capita in current dollars and deflated by the US price index with year 2010 = 100.



It is worth pointing out that the average growth of GDP per capita at the close of the decade was 4.4 percent, the highest historical level recorded in the national accounts.



1. Domestic demand

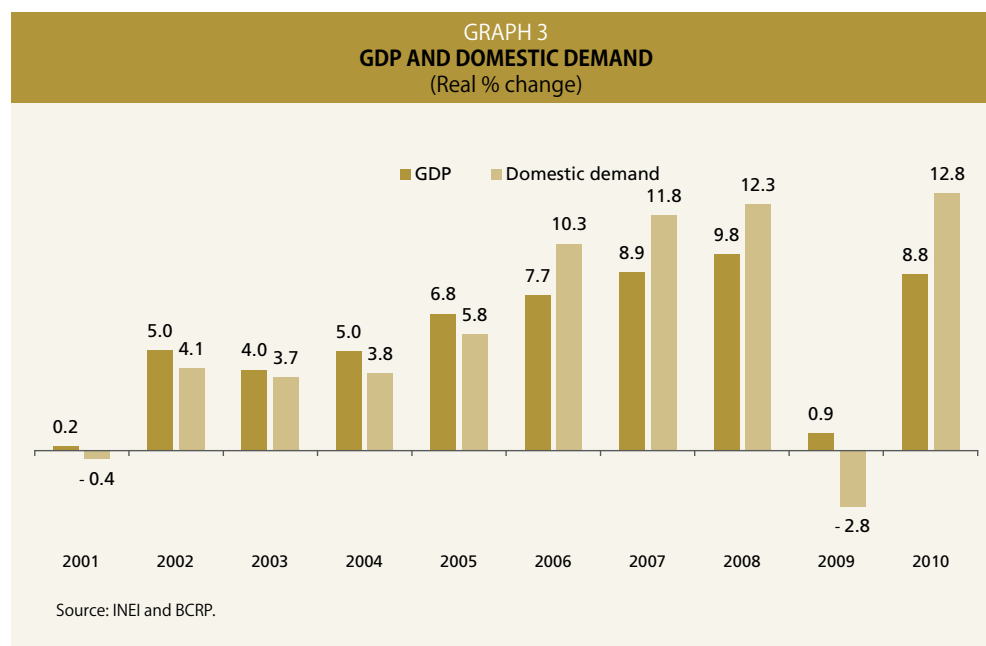
After registering a contraction in 2009, domestic demand expanded 12.8 percent in 2010. Thus, domestic demand recorded again two-digit growth rates –like in 2006 and 2008– and showed a higher pace of growth than GDP.

In terms of its composition, the growth of domestic demand is explained by increased private expenditure in both consumption and investment, as well as by the restocking. The latter variable showed a significant recovery after the negative performance it recorded during 2009 in a context of deceleration of demand. Government expenditure, on the other hand, grew 16.7 percent after having recorded a rate of 18.1 percent the previous year.

TABLE 1
GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE
(Real percentage change)

	2008	2009	2010
Domestic Demand	12.3	- 2.8	12.8
a. Private consumption	8.7	2.4	6.0
b. Public consumption	2.1	16.5	10.6
c. Gross domestic investment	27.1	- 9.2	23.2
- Private	25.9	- 15.1	22.1
- Public	33.6	21.2	27.3
Exports	8.2	- 3.2	2.5
Minus:			
Imports	20.1	- 18.6	23.8
GDP	9.8	0.9	8.8
Memo:			
Total public expenditure	11.4	18.1	16.7

Source: INEI and BCRP.



1.1 Private consumption

In 2010 private consumption grew 6.0 percent. It is worth pointing out that although this variable remained in positive levels during 2009, it started showing a faster pace of growth during 2010, particularly since Q2, and thus returned to the average growth rate observed prior the international financial crisis (5.7 percent between 2002 and 2008). This performance was associated with the growth of disposable national income (10.6 percent) and employment in urban areas (4.2 percent), as well as with consumer confidence, which remained in the positive tranche during most of the year.

TABLE 2
NATIONAL DISPOSABLE INCOME 1/
(% change)

	2008	2009	2010
Gross domestic product	9.8	0.9	8.8
Gross national product 2/	11.4	2.0	7.7
Gross national income 3/	7.4	1.4	11.0
National disposable income 4/	7.3	1.3	10.6

1/ Preliminary data.
2/ Excludes non-resident factor income from GD
3/ Includes losses and gains due to changes in terms of trade.
4/ Gross national income plus net transfers from non-residents.
Source: INEI and BCRP.

Several indicators confirm this positive evolution of private consumption in 2010. Sales of new family cars grew 51 percent (74 thousand units were sold during the year); imports of durable and non durable consumer goods grew 38 and 19 percent in terms of volume, respectively; the sales of electrical appliances increased 19 percent; the consumer loans granted by depositary institutions grew 16 percent in real terms, and new malls were built both in Lima and other cities of the country.



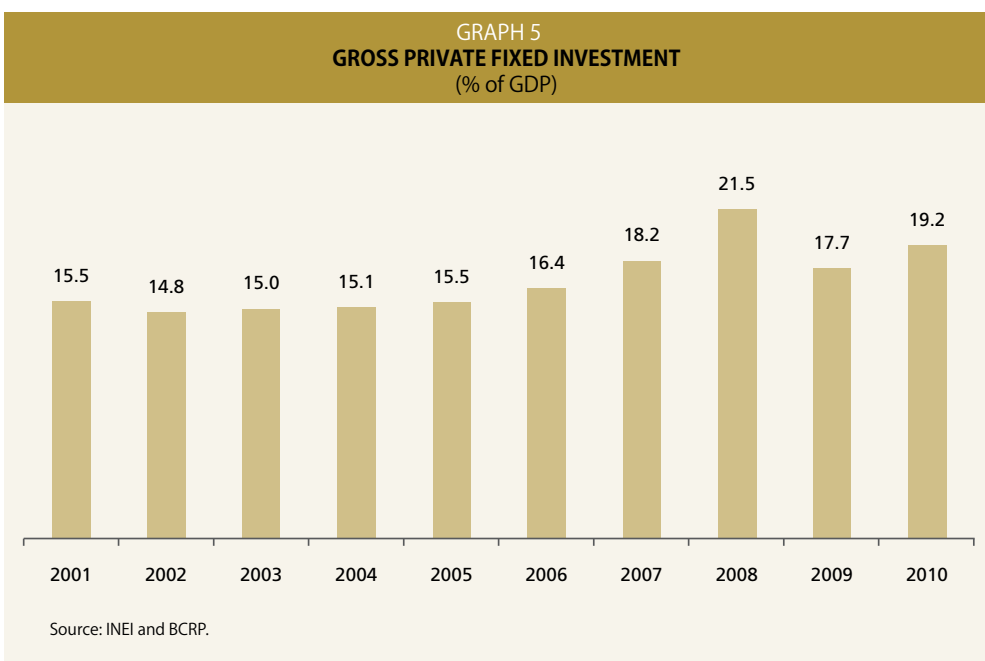
1.2 Private investment

After the uncertainty generated by the international financial crisis subsided, economic agents resumed pending investment projects in 2010. Other new investments associated with the positive outlook of the Peruvian economy added onto this.

Thus, returning to the two-digit growth rates observed between 2005 and 2008, private investment grew 22.1 percent during 2010.



With the growth rate recorded in the year, the private investment-to-GDP ratio increased from 17.7 percent in 2009 to 19.2 percent in 2010.



Annual growth was driven by investment projects that concentrated mainly in the sectors of mining, energy and infrastructure, although investment in commerce and tourism was also noteworthy.

TABLE 3 MAIN PRIVATE INVESTMENT PROJECTS 2010 (Millions of US\$)	
SECTOR	AMMOUNT
Agriculture and livestock	203
Fishing	92
Mining and hydrocarbon	5,333
Manufacturing	1,523
Electricity, gas and water	1,513
Construction and infrastructure	2,305
Commerce	935
Services	861
TOTAL	12,763

Source: BCRP Survey on Macroeconomic Expectations, magazines and otras specialized sources.

Investment projects worth pointing out in the mining and hydrocarbons sector included the liquefied natural gas plant in Pampa Melchorita, which initiated operations in Q2-2010, and the completion of works at Bayovar's phosphate plant, which also started operations in Q2. Other investments worth mentioning are the works carried out in Chinalco's copper projects of Toromocho; Pluspetrol's exploration activities in Lot 88 in Cusco and the expansion of the plant in Las Malvinas; Perenco's exploration activities in Lot 67 in Loreto, and BPZ Resources' exploration activities in Z-1 in Tumbes; Shougang Hierro Perú's expansion of the Marcona plant in Ica, and Antamina's plant expansion in Ancash to increase the useful life of the project from 23 to 29 years.

In the energy sector, investment projects included the expansion of the power plant of San Gabán in Puno; the fourth stage of Kallpa project in Lima, which is aimed at converting the combined cycle of its three turbines currently in operation to natural gas; Calidda's installation and connection of gas pipes, and Luz del Sur's maintenance works of the electricity grids, both in Lima.

In manufacturing, it is worth highlighting the expansion of the Cajamarquilla refinery by Votorantim Metais, the expansion of Backus & Johnston brewery, and the expansion of Ransa's refrigeration plant, all of them in Lima, the three projects representing an investment of over US\$ 700 million.

Projects that should be pointed out in the rest of the country included Cemento Andino's projects in Junín to install the new production line of Furnace N° 4 which is estimated to start operating at end 2011, and Cementos Yura's project in Arequipa, which is aimed at starting operations in the new production line N° 3.

Investments in the sector of commerce continued to be oriented to opening new malls in Lima and in the main cities of the country, reflecting consumer preference for more modern infrastructure for retail. The opening of Centro Comercial Angamos Plaza and the expansion of Jockey Plaza are worth mentioning in Lima; three new malls started operating in Arequipa: Real Plaza, Parque Lambramani and Mall Aventura Plaza; and one new mall was opened (Open Plaza Piura) and works were carried out for the construction of Plaza de la Luna and the expansion of Plaza del Sol in Piura.



Other infrastructure projects worth mentioning are the completion of the expansion works of Muelle Sur in the port of Callao by Dubai Port World; investments in road infrastructure by Odebrecht; sanitation works in the water treatment plant of Huachipa; the opening of new bank agencies by local and foreign banks, and hotel projects such as "Tambo del Inka" and "Las Nazarenas" in Cusco and "Westin Libertador" in Lima.

1.3 Government expenditure

Government expenditure grew 16.7 percent in 2010 as a result of both the expansion of consumption, which recorded a growth rate of 10.6 percent at year end, and the dynamic growth of investment (27.3 percent), which maintained the high pace of growth recorded in the previous year (21.2 percent).

Higher expenditure in goods and services was concentrated in the sectors of transports and communications (road maintenance and repair); defense and interior (maintenance and recovery of operating capacity, police surveillance, maintenance of machinery and equipment); education, (training of teachers and literacy activities); agriculture, (support actions for agriculture, promotion of productive chains and formalization of firms commercializing agricultural products, among others), and in the Oficina Nacional de Procesos Electorales and Jurado Nacional de Elecciones (organization and development of municipal and regional elections in 2010).

Government investment increased as a result of the higher expenditure of the national government in the sectors of transports (road concession projects; Tren Eléctrico; airport concessions; road rehabilitation, improvement and expansion in the areas of access to the port terminal of Callao); education (improvement of education infrastructure); electricity (rural electrification projects); agriculture (irrigation projects and support to agriculture); health (improvement and equipment in hospital emergency services), and housing, (Proyecto Nacional de Agua Potable and Saneamiento Rural).

1.4 Exports and imports

Exports of goods and services grew 2.5 percent. It is worth pointing out that the volume of non traditional exports, particularly textiles, agricultural products, chemicals and steel&metal products, grew 15 percent. On the other hand, exports of coffee, silver, lead, and molybdenum were noteworthy in terms of traditional products. Moreover, natural gas began to be exported since the second half of the year.

The rapid recovery of the economy was also reflected in the increased dynamism of foreign trade. Imports of goods and services grew 23.8 percent, contrasting with the 18.6 percent drop recorded in 2009. This growth was observed in all the items: imports of consumer goods grew 28.0 percent, imports of inputs grew 21.3 percent, and imports of capital goods grew 27.5 percent, in line with the economy's higher growth.

1.5 Saving and investment

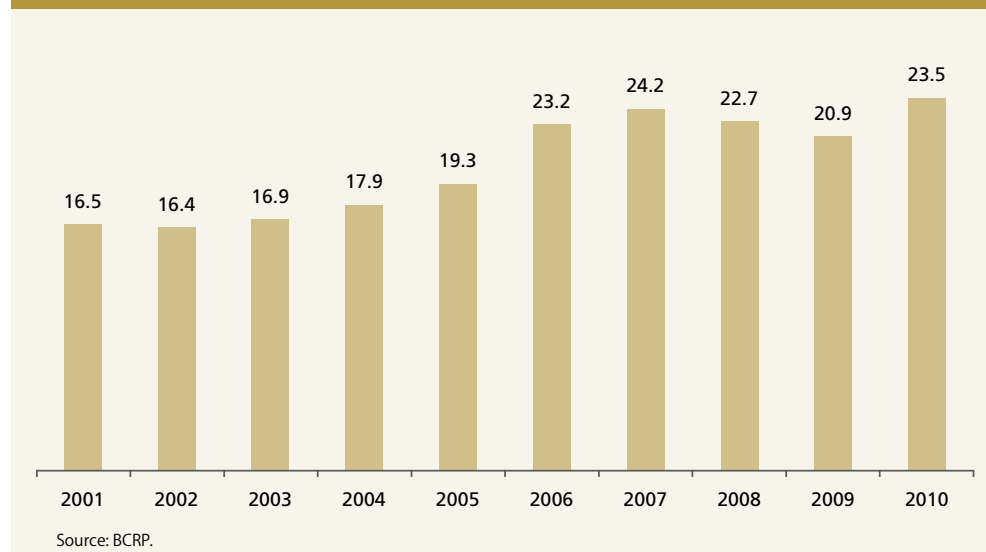
In 2010, domestic investment recovered from the contraction recorded in 2009 and increased from 20.7 to 25.0 percent of GDP. Domestic saving grew from 20.9 percent of GDP in 2009 to 23.5 percent of GDP in 2010 as a result of higher private and government savings, with increased tax revenues accounting significantly for the growth of government savings. The growth of domestic investment during the year was higher than the growth of domestic saving, which generated a higher current account deficit that reached a level of 1.5 percent of GDP contrasting with the surplus (0.2 percent) in the previous year.

TABLE 4
SAVING AND INVESTMENT
(% of GDP)

	2008	2009	2010
I. Investment (=II+III)	26.9	20.7	25.0
Public investment	4.3	5.2	5.9
Private fixed investment	21.5	17.7	19.2
Change in inventories	1.0	- 2.1	- 0.1
II. Domestic savings	22.7	20.9	23.5
Public sector	6.4	4.1	5.8
Private sector	16.3	16.8	17.7
III. External savings	4.2	- 0.2	1.5
Memo:			
Gross fixed investment	25.9	22.9	25.1

Source: BCRP.

GRAPH 6
DOMESTIC SAVINGS
(% of GDP)



2. Production sectors

The production sectors experienced a recovery during 2010 after the slowdown recorded in the previous year. This was particularly noteworthy in the case of non primary sectors, which grew 10.3 percent after having recorded a rate of only 0.8 percent in 2009. On the other hand, primary sectors grew 1.1 percent, with growth in agriculture contrasting with the drops observed in fishing and mining and hydrocarbons.



TABLE 5 GROSS DOMESTIC PRODUCT (Real % change)			
	2008	2009	2010
Agriculture and livestock	7.2	2.3	4.3
Agriculture	7.4	0.9	4.2
Livestock	6.0	4.4	4.4
Fishing	6.3	-7.9	-16.4
Mining and hydrocarbons	7.6	0.6	-0.1
Metallic mining	7.3	-1.4	-4.9
Hydrocarbons	10.3	16.1	29.5
Manufacturing	9.1	-7.2	13.6
Manufacturing based on raw materials	7.6	0.0	-2.3
Non-primary manufacturing	8.9	-8.5	16.9
Electricity and water	7.8	1.2	7.7
Construction	16.5	6.1	17.4
Commerce	13.0	-0.4	9.7
Other 1/	9.1	3.1	8.0
GDP	9.8	0.9	8.8
Primary	7.4	1.0	1.1
Non-Primary	10.3	0.8	10.3

1/ Includes VAT, excise tax, and import duties.
Source: INEI.

2.1 Agriculture

Accumulating six consecutive years of expansion, the agriculture sector grew 4.3 percent in 2010. A strong dynamism was observed in terms of agroindustry and export crops, as well as in the production of poultry.

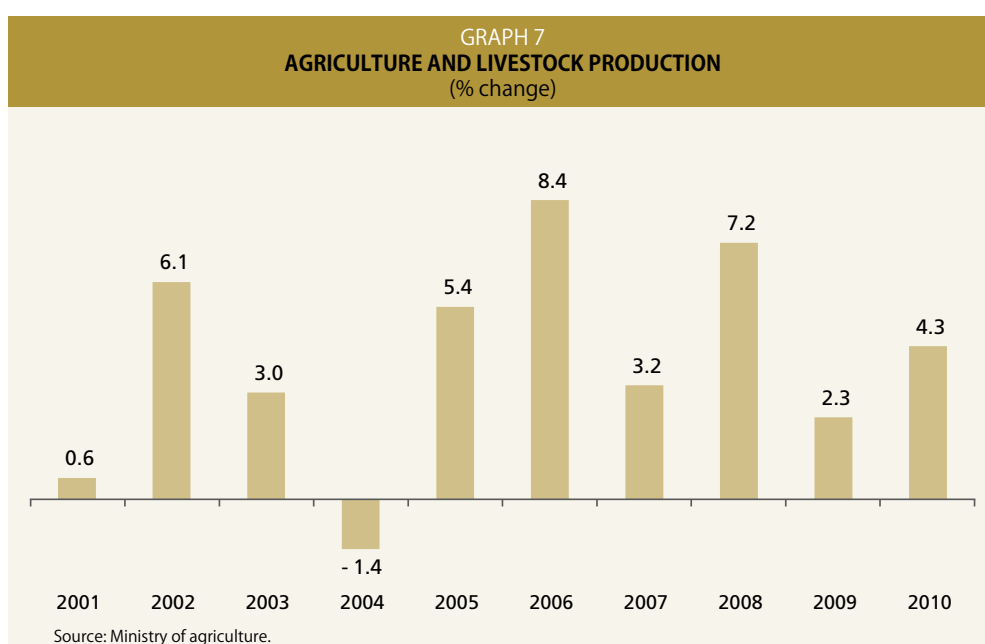


TABLE 6
AGRICULTURE AND LIVESTOCK PRODUCTION
 (Real % change)

	2008	2009	2010
Agricultural production	7.4	0.9	4.2
For the domestic market	4.3	6.2	1.5
Potato	6.3	4.6	1.0
Rice	14.7	7.0	-5.5
Banana	-2.3	3.4	3.0
Cassava	1.2	4.2	5.1
Amilaceous maize	1.7	14.5	-9.8
Garlic	-16.4	-14.8	7.3
Onion	0.7	-6.3	18.9
Dry beans	5.1	14.1	-5.8
Lemon	-17.2	-11.8	12.0
Mandarine	-1.7	-11.3	33.2
Tomato	21.4	4.8	1.0
For export and industry	14.8	-10.9	11.1
Coffee	21.1	-6.9	8.8
Sugar cane	14.2	7.5	-2.7
Yellow maize	9.7	2.2	0.3
Asparagus	15.6	-4.4	8.2
Grapes	13.6	18.4	6.2
Olive	118.1	-93.7	941.9
Mango	9.6	-48.7	172.6
Cocoa	7.5	6.2	8.3
Avocado	12.0	14.4	16.8
Oil palm	3.3	6.2	10.8
Livestock production	6.0	4.4	4.6
Poultry	13.9	6.9	5.8
Beef	0.1	2.2	4.4
Milk	-0.9	6.1	3.3
AGRICULTURE AND LIVESTOCK	7.2	2.3	4.3

Source: Ministry of agriculture.

Comparing the production for the domestic market, for agroindustry, and for exports, growth in the case of the former was 1.5 percent noteworthy as a result of the increased number of areas cultivated with crops that have a high share in the household consumer basket, such as rice, potato, banana, plantain, and beans.

This positive result was observed in agriculture despite the climatic alterations that generated excess rainfall in the central and southern sierra and scarce precipitation in the selva region early in 2010. In the case of the former, this anomaly translated into lower yields that affected mainly Andean crops like potato, maize, and plantain, while in the case of the latter, this affected the cultivation of rice in areas such as Amazonas and San Martín. Nonetheless, the increased number of sown areas with potato and plantain offset the effects of lower yields.



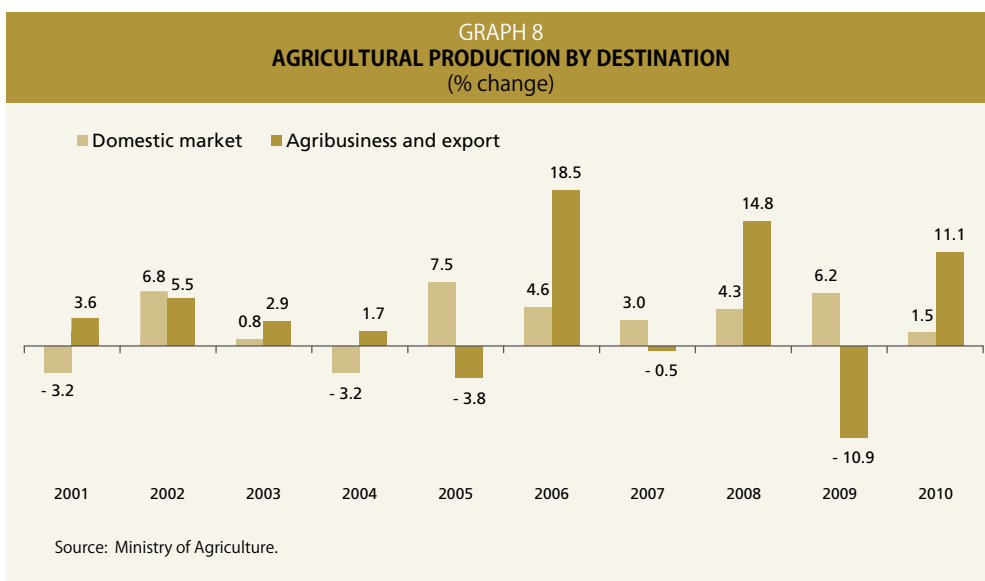
The production of rice was affected by the delay of the rain cycle, which in the selva region started only in March 2010 instead of starting in October 2009. Delays in the sowing period in Piura due to the maintenance of the San Lorenzo reservoir added onto this. However, the consumption of this cereal was not affected due to the significant level of inventories available.

The supply of mandarin, lemon and onion increased substantially in 2010, which was a good year for citrus crops due to the expansion of new sown areas² as well as to the low winter temperatures that favored higher yields of mandarin in Chincha and Cañete and also a higher production for the domestic market in Junín. The increased production of lemon in Piura was associated with the good yields resulting from abundant winter efflorescence.

A higher production of onion was obtained in both the yellow variety in Ica, Lima, La Libertad and Lambayeque and in the red variety in Arequipa, with increased harvests (20 percent) to meet both the higher external and domestic demand.

Agricultural production oriented to the external market grew 11.1 percent due to the recovery of global demand, particularly in the case of coffee and olives. For example, after recording a decline of 6.9 percent in 2009, the production of coffee showed an expansion of 8.8 percent in 2010 in a context in which the international price³ of coffee recovered from US\$ 3,128 to US\$ 4,301/ton between 2009 and 2010.

The growth of agro exports was influenced both by higher yields and by the expansion of sown areas. Cultivated areas with high quality coffee extended to ceja de selva areas in Puno, Cusco, Ayacucho and Apurímac, while cultivated areas with mango in Piura extended to areas where lemon is grown. In addition to this, sown areas with olives increased in Tacna, Arequipa and Moquegua, and sown areas with grapes also increased in Piura, Lambayeque and Arequipa⁴, which resulted in 5.6 percent increase in the number of cultivated areas in production in 2010. Moreover, the cultivation of avocado⁵ extended in the valleys of Ica, Junín and La Libertad, reaching over 27 thousand hectares of sown areas. Cocoa was also grown in new areas in Ayacucho, Apurímac and Cusco. The higher production of asparagus reflected new sown areas in all the regions where this crop is grown –Ancash, La Libertad, Lima, and Ica–, as well as the contribution of Piura which is a new producing area of asparagus.



2 This resulted in an annual growth of 52 and 47 percent in the production of mandarine in Ica and Lima, respectively.

3 Price of the soft Arabic coffee variety, whose quality is similar to the quality of Peruvian coffee.

4 In annual terms, the production of grapes grew 131.8 percent in Piura, 40.9 percent in Lambayeque and 4.1 percent in Arequipa.

5 The higher production of avocado was associated with both larger sown areas (6.2 percent) and with higher yields (10 percent).

Sugar production fell 2.8 percent due to low availability of mature sugar cane⁶ after previous campaigns of intense cuts, in a context of high yields –which have led Peruvian sugar cane to be among the ones with the top two better global yields in the year– and constant increases in harvested areas since 2006⁷. A total of 77 thousand hectares were harvested in 2010, La Libertad and Lambayeque concentrating the largest harvested areas with 34 and 28 thousand hectares, respectively.

TABLE 7
INDICATORS OF PRODUCTION OF SUGAR CANE

	Harvested area		Production		Yield	
	Hectares	% Chg.	Thousand MT	% Chg.	MT/Ha.	% Chg.
2001	60,373	-5.4	7,386	3.5	122.3	9.4
2002	68,050	12.7	8,420	14.0	123.7	1.1
2003	77,720	14.2	8,864	5.3	114.0	-7.8
2004	70,851	-8.8	6,946	-99.9	98.0	-14.0
2005	61,549	-13.1	6,304	-9.2	102.4	4.5
2006	65,847	7.0	7,246	14.9	110.0	7.4
2007	67,952	3.2	8,229	13.6	121.1	10.0
2008	69,127	1.7	9,396	14.2	135.9	12.2
2009	75,348	9.0	9,937	5.8	131.9	-3.0
2010	76,985	2.2	9,661	-2.8	125.5	-4.8

Source: Ministry of agriculture.

The growth of export-oriented agriculture is reflected in the increase in nontraditional exports, which amounted to US\$ 394 million at the beginning of the decade and had increased by over 5 times this value in 2010 (US\$ 2,190 million) due to higher exports of asparagus, grapes, artichokes, mango, avocado, red pepper and piquillo pepper, paprika, onion, and cocoa, among other crops.

TABLE 8
MAIN NON-TRADITIONAL AGRICULTURAL EXPORT PRODUCTS
(Millions of US\$)

Most sold products	2000	2010	Annual average % change.
Asparagus	148	427	11.2
Grapes	6	180	40.5
Paprika	6	97	32.3
Prepared artichokes	1	96	61.0
Fresh mangos	23	89	14.4
Avocado	2	85	42.3
Piquillo and sweet peppers	5	84	33.2
Evaporated milk	3	77	38.4
Animal feed	6	70	28.1
Organic bananas	0	49	68.7
Canned chilly peppers and other	1	47	48.6
Fresh onions	6	42	20.6
Cocoa	0	35	99.2
Fresh mandarine	1	35	42.7
Other	185	776	15.4
TOTAL	394	2,190	18.7

Source: SUNAT.

⁶ Sugar cane takes about 16 months to mature. Mature sugar cane is valued for its higher content of saccharose, which is the substance used in the sugar industry.

⁷ The growing period of sugar cane is 3 years.



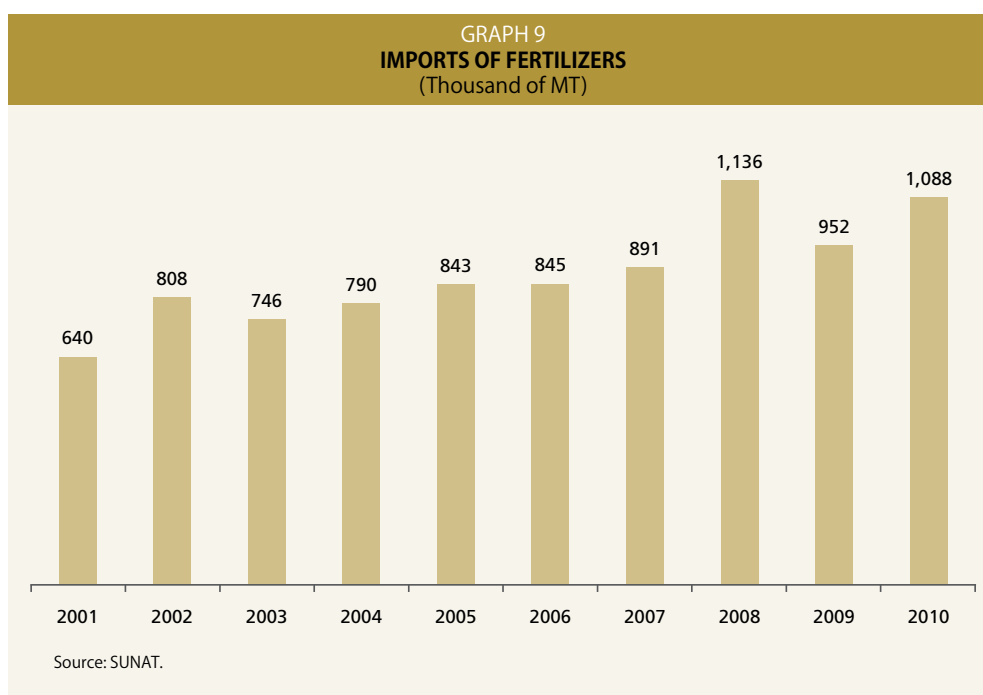
Several indicators of export-oriented agriculture, among which recent improvements in yield are included, reflect the increased use of modern technologies in crops such as cocoa, coffee, olive, avocado and grapes. The improvements being made in other crops that have achieved high yields, such as asparagus and mango, which have been part of agro-exports for a longer period of time, focus on the processes involved in the value chain of these crops.

**TABLE 9
GROWTH INDICATORS OF AGRICULTURAL EXPORTS**

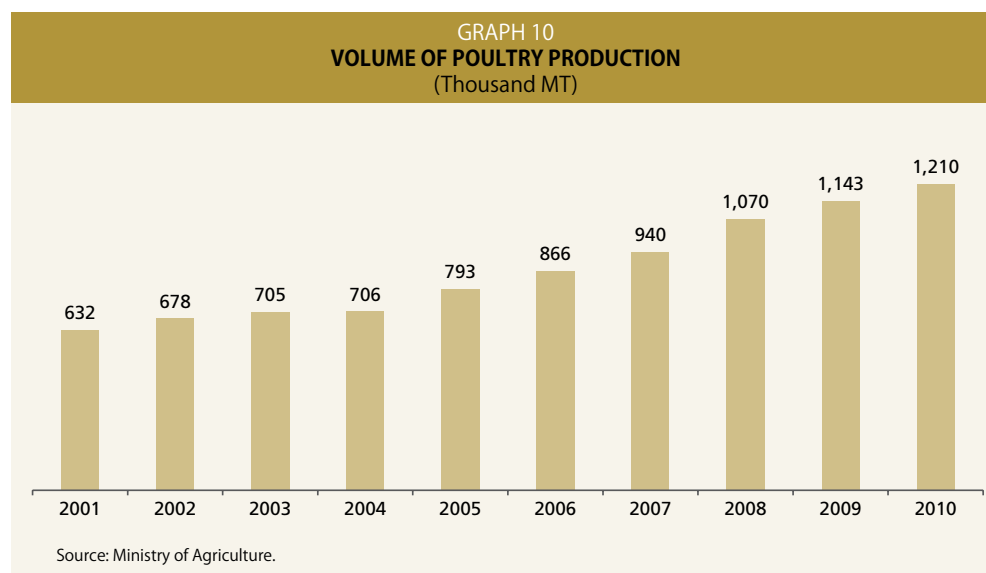
	Harvested area (Thousand ha) 1/		Yield (MT/ha) 1/	
	2001	2010	2001	2010
Cocoa	41	65	0.6	0.5
Coffee	259	368	0.7	0.8
Olives	6	9	4.0	6.0
Avocado	9	15	9.4	9.6
Grape	11	14	10.3	17.9
Mango	11	25	13.5	10.0
Asparagus	20	30	9.0	10.8

1/ Average of the last two farming periods for coffee and biannual for mango, olives and avocado.
Source: Ministry of Agriculture.

The increase observed in terms of harvested areas of export-oriented crops has also implied an increased use of imported fertilizers, such as urea, diammonium phosphate, ammonium nitrate and potassium chloride. The volume of these imported fertilizers has risen from 640 thousand tons in 2001 to 1,088 thousand tons in 2010.



Livestock production grew 4.6 percent due to increased poultry and cattle production. The growth observed in poultry production was particularly noteworthy, given that poultry consumption at the end of the decade was over 30 kilos per capita (vs. 20 kilos in 2000).



2.2 Fishing sector

Reflecting the climate anomalies that affected the sea temperature in 2009 and 2010, fishing in 2010 recorded a decline of 16.4 percent, the second consecutive drop in this sector and the fourth decline in the decade.

Given that conditions that favored the development of a mild El Niño event were observed in late 2009 and early 2010, the authorities decided to reduce the quota of anchovy catch during the first season of anchovy fishing.

Later, during the second half of the year, the sea temperature declined due to the presence of La Niña, which caused not only a generalized dispersal of various marine resources such as giant squid, yellow mackerel, and Pacific chub mackerel, but also the reproductive stage of anchovy to extend. In order to mitigate the adverse effects of La Niña, additional non-fishing periods were established, affecting the volume of annual catch.

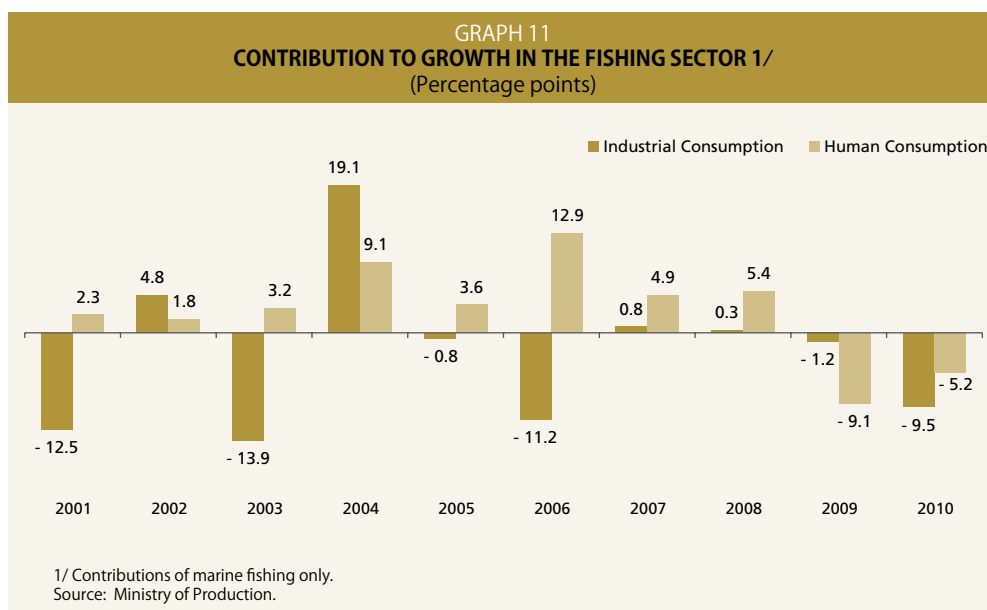
TABLE 10
FISH CATCH, BY DESTINATION
(Real % change)

	2008	2009	2010
Human consumption	8.1	- 13.6	- 8.2
Canned	15.2	- 22.3	8.7
Frozen	12.5	- 22.1	- 6.0
Fresh	- 0.8	6.1	- 13.2
Dry-salted	16.3	- 36.9	- 15.0
Industrial consumption	1.3	- 5.4	- 42.9
Anchovy	1.2	- 5.4	- 42.8
Fishing Sector	6.3	- 7.9	- 16.4

Source: Ministry of Production.



Thus, the sector recorded drops both in fishing for human consumption (down 5.2 percentage points) and in fishing for industrial consumption (down 9.5 percentage points).



Anchovy fishing for industrial consumption was most affected in 2010, registering a drop of 42.8 percent. Due to weather conditions, the Ministry of Production limited the authorized total catch of anchovy to 5.4 million tons in 2010 (vs. 6 million tons in 2009). Total anchovy catch for industrial consumption in the year was 3.3 million tons in the entire coastline.

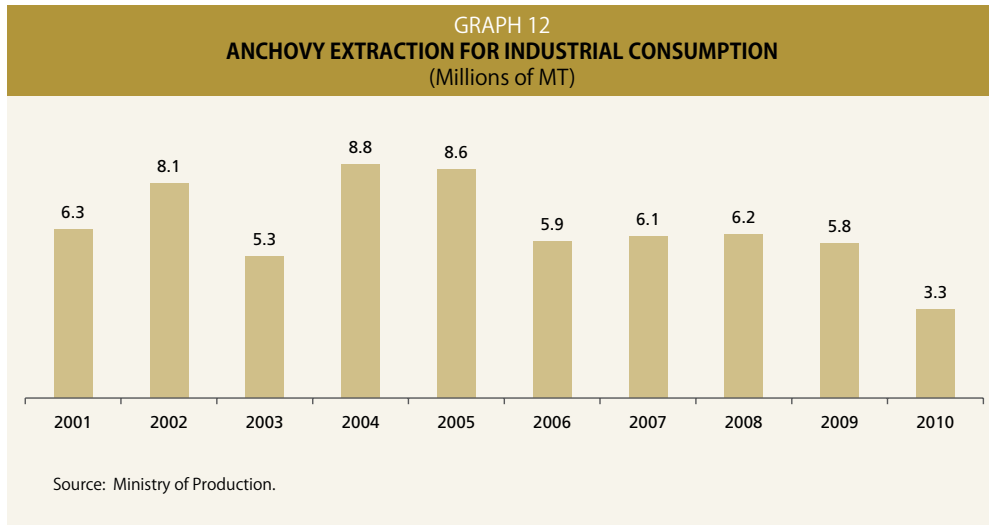
TABLE 11
FISHING SEASONS
(Thousand MT)

	2009		2010	
	South	North-Central	South	North-Central
First season	500,1/	3,500	400	2,500
Second season	-	2,000	450	2,070
Year total	6,000		5,420	

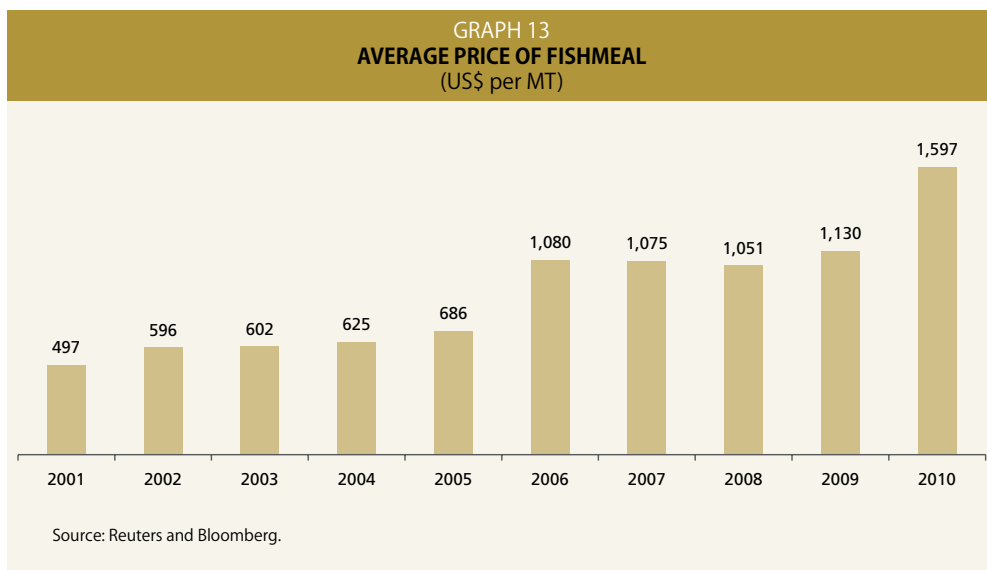
1/ In 2009 there was only one fishing season in the South area.
Source: Ministry of Production.

Given that the first season of anchovy fishing in the north-central area –the area with the highest productivity–, which started on May 13, was affected by the sea warming associated with the late-2009 El Niño event, the Ministry of Production set a quota of 2.5 million tons, a quota one million tons lower than in 2009. This first season ended on July 31.

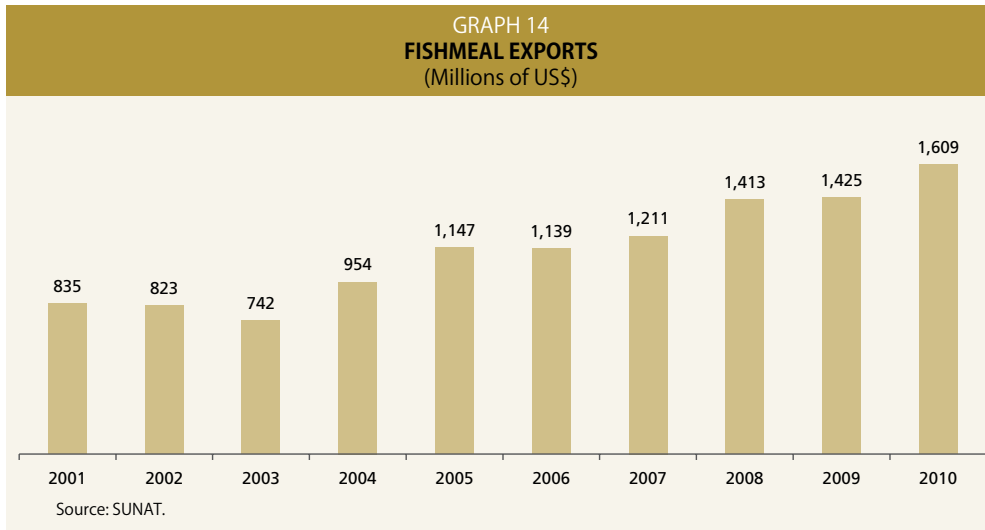
The second season, which began on November 20, was affected by the cooling of water temperatures as a result of La Niña. Because this anomaly intensified and extended the reproductive stage of anchovy, which resulted in a greater presence of young fish, the Ministry of Production postponed the beginning of the season, set temporary non fishing periods to protect the biomass of this species, and established that the season would end earlier on January 18, 2011.



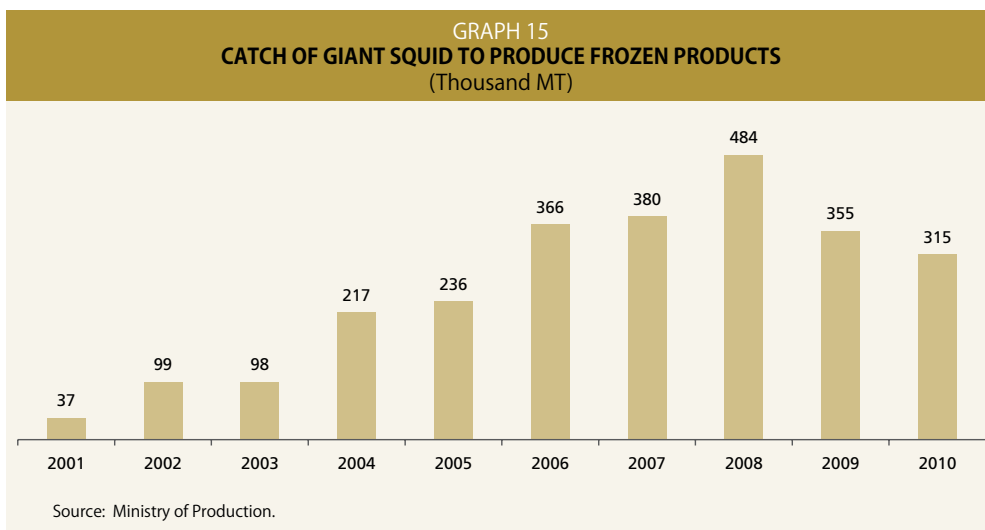
The production of fishmeal was affected by climate factors in a context of higher prices. The price of fish meal showed an upward trend during the first quarter, following the trend observed since 2009 due to uncertainty about the availability of this resource. This was coupled by China’s growing demand, which led the price of fishmeal to record over US\$ 1,800/ton during April, stabilizing thereafter around US\$ 1,500 per ton towards mid-year. With this, the value of exports of fishmeal in 2010 grew 12.9 compared to 2009.



Year 2010 was the second year during which Legislative Decree 1084, “Law on Maximum Anchovy Catch for Industrial Consumption per Vessel”, was in force to promote the sustainable development of this resource. By setting a maximum catch limit per vessel, this law reduces the number of vessels that can fish each day and allows for better planning of fishing days, as well as for a better state of preservation of the raw material obtained.



Fisheries for human consumption dropped 8.2 percent compared to 2009, reflecting the lower catch for consumption of fresh and frozen fish, although this was offset by an increased production of canned seafood products. The production of frozen fish dropped 6.0 percent, with catch of giant squid declining 11.3 percent. Given that this species is mostly caught by artisan fishing boats of limited mobility, the catch was negatively affected by the dispersal of the species associated with the cooling of sea temperatures since mid-2010. In addition to this, there were very low levels of Pacific chub mackerel and yellow mackerel, even though this was offset by an increased presence of shrimps, whose extraction grew 37.1 percent. The latter was favored by higher prices in the Spanish and the U.S. markets, the main consumers of this resource.



The catch of fresh fish for human consumption fell 13.2 percent reflecting the lower capture of yellow mackerel, bonito, Pacific chub mackerel, and striped mullet. However, fish catch for canning increased 8.7 percent due to a greater catch of tuna and abalone.

2.3 Mining and hydrocarbons sector

In contrast with the dynamism observed in other sectors, the mining and hydrocarbons sector fell 0.1 percent reflecting supply problems associated with the low mineral content obtained in gold, copper, and silver extraction, as well as firms' strategies of extracting less zinc and lead and concentrating on the production of other minerals that showed a greater price recovery in the international market (copper and molybdenum).

As a result of this, the metal mining sub sector registered a drop of 4.9 percent, which was offset by the growing dynamism observed in the hydrocarbons sub sector. However, mining and hydrocarbons closed the 2001-2010 decade with an average annual growth of 5.3 percent, due to the onset of operations in large mining projects such as Antamina, Alto Chicama, and Cerro Verde.

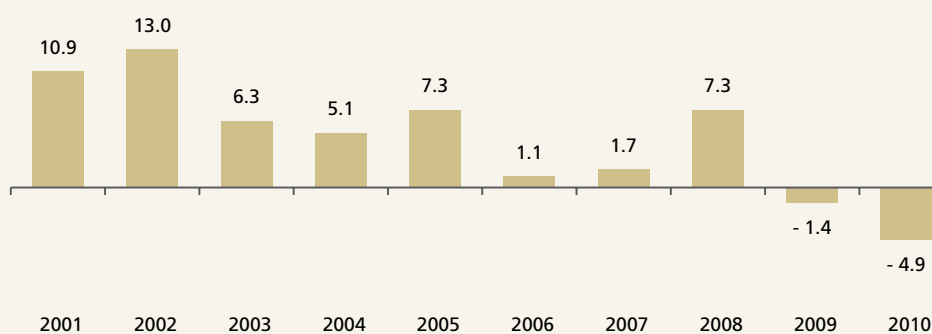
TABLE 12
MINING AND HYDROCARBONS PRODUCTION
(Real % change)

	2008	2009	2010
METALLIC MINING	7.3	- 1.4	- 4.9
Gold	5.7	2.3	- 11.2
Copper	8.8	0.5	- 1.7
Zinc	11.0	- 5.6	- 2.8
Silver	5.4	6.4	- 7.3
Lead	4.8	- 12.4	- 13.3
Tin	0.0	- 3.9	- 9.7
Iron	1.1	- 14.4	36.7
Molybdenum	- 0.4	- 26.5	37.9
HYDROCARBONS	10.3	16.1	29.5
Liquid hydrocarbons	5.7	20.7	8.2
Natural gas	27.0	4.5	104.0
TOTAL	7.6	0.6	- 0.1

Source: INEI, Ministry of Energy and Mining and Perupetro.

The decline of metal mining for a second consecutive year was reflected both in the lower extraction of precious metals like gold and silver and also in the lower extraction of some industrial metals, such as copper, zinc, lead, and tin. However, this result was partially offset by an increased production of iron and molybdenum in response to the growing demand of Asian markets.

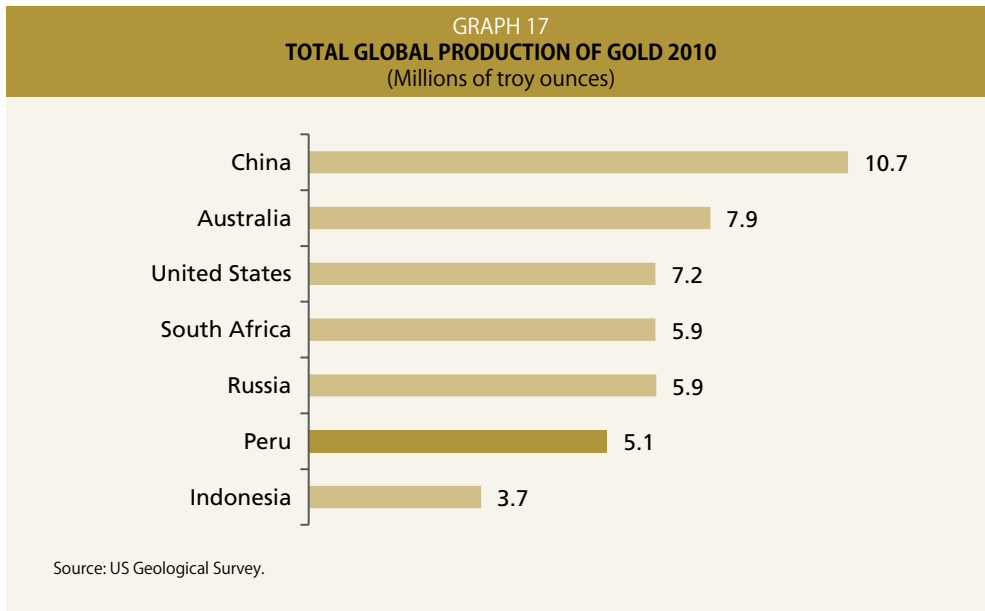
GRAPH 16
METALLIC MINING PRODUCTION
(% change)



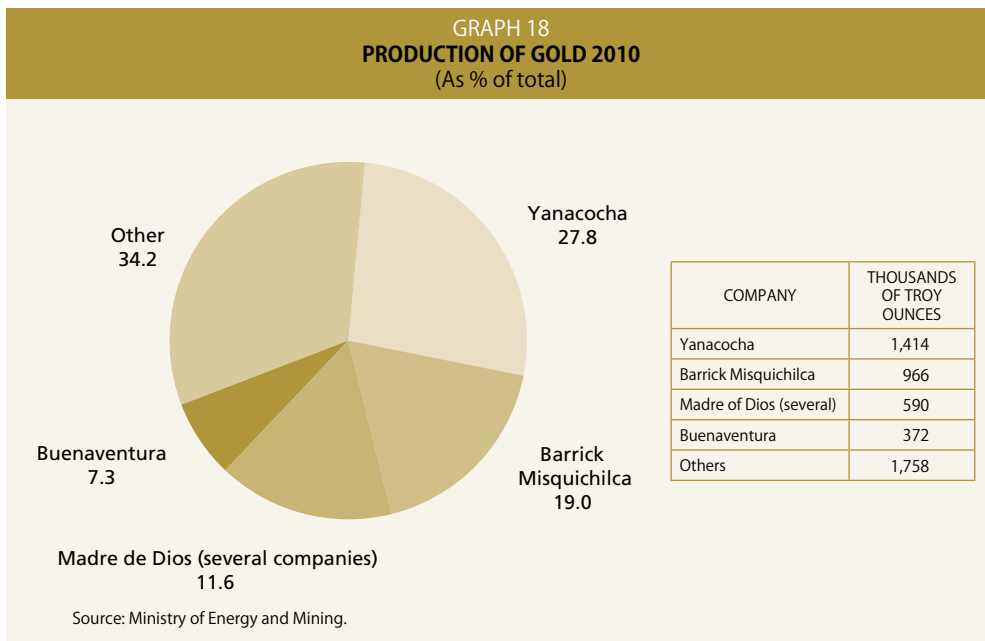
Source: INEI and Ministry of Energy and Mining.



The metal with the highest incidence in the annual result was **gold**, which recorded a drop of 11.2 percent compared to the previous year. Nonetheless, Peru remained as the first producer of the precious metal in the region and as the sixth producer in the world, with a contribution of 6.6 percent in terms of global production.



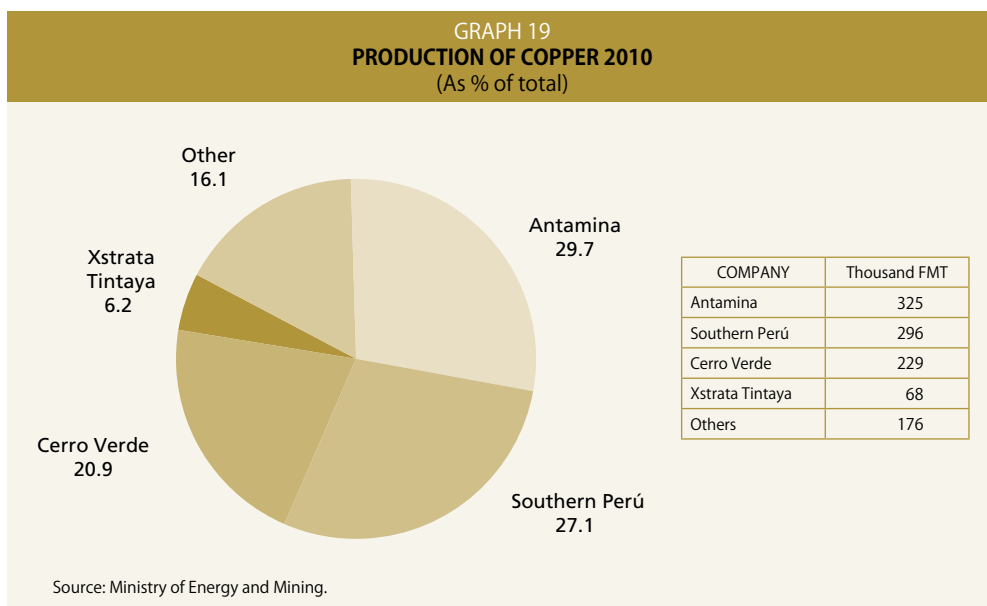
This drop is explained by lower production in Minera Yanacocha due to the lower grades of the mineral extracted, and by lower production in Barrick, also due to the lower mineral obtained in its units of Pierina and Alto Chicama. The latter site has declining yields since the end of its useful life is already near. Production from informal gold exploitation in Madre de Dios amounted to 590 thousand troy ounces, while the production of La Zanja project which started in September provided an additional 37 thousand troy ounces to domestic production.



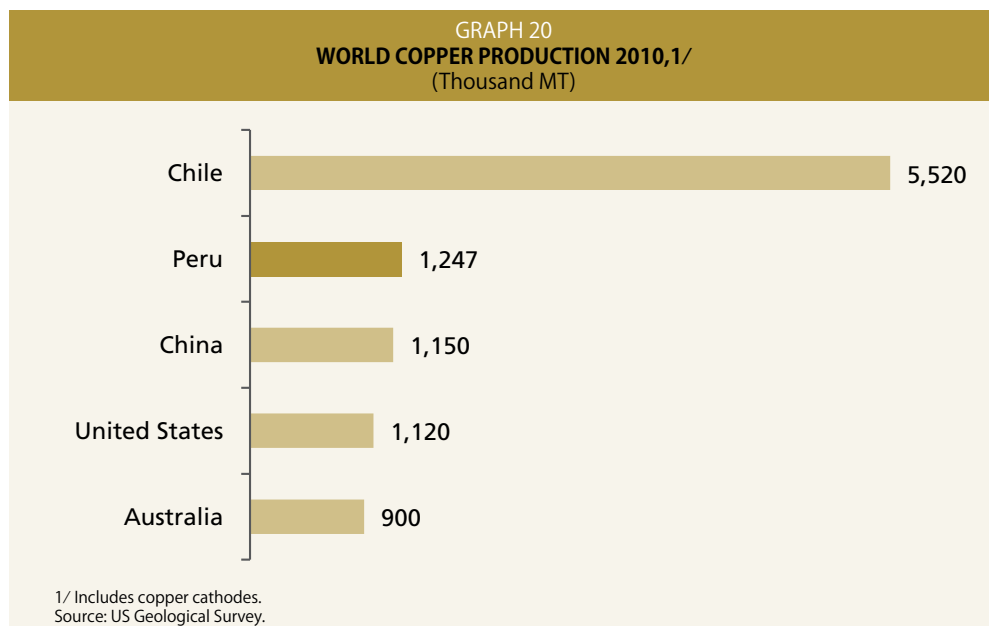
Between 2009 and 2010, the price of gold rose from an average of US\$ 974 to US\$ 1,225 per troy ounce –an increase of 25.8 percent–, reaching a record high of US\$ 1,424 per ounce on December 6. This increase was sustained by the

weakening of the dollar against other currencies due to the extension of monetary easing in the United States, as well as by gold's greater appeal as a haven asset amid fears of debt crisis in Europe.

The extraction of **copper** dropped 1.7 percent, from 1,113 thousand fine metric tons (FMT) to 1,094 thousand FMT. This result reflected lower production in Southern Peru, particularly in Cuajone (Moquegua), which recorded a production of 165 thousand FMT (vs. 189 thousand FMT in the previous year due to the lower grade of the mineral extracted. This was offset by higher production from Cerro Verde (6.7 percent) as a result of process improvements in its concentrator plant located in Arequipa. Moreover, production in Antamina fell 5.6 percent, mainly because lower copper ore was treated in the concentrator plant given that priority was given to other minerals containing molybdenum.

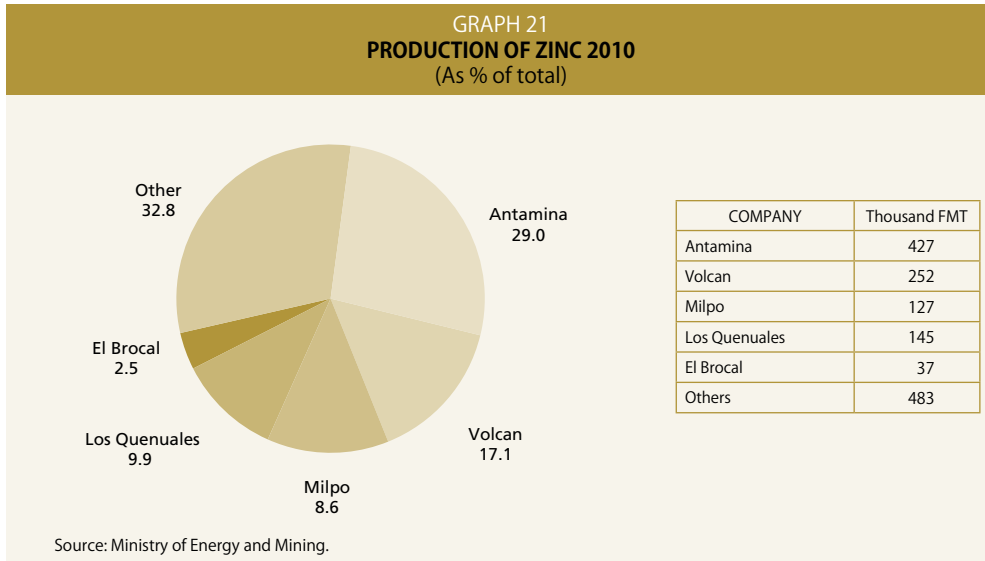


With this level of production of copper, Peru remained for the second consecutive year as the second largest producer, with a share of 7.7 percent.



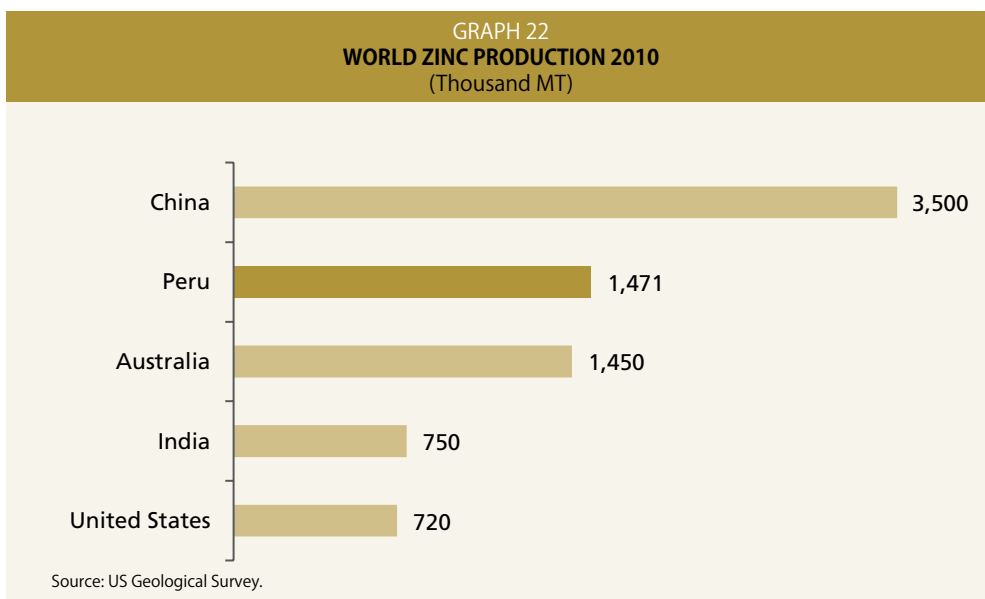


The production of **zinc** contracted by 2.8 percent, from 1,513 FMT in 2009 to 1,471 FMT in 2010, affected mainly by lower production at Antamina (-14.5 percent) and El Brocal (-47.5 percent). These companies favored the production of molybdenum and copper in their mining plans due to increased external demand.



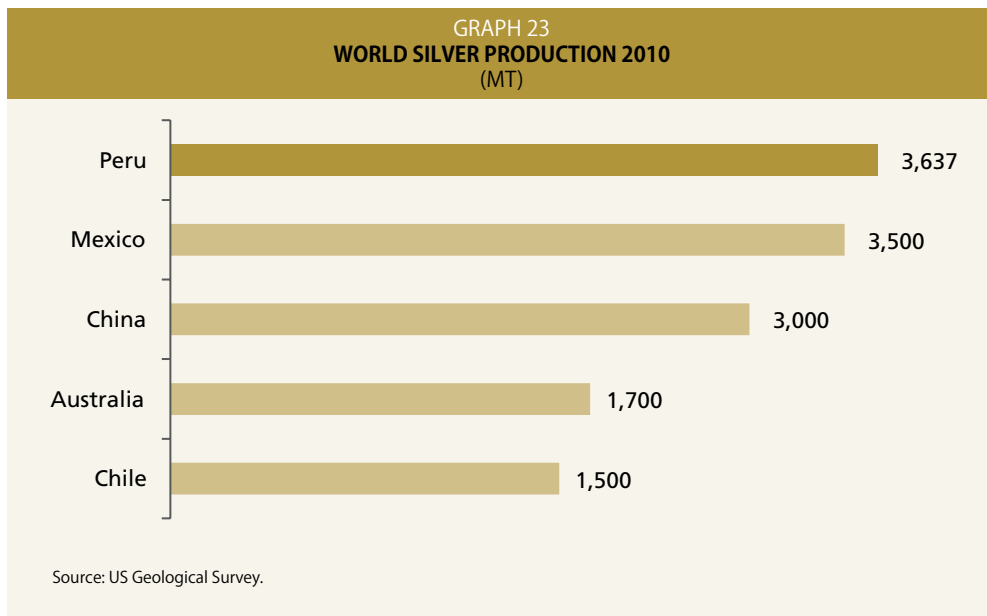
This lower production was offset by the production of Empresa Minera Los Quenuales in its Iscaycruz unit in Lima, which resumed operations since April 2010 after having interrupted them in the first months of 2009 due to the effects of the international financial crisis on the price of this metal.

In 2010, Peru remained for the third consecutive year as the second largest producer of zinc with a share of 12.3 percent.

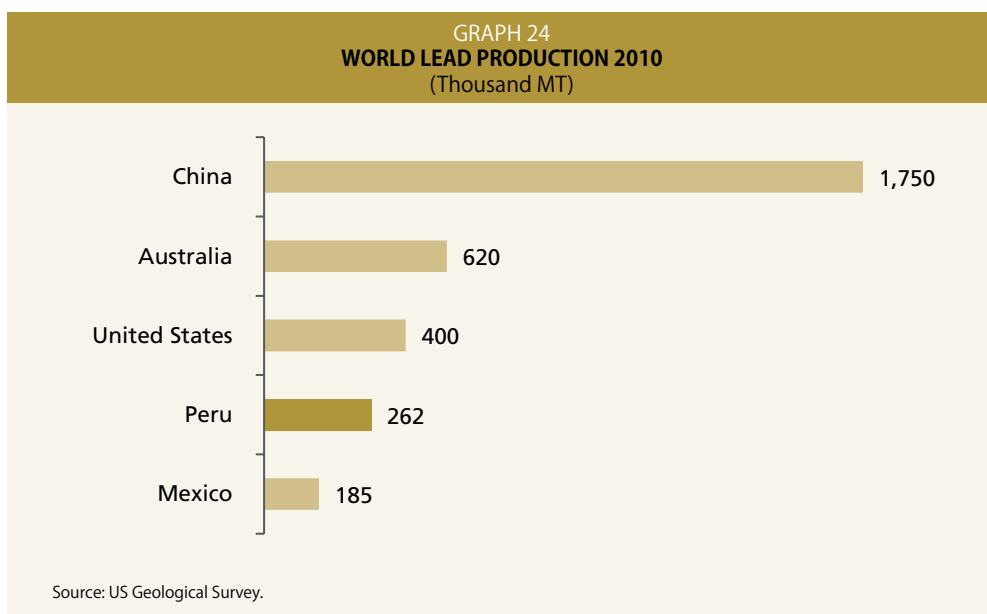


The production of **silver** in 2010 shrank 7.3 percent, affected by lower grades in the mineral obtained by Minera Ares' Arcata unit, as well as by the plant improvement works carried out at Volcan's unit in Cerro de Pasco. This decline was partially offset by a production increase in Minera Suyamarca's Pallancata mine, which recorded a growth of 16.5 percent.

Despite this drop, Peru remained as the first producer of the precious metal, with a share of 16.7 percent of world production. Notwithstanding, the gap between Peru and Mexico, the second largest producer, has declined from 600 tons in 2009 to less than 200 tons in 2010 due to the onset of operations of Canadian company Goldcorp's mine Peñasquito in Mexico, which has a potential annual production of 1,000 tons.



The extraction of **lead** fell 13.3 percent, affected mainly by lower production in Volcan (-23.1 percent) and El Brocal (-45.7 percent) in a context in which the high price of copper favored the production of this metal in detriment of the former. It is worth pointing out that with a production of 262 thousand tons in 2010, Peru ranked fourth in the world ranking with a share of 6.4 percent of world production.





Tin mining contracted 9.7 percent due to a temporary reduction of 20.0 percent in Minsur's concentrator plant capacity as a result of problems associated with the capacity of the sludge field.

Contrasting with the evolution of other metals, the production of **iron** grew 36.7 percent due to higher demand from China, while the production of **molybdenum** concentrates grew 37.9 percent due to increased activity in Cerro Verde. It should be pointed out that the latter reflects a base effect since Cerro Verde did not produce this metal during four months in 2009 due to low international prices.

Executed investments in the mining sub sector grew 47 percent in the year and amounted to US\$ 3,707 million. Major capital investments worth pointing out included Xstrata Tintaya's project Antapaccay in Cusco; Antamina's investment to increase the installed capacity of its concentrator plant by 20 thousand tons per day; Yanacocha's investment in the engineering and design of Minas Conga project, the expansion of the lixiviation areas in Chaupiloma Sur and the construction of a central supply warehouse, and Southern Peru' investment to modernize and expand its facilities in Toquepala and Cuajone.

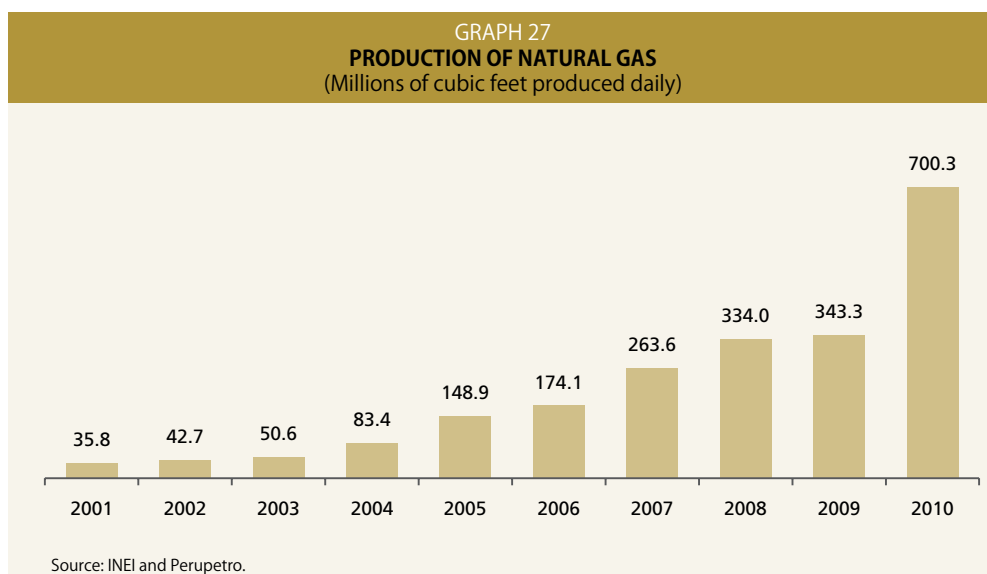
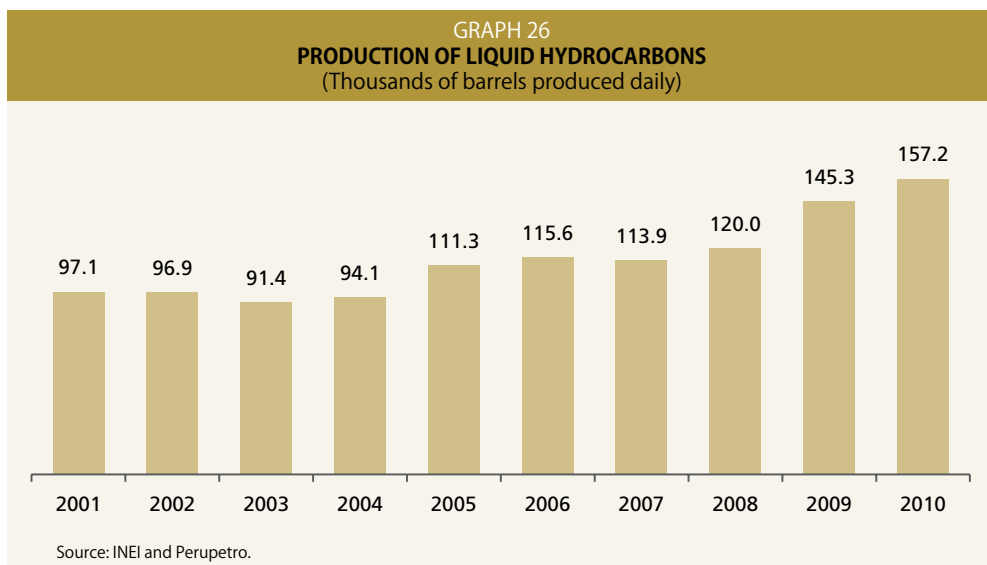
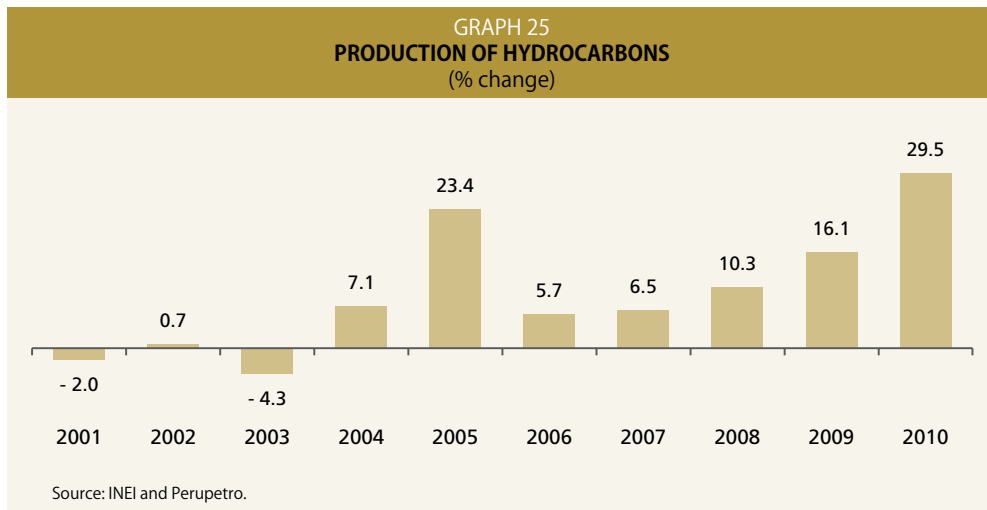
TABLE 13
INVESTMENT EXECUTED BY MINING COMPANIES
(Millions of US\$)

COMPANY	METAL	2008	2009	2010
Xstrata Tintaya	Copper	102.0	332.1	604.2
Compañía Minera Antamina S.A.	Polymetallic	45.7	88.7	368.8
Minera Yanacocha S.R.L.	Gold	248.3	146.7	302.4
Compañía de Minas Buenaventura S.A.A.	Gold and silver	266.8	251.1	301.1
Southern Peru Copper Corporation	Copper and molybdenum	302.5	434.8	267.9
Volcan Compañía Minera S.A.A.	Polymetallic	238.9	85.3	156.9
Sociedad Minera Cerro Verde S.A.	Copper and molybdenum	74.0	91.0	122.3
Shougang Iron Perú S.A.A.	Iron	26.0	132.5	103.0
Sociedad Minera El Brocal S.A.	Polymetallic	16.0	60.1	77.1
Minera Barrick Misquichilca S.A.	Gold	25.7	30.8	73.0
Empresa Minera Los Quenuales S.A.	Polymetallic	63.6	40.5	69.4
Compañía Minera Condestable S.A.A.	Copper	11.1	15.0	42.3
Minsur S.A.	Tin	12.2	8.0	4.2
Compañía Minera Atacocha S.A.	Polymetallic	42.2	5.0	10.3
Others		233.1	799.6	1,204.2
TOTAL		1,708.1	2,521.1	3,707.1

Source: CONASEV, and Ministry of Energy and Mining.

Accumulating 7 consecutive years of expansion, the production of **hydrocarbons** grew 29.5 percent in 2010.

This growth resulted primarily from the increased production of natural gas (104 percent) associated with the initiation of Pluspetrol's exports of gas from Lot 56 in June, after the gas was processed in the plant Melchorita operated by Peru LNG, a consortium integrated by the U.S. company Hunt Oil, the Spanish company Repsol YPF, the Korean company SK Energy and the Japanese company Marubeni. In early 2006 this consortium signed an agreement with the Peruvian government to build a natural gas liquefaction plant 169 km south of Lima, with an investment of about US\$ 3,800 million, to allow exports of Camisea gas.





Pluspetrol, an Argentine firm specialized in hydrocarbons exploitation and electricity generation, which operates petroleum lots 8 and I-AB and natural gas lots 88 and 56, remained the major company in this sub sector in Peru accounting for 77.7 percent of the domestic production.

TABLE 14
PRODUCTION OF HYDROCARBONS

	2008	2009	2010
LIQUID HYDROCARBONS	120	145	157
(Thousand barrels produced daily)			
Pluspetrol	79	101	111
Lot I-AB	22	16	19
Lot 8	15	14	12
Lot 88	31	37	47
Lot 56 1/	10	34	33
Other contractors	41	44	46
NATURAL GAS	122	125	256
(Billions of cubic feet)			
Pluspetrol	93	102	234
Lot 88	93	102	136
Lot 56 2/	0	0	99
Other contractors	29	23	21

1/ Operations initiated in September 2008.

2/ Operations initiated in February 2010.

Source: INEI, Ministry of Energy and Mining and Perupetro.

2.4 Manufacturing sector

Contrasting with the 7.2 percent drop observed in 2009 as a result of the international financial crisis, activity in the manufacturing sector grew 13.6 percent in 2010. This recovery was observed mainly in non primary manufacturing, given that manufacturing based on the processing of raw materials dropped 2.3 percent.

Manufacturing based on raw materials was mainly affected by lower activity in the processing of fishmeal and fish oil and in the industry of canned and frozen fish products. The refining of nonferrous metals reflected the interruption of operations at Doe Run since mid-2009, as well as Cerro Verde's lower production of copper cathodes and Southern's lower production of anodes due to the technical problems experienced by these two enterprises in their production processes. Moreover, sugar production was affected by the shareholders problems faced by two of the major sugar companies operating in the north of the country, as well as by the lower availability of sugar cane.

This lower production was offset by a 14.2 percent increase in crude refining that was driven by La Pampilla and Petroperu's increased demand for diesel and gasoline and by the onset of operations in Lot 88 by Pluspetrol in July 2009, as well as by a 4.8 percent increase in the production of meat products in response to higher demand for poultry.

TABLE 15
**MANUFACTURING BASED ON RAW MATERIALS, BY
 MAIN INDUSTRIAL GROUPS**
 (Real % change)

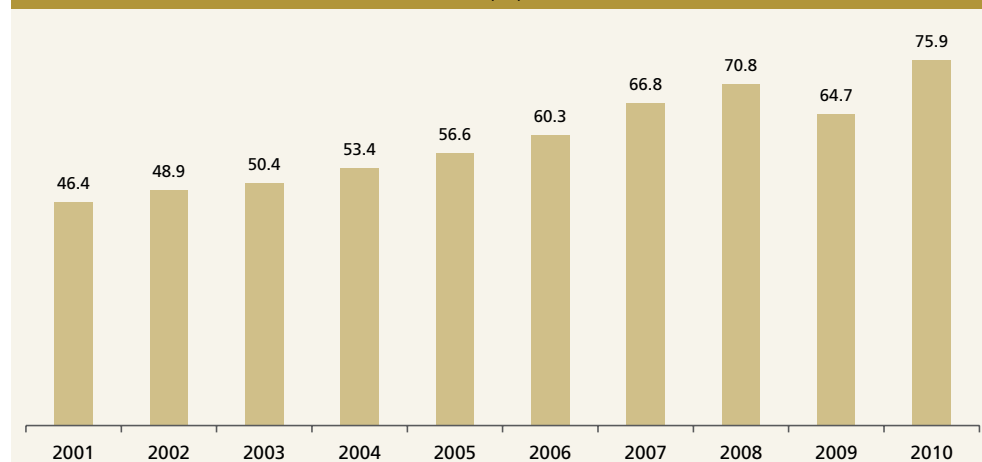
	2008	2009	2010
MANUFACTURING BASED ON RAW MATERIALS	7.6	0.0	- 2.3
Sugar	10.7	7.2	- 4.1
Meat products	9.2	4.6	4.8
Fishmeal and fish oil	0.5	- 4.2	- 42.1
Canned and frozen fish products	17.6	- 17.4	- 17.4
Refining of non-ferrous metals	9.4	- 18.0	- 6.1
Refining of crude	4.1	27.7	14.2

Source: Ministry of Production and INEI.

In 2010 **non primary manufacturing** grew 16.9 percent, as a result of which industrial production in the decade reached an average growth rate of 6.4 percent, a rate comparable to the one recorded in the fifties.

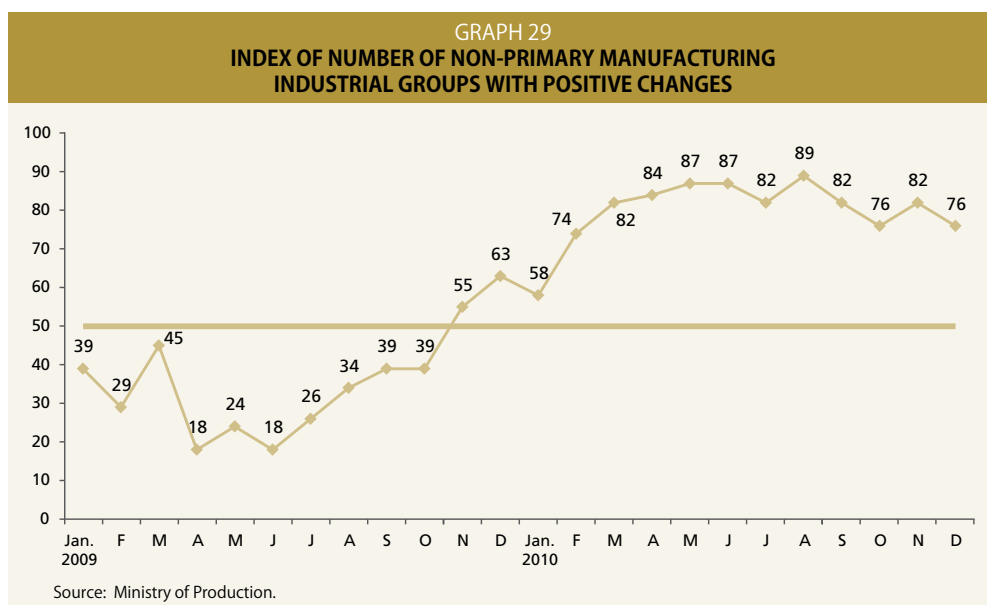
Another indicator confirming the recovery of industrial activity over the year was the rate of utilization of installed capacity, which recorded sustained growth rates and reached an average level of 75.9 percent in 2010 after having registered a level of 64.7 percent in 2009.

GRAPH 28
INSTALLED CAPACITY RATE IN NON-PRIMARY MANUFACTURING
 (%)



Source: Ministry of Production.

Furthermore, the number of industrial branches with positive growth rates after having registered minimum levels in Q2 2009 remained on the positive tranche in all the months of 2010, reflecting that most industrial branches showed a favorable evolution.



Growth in the non primary manufacturing sub sector during 2010 was based on the expansion of production oriented to the domestic market, which accounted for around 90 percent of the sub sector’s growth in the year, in contrast with the early years of the decade during which the domestic market accounted for about 70 percent of industrial growth.

TABLE 16
NON-PRIMARY MANUFACTURING:
PERCENTAGE CONTRIBUTION TO GROWTH BY MARKET OF DESTINATION
(in percentage points)

	Domestic	External	Total
2001	0.3	1.1	1.4
2002	5.4	0.5	5.9
2003	3.3	0.4	3.7
2004	4.3	2.9	7.2
2005	6.3	2.2	8.5
2006	7.6	0.9	8.5
2007	11.6	2.4	14.0
2008	7.4	1.5	8.9
2009	-5.6	-2.9	-8.5
2010	14.7	2.2	16.9
Food and beverage	1.5	0.3	1.8
Textiles, leather and footwear	4.1	0.3	4.4
Wood and furniture	0.7	0.0	0.7
Paper and print industry	2.0	0.0	2.1
Chemical products, rubber, and plastics	0.6	1.3	1.9
Non metallic minerals	2.6	0.2	2.8
Iron and steel industry	0.1	0.0	0.1
Metallic products, machinery and equipment	2.9	0.1	3.0
Miscellaneous products	0.1	0.0	0.1

Source: BCRP.

By production groups, growth in annual terms was led by production in the textile sector, followed by metal products, machinery and equipment, and by non metal minerals, which together represented approximately 60 percent of industrial growth during 2010.

The positive performance of the textile industry, which showed even higher production levels than the average ones observed prior to the crisis, was associated with the recovery of domestic and external demand. However, since the second semester of the year this industry was affected by the rise in inputs costs. The international price of cotton, for example, rose from US\$ 63/quintal in 2009 to US\$ 103 in 2010.

Production in the group of metal products, machinery and equipment grew 26.6 percent, thus contributing with 3.0 percentage points to the result in non primary manufacturing, mainly as a result of the recovery of domestic demand. The increased production of metal products, transport material and electric machinery was noteworthy.

TABLE 17
NON-PRIMARY MANUFACTURING BY MAIN INDUSTRIAL GROUPS
(% contributions)

	2008	2009	2010
NON-PRIMARY MANUFACTURING GDP	8.9	- 8.5	16.9
Food, beverages and tobacco	1.7	0.1	1.8
Textiles, leather and footwear	- 1.0	- 3.2	4.4
Wood and furniture	0.6	- 0.2	0.7
Paper and print industry	2.3	- 1.3	2.1
Chemical products, rubber and plastic	1.1	- 1.3	1.9
Non metallic minerals	2.1	- 0.1	2.8
Iron and steel industry	0.4	- 0.8	0.1
Metallic products, machinery and equipment	1.8	- 1.6	3.0
Diverse industries	0.0	0.0	0.1

Source: Ministry of Production, and INEL.

In 2010, growth was observed in all the domestic market-oriented manufacturing branches: production grew 17.6 percent in the branches producing mass consumption goods; 18.7 percent in the branches of chemical inputs, plastics and paper; 20.8 percent in the branches producing capital goods, and 16.5 percent in the branches of construction materials and construction finishes.

The production of garments, which contributed with 3.2 percentage points to the sector's growth, is worth highlighting in terms of the production of **mass consumption goods**. It should be pointed out that this was one of the most affected activities in 2009, when it recorded a drop of 29.9 percent.

The production of paper and cardboard items, oils and greases, and wood and furniture was also noteworthy and compensated by far the lower production of pharmaceutical products associated with the high levels of inventories they still register.

In terms of production of **inputs**, growth was noteworthy in the following activities: glass, paper and cardboard containers, due to the higher demand of the beverage industry and agricultural exports, respectively; plastics, due to increased demand for plastic pipes for construction; and explosives, chemicals and natural oils, due to higher demand in the mining sector. It should be pointed out that in order to reduce costs and risks associated to fluctuations in the international prices of inputs, the firms producing paper, plastic and glass packaging have invested in technology that allows them to produce a greater variety of products and new economic presentations.



As regards the **construction-oriented industry**, the higher production of majolica tiles, premixed concrete and cement stands out, in line with the strong dynamism of construction. It is worth mentioning that this industrial activity was the only one that maintained a positive evolution in 2009.

TABLE 18
GROWTH OF NON-PRIMARY MANUFACTURING DUE TO DOMESTIC DEMAND

	2008	2009	2010
Mass consumer products	10.3	-9.6	17.6
Dairy products	11.4	-3.0	13.1
Oils and fats	-6.6	1.6	17.0
Miscellaneous food products	5.4	-2.7	13.2
Beer and malt	15.5	-1.5	6.2
Soft drinks	15.9	9.1	7.1
Clothing	-2.3	-29.9	56.8
Wood and furniture	16.6	-6.0	15.6
Other paper and cardboard items	48.8	-21.9	21.7
Toiletries and cleaning products	11.6	-2.7	7.6
Pharmaceutical products	9.4	-1.2	-8.0
Miscellaneous items 1/	-1.0	-1.6	3.0
Inputs	13.5	-9.1	18.7
Paper and cardboard	9.4	-5.1	18.1
Paper and cardboard containers	2.5	-2.1	19.4
Publishing and printing	17.7	-7.6	15.6
Basic chemicals	2.2	-19.5	12.5
Explosives, chemical and natural scents	8.2	-13.0	17.3
Rubber	-2.6	-14.2	21.9
Plastic	7.0	-3.9	19.1
Glass	52.7	-5.8	29.6
Materials for construction	15.2	1.3	16.5
Paints, varnishes and lacquers	21.7	5.3	5.3
Cement	10.7	6.4	14.0
Construction materials	17.9	-3.7	22.3
Abrasive products	15.7	-20.6	23.9
Metal mechanics, machinery, and equipment	15.9	-16.2	20.8
Iron and steel industry	9.9	-21.1	3.3
Metal products	20.9	-13.4	30.2
Machinery and equipment	-6.9	-28.2	5.7
Electric machinery	3.0	-22.4	19.1
Transport equipment	47.3	-3.5	28.0
TOTAL NON-PRIMARY MANUFACTURING	8.9	-8.5	16.9

1/ Jewelry and office items mainly.
Source: Ministry of Production.

Finally, the production of **capital goods** showed the highest growth rate, even though this also reflects that this sector dropped the most in 2009 because firms postponed their investment plans. The higher production of metal products (30.2 percent), due to increased demand for metal structures in the construction sector, and the higher production of transport parts and equipment (28.0 percent) to assemble the Metropolitan buses are worth highlighting in terms of their recovery.

Growth of Non Primary Manufacturing in the Decade

Non primary manufacturing recorded an annual growth rate of 6.4 percent in the last decade. In order to identify the factors accounting for the differentiated rates registered in each of them, the branches of non primary manufacturing were classified according to the main destination of the goods they produce.⁸

TABLE 19 NON-PRIMARY MANUFACTURING (Annual average % change)	
BRANCHES OF ACTIVITIES	2010 / 2000
Mass consumer product	6.3
Paper and cardboard items	14.2
Beer and malt	9.0
Dairy products	8.5
Wood and furniture	7.1
Toiletries and cleaning products	6.9
Soft drinks	6.0
Oils and fats	5.6
Miscellaneous items 1/	4.6
Pharmaceutical products	3.8
Clothing	3.7
Miscellaneous food products	2.7
Inputs	7.5
Glass	10.4
Publishing and printing	9.1
Explosives, chemical and natural scents	8.6
Paper and cardboard containers	8.1
Plastic	6.5
Basic chemicals	5.6
Paper and cardboard	4.9
Rubber	2.9
Materials for construction	10.9
Construction materials	13.4
Paints, varnishes and lacquers	11.3
Cement	8.9
Abrasive products	4.7
Metal mechanics, machinery, and equipment	6.5
Transport equipment	13.0
Metal products	9.1
Iron and steel industry	4.3
Electric machinery	2.8
Machinery and equipment	-4.6
Exports	4.8
Canned food	11.1
Garments of knitted fabrics	4.1
Synthetic fibers	1.2
Textile yarn, fabrics and finishes	0.5

Source: Ministry of Production, INEI and BCRP.

⁸ This classification of industrial branches was based mainly on the use of the goods produced because many of these products are manufactured for both domestic and foreign markets..



Five main destinations were identified for the production of non primary manufacturing based on whether the goods produced were oriented to mass consumption, to be used as inputs, to construction, the metal-mechanic industry or the external market.

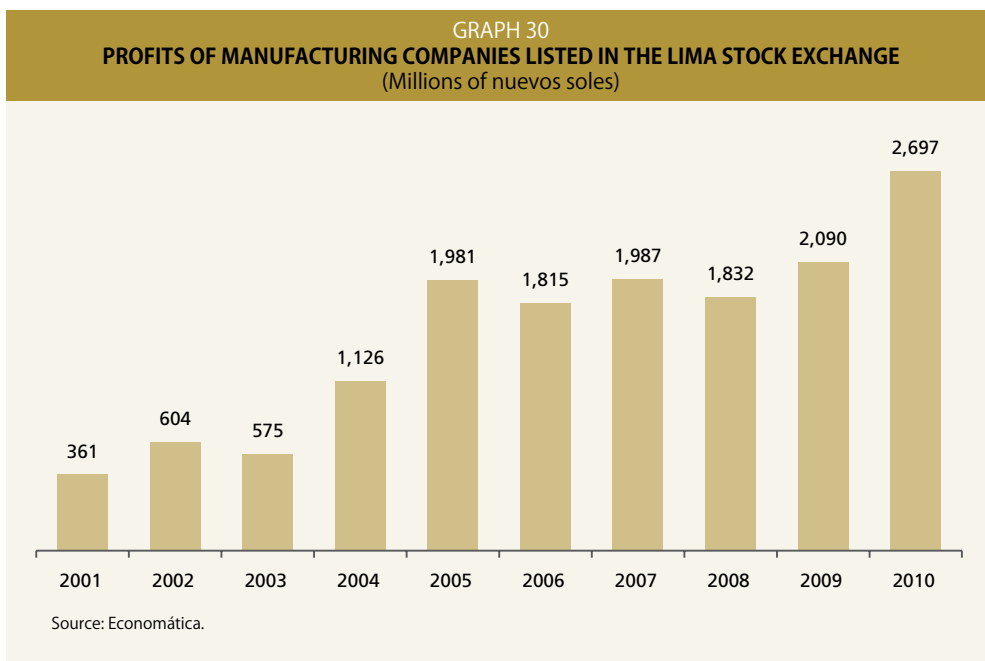
The branches that showed higher growth rates than the average rate in the decade were the ones oriented to construction, with a rate of 10.9 percent. Growth was particularly noteworthy in the branches of construction materials, such as majolica tiles and pre-mixed concrete, as well as in paints, varnishes and lacquers.

The branches producing inputs stand second, with a growth rate of 7.5 percent. This growth was associated mainly with higher production in the branches that produce glass, due to increased demand for bottles for beverages, juices, and beer. Metal-mechanic branches were third, with the production of materials for transport (motorcycles and spare parts) in the north of the country being noteworthy.

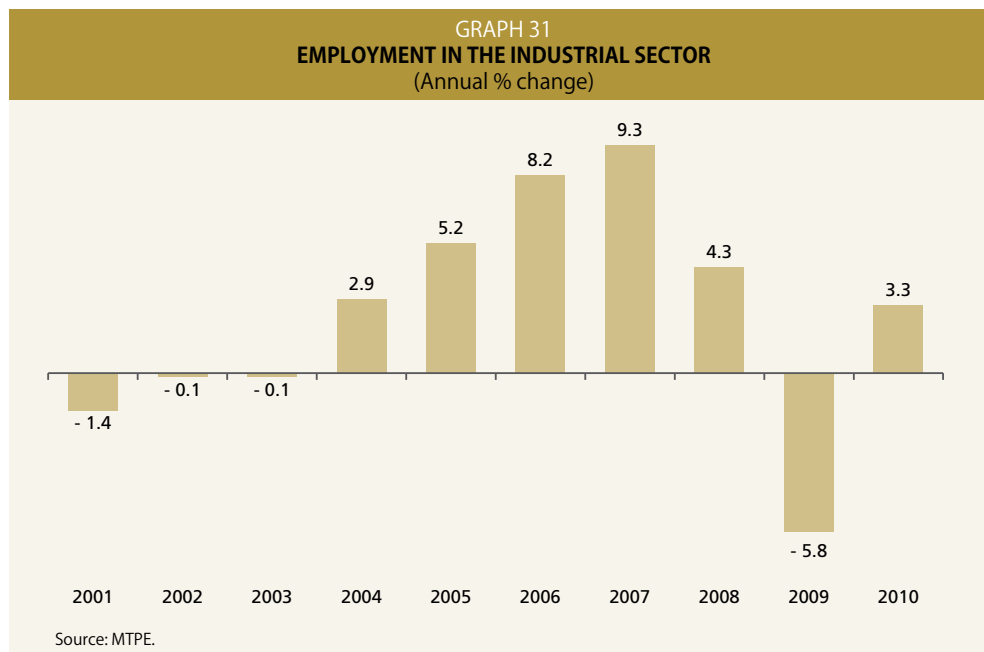
The branches producing mass consumption goods ranked fourth, with an average annual growth rate of 6.3 percent. The branch producing paper and cardboard items, such as diapers, paper napkins, paper towel, etc. recorded a two-digit rate.

Finally, the branches producing export-oriented goods were fifth, with an average rate of 4.8 percent. The production of food conserves grew 11.1 percent due to a higher production of instant beverages and chocolate products.

Moreover, in 2010 manufacturing companies listed in the Lima Stock Exchange registered a record profit of S/. 2,697 million. This increase in reported earnings relative to the previous year (29.0 percent) was mainly associated with the greater dynamism of construction, which boosted activity in suppliers of construction materials such as Cementos Pacasmayo, Cementos Yura, Corporación Aceros Arequipa and Siderperú. The better performance of the latter two companies (S/. 200 million profit in 2010 vs. S/. 134 million loss in 2009) is also explained by the higher average price of steel products in the national and international markets.



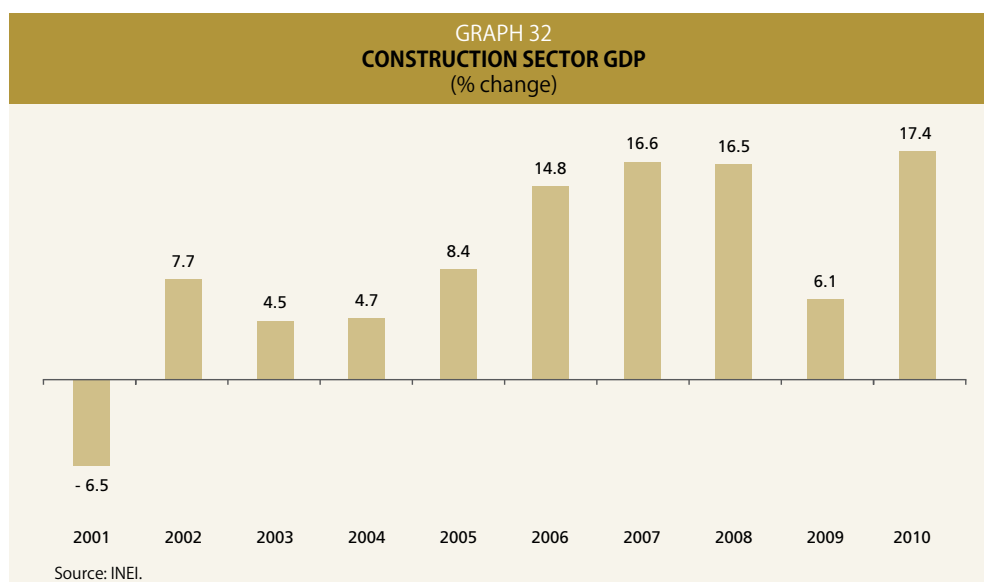
Recovering partially from the drop observed in 2009 (-5.8 percent), employment in the sector of industry grew 3.3 percent in 2010. This recovery was stronger in cities other than Lima (5.1 percent), since industrial employment in Lima grew 2.7 percent.



2.5 Construction sector

In 2010, **construction** returned to the growth rates observed during the years prior to the international financial crisis of 2008-2009, recording a rate of 17.4 percent, a level of growth unseen since 1995. This result reflected the implementation of a large number of mining, infrastructure development and housing projects, most of which were carried out with private investment.

In contrast with 2009 when construction grew more in other cities, growth in construction in 2010 was led by Lima, although other cities like Arequipa, Trujillo, Chiclayo and Piura also recorded significant rates. For example, in 2009 local dispatches of cement for Lima grew only 2.1 percent, while those for the provinces grew 8.1 percent –this growth was particularly noteworthy in the southern provinces–, while in 2010 the dispatches of cement for both Lima and other cities registered two-digit rates (11.7 and 18.0 percent, respectively).





Strong dynamism was observed in home construction, which was driven by the population's higher purchasing capacity, lower interest rates that fostered greater competition in the real estate market, and the housing programs being implemented by the State for medium and low income families, in a context of unmet demand.

The demand for housing has increased not only as a result of the growth of income generated by Peru's process of economic growth, but also as a result of lower interest rates. The interest rates on loans in domestic currency declined from 9.8 percent at end 2009 to 9.3 percent at end 2010, while the interest rates on loans in foreign currency fell from 9.1 to 8.1 percent in the same period.

The number of mortgage loans increased from 123 thousand 2009 to 137 thousand in 2010, while the number of apartments sold in Lima Metropolitana and Callao grew 13.7 percent in the same period, according to CAPECO.

TABLE 20
REAL STATE SECTOR: EVOLUTION OF MAIN VARIABLES

	2008	2009	2010
Apartments sold (units) - CAPECO 1/	12,642	11,598	13,184
% change.	25.9	- 8.3	13.7
Apartment units sold - TINSA 2/	13,604	13,378	15,643
% change.	n.a.	- 1.7	16.9
New mortgages 3/	n.a.	20,529	29,457
% change.	n.a.	n.a.	43.5
N° of debtors of current mortgages 3/ 4/	113,485	122,992	136,929
% change.	n.a.	8.4	11.3
Average interest rate of mortgages in soles 3/ 5/	11.4	9.8	9.3
Interest rate of mortgages in dollars 3/ 5/	10.8	9.1	8.1

1/ El Mercado de Edificaciones Urbanas en Lima Metropolitana and el Callao. CAPECO. A one year period is considered (from July to June).

2/ Informe de Coyuntura Inmobiliaria. TINSA PERU SAC.

3/ In commercial banks.

4/ Credits for the acquisition or construction of property not subject to individual mortgages because of ownership were reclassified from consumer loans to mortgage loans since December 1, 2008.

5/ Average monthly interest rates on bank mortgages in December.

On the side of supply, a number of important projects were developed in the year, including Grupo San José's construction of 3,072 houses in "Parques de la Huaca" in San Miguel, and Grupo Acuario's "Las Torres de Santa Clara" construction project in Ate, with a total of 1,224 new homes that will be delivered in five stages.

Housing projects developed in the provinces that should be pointed out included the construction of "Las Casuarinas de Ica" by IVC Contratistas General, which has already delivered more than two thousand houses, and "Residencial Huaranguillo" by SRL Diesa in Arequipa, an ongoing project that will deliver 315 apartments.

In a context of increased investment in tourism and hotels in the country, the following hotel construction projects are worth highlighting: "Casa Andina Classic – Chinchá Sausal" in Ica and Starwood's "Tambo del Inka" in Cusco (with an investment of US\$ 50 million), both of which opened during the year, and "Aranwa Hotel" (with an investment of US\$ 7 million), "Vista Pacífico Resort" in Lima (with a US\$ 30 million investment) and "Hotel Westin

Libertador "in Lima (with a US\$ 130 million investment), which are still in construction and should open in the course of 2011.

Office constructions also showed an outstanding performance due to the growing demand for these facilities associated with the increased interest of international corporate conglomerates in the local market as a result of the country's economic growth, as well as due to the growth of business and staff, as reported by Colliers International.

Thus, four office complexes started operations in 2010: Platinum Plaza I and II (with an investment of US\$ 30 million) and Plaza República (with an investment of US\$ 70 million) in the district of San Isidro; Qubo (with an investment of US\$ 20 million) in Surco, and Edificio Santa Cruz in Miraflores. All of these projects are oriented to the prime office segment.

In 2010, the construction of shopping centers regained the dynamism observed in 2008 after having declined in 2009, when only two malls opened (Plaza Norte and Real Plaza Centro Cívico, both in Lima). This activity was particularly dynamic in the city of Arequipa, where three new shopping centers started operating at year-end: Real Plaza, Mall Aventura Mall and Mall Parque Lambramani. In addition to this, the group Falabella inaugurated Open Plaza a mall in Piura (with an investment of US\$ 60 million) and group Romero opened Plaza del Sol Norte Chico in Huacho (with an investment of US\$ 19 million).

Furthermore, with an investment of US\$ 100 million, a new mall, Angamos Open Plaza, started operations in Lima; Jockey Plaza inaugurated its Boulevard (investment of US\$ 50 million), and the Interbank group announced an investment of US\$ 30 million for the expansion and remodeling of Real Plaza Primavera.

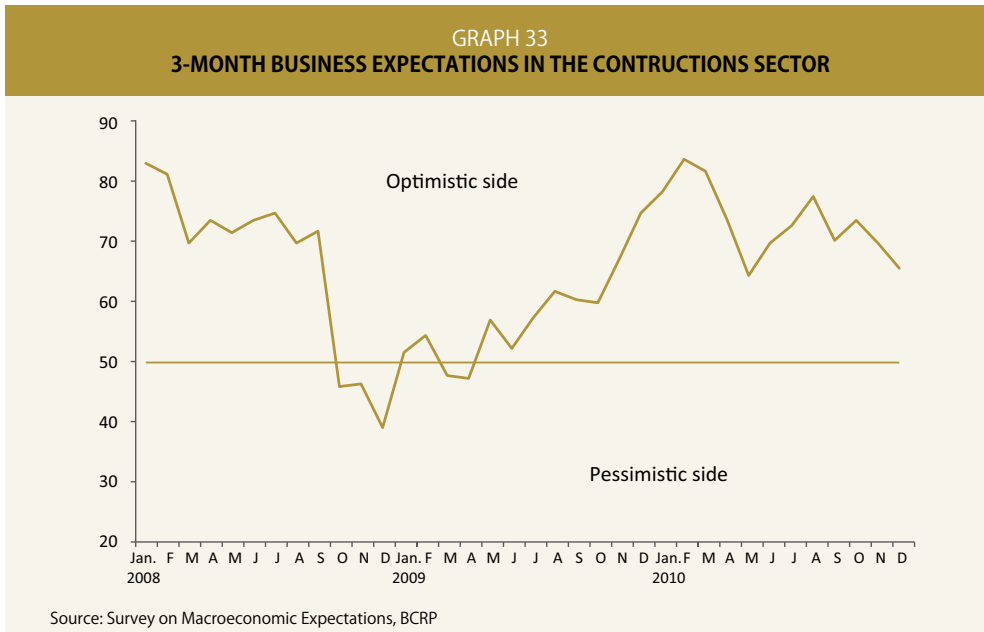
TABLE 21
MALLS 2010

Economic group	Project	Location	Investment amount (Millions of US\$)
Grupo Interbank	Real Plaza Arequipa	Arequipa	30.0
Open Plaza	Angamos Open Plaza	Lima	100.0
Los Portales	Lima Outlet Center (Faucett)	Lima	4.5
Grupo Brescia	Strip Center Paso Manco Cápac - La Victoria	Lima	3.5
Grupo Interbank	Expansion of Real Plaza Primavera	Lima	30.0
Aventura Plaza	Mall Aventura Plaza Arequipa	Arequipa	56.0
Open Plaza	Open Plaza	Piura	60.0
Grupo Romero	Expansion of Plaza del Sol	Piura	5.0
(Multimercados zonales)	Plaza del Sol Norte Chico	Lima (Huacho)	19.0
Centros Comerciales del Perú	Boulevard Jockey Plaza	Lima	50.0
Parque Arauco	Mall Parque Lambramani	Arequipa	40.0

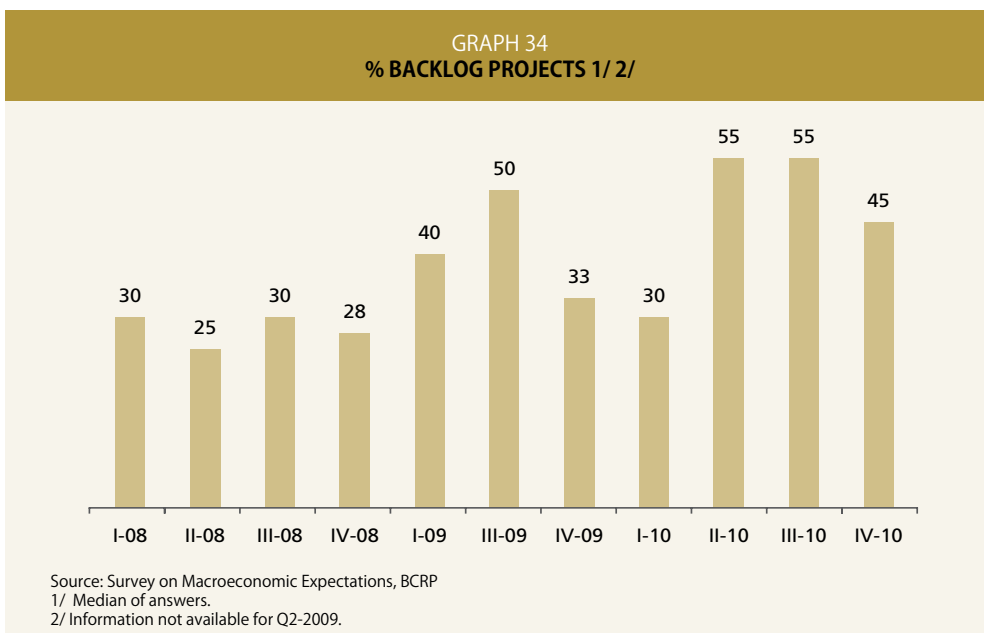
Source: Colliers International, news in printed media.

Showing similar levels of optimism than the ones observed prior to the international crisis, construction companies⁹ remained confident and maintained positive forecasts for the sector throughout 2010.

⁹ Construction companies included in the BCRP Monthly Survey on Macroeconomic Expectations.



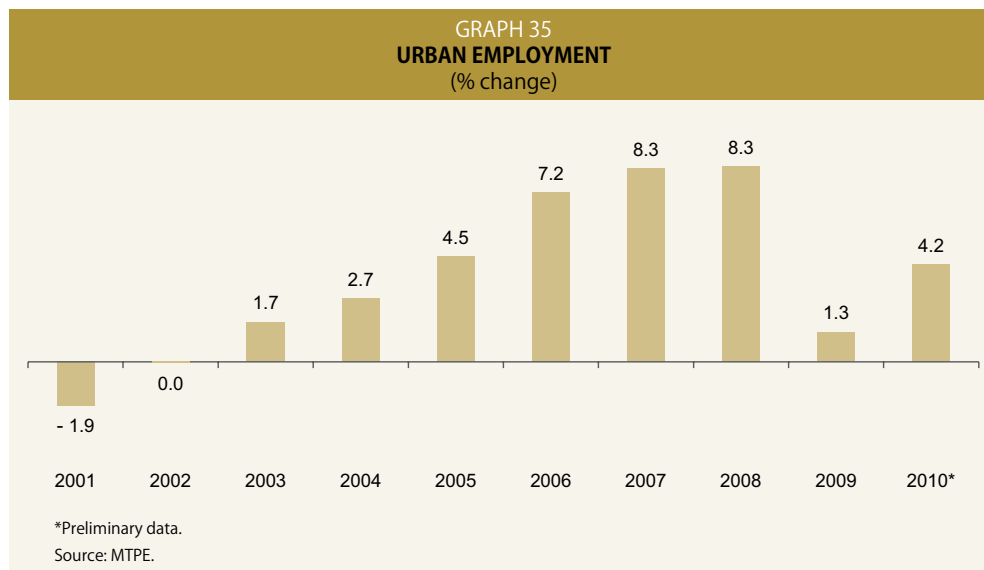
In addition to this, the average ratio of portfolio projects to total projects has been over 20 percent in the last three years and over 40 percent in the last three quarters of 2010. These figures reflect that construction companies have continuously had projects to develop.



3. Employment

According to the Ministry of Labor, in 2010 employment in urban areas (in formal firms with 10 or more workers) grew 4.2 percent, recording a higher rate than the one observed in 2009 (1.3 percent) and higher than the average annual rate observed in the 2000-2010 period.

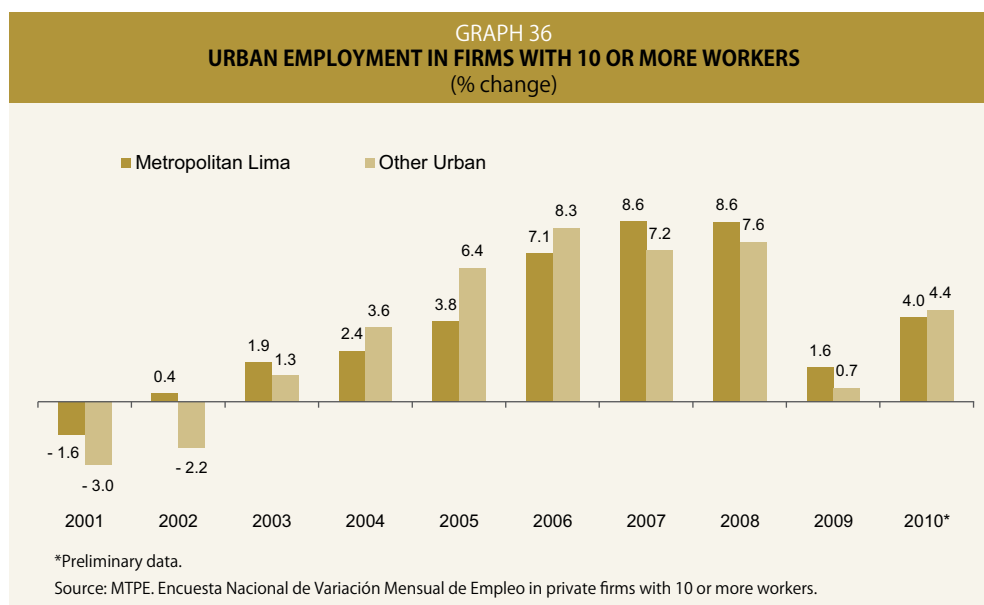
In line with the evolution of economic activity, employment showed positive growth rates in the sectors of commerce (6.0 percent), services (4.0 percent) and transportation, storage and communications (0.7 percent).



After recording a negative rate of 1.9 percent in 2009, employment in the primary sector grew 7.2 percent in 2010 showing a significant recovery associated mainly with higher employment in grapes and asparagus agro export firms.

Employment also showed a noteworthy recovery in the industrial sector, where it grew from -5.8 percent to 3.3 percent, mainly due to increased activity in textile.

By geographical areas, employment in Lima and other urban areas showed similar growth rates (4.0 and 4.4 percent, respectively). Compared to 2009, employment in other urban areas recorded the highest recovery, rising from 0.7 percent to 4.4 percent, due to increased activity in agro-industry and mining (gold, silver and copper).

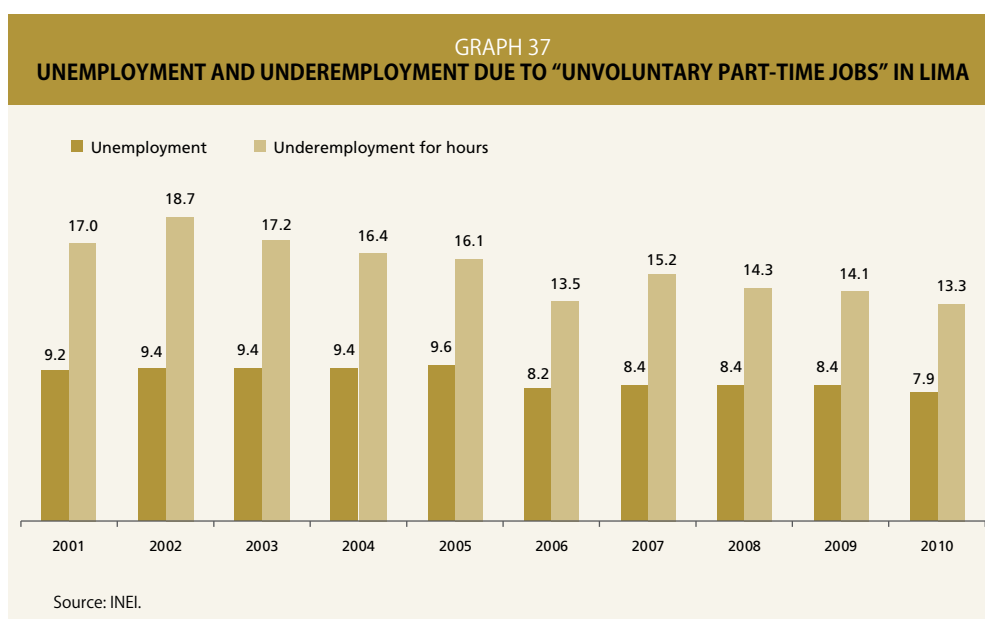


Employment in the regions showed a good performance, particularly in the cities in which export-oriented agro-industrial production increased, such as Sullana (12.0 percent), Piura (9.9 percent) and Chincha (8.0 percent). In



cities such as Puno and Juliaca (8.9 percent), the growth of employment was driven by increased demand for personnel in education centers and financial firms.

According to the National Statistics Institution (INEI), the economically active population in Lima, estimated by the *Encuesta Permanente de Empleo*, was 4.7 million, higher than in 2009 (4.5 million). The employed population grew 4.8 percent (from 4.1 million in 2009 to 4.3 million in 2010), while the rate of unemployment fell from 8.4 percent to 7.9 percent. Employment not only increased, but also improved in terms of quality given that adequately employed workers grew 9.9 percent.



BOX 1

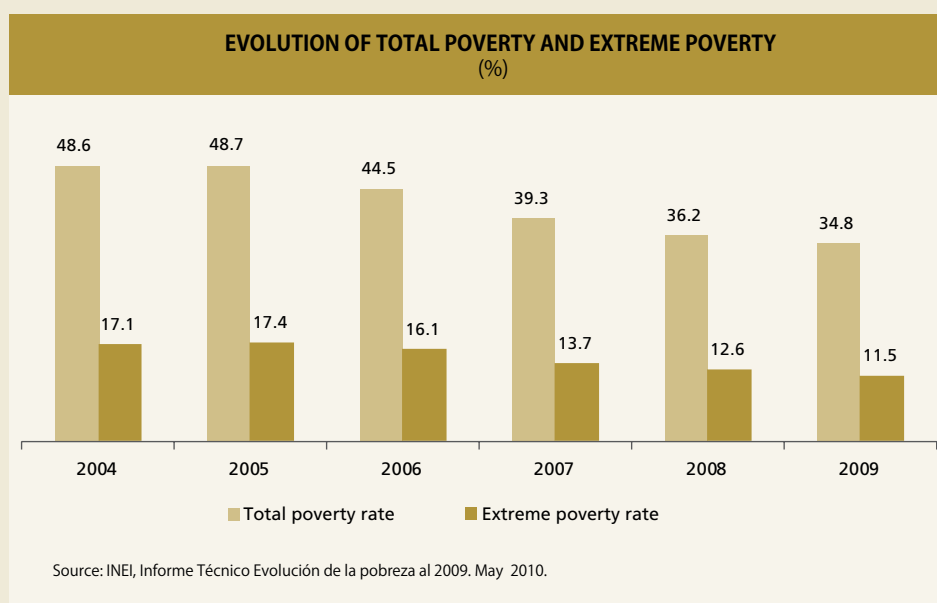
POVERTY AND INCOME DISTRIBUTION FIGURES

In 2009¹⁰, 34.8 percent of the Peruvian population lived in conditions of poverty, which implied that poverty had declined by 1.4 percentage points compared with the poverty rate in the previous year (36.2 percent). In this period, the rate of extreme poverty declined from 12.6 percent to 11.5 percent (-1.1 percentage points)¹¹.

Poverty declined more in urban areas (-2.4 percentage points) than in rural areas (0.5 percentage points). By geographic areas, the reduction of poverty was particularly noteworthy in Lima (-3.6 percentage points), in rural sierra areas (-3.2 percentage points), urban coast areas (-2.3 percentage points), and urban sierra areas (-2.2 percentage points). In contrast, it increased in rural selva areas (8.3 percentage points) and in rural coast areas (5.8 percentage points).

¹⁰ The latest official data on poverty corresponds to 2009. INEI. Informe Técnico, Situación de la pobreza en 2009, Lima, 2010.

¹¹ Total poverty includes the population whose per capita spending is lower than the cost of a basic basket of products (food and non food products). Extreme poverty compares this level of spending with the value of a basic food basket.



A lower incidence of poverty is observed in urban areas (21.1 percent), especially in Metropolitan Lima (14.1 percent) and in urban coast areas (21.1 percent). On the other hand, the population most affected by poverty is concentrated in rural areas (60.3 percent), particularly in the rural sierra (65.6 percent) and the rural selva areas (57.4 percent).

INCIDENCE OF TOTAL POVERTY BY GEOGRAPHIC AREAS
(%)

	2004	2005	2006	2007	2008	2009	Change 2008-2009 (% points)
Total Poverty	48.6	48.7	44.5	39.3	36.2	34.8	- 1.4
Geographic area							
Urbana	37.1	36.8	31.2	25.7	23.5	21.1	- 2.4
Rural	69.8	70.9	69.3	64.6	59.8	60.3	0.5
Geographic domain							
Urban coast	37.1	32.2	29.9	25.1	23.4	21.1	- 2.3
Rural coast	51.2	50.0	49.0	38.1	34.8	40.6	5.8
Urban highland	44.8	44.4	40.2	36.3	33.5	31.3	- 2.2
Rural highland	75.8	77.3	76.5	73.3	68.8	65.6	- 3.2
Urban jungle	50.4	53.9	49.9	40.3	31.3	32.5	1.2
Rural jungle	63.8	65.6	62.3	55.3	49.1	57.4	8.3
Metropolitan Lima	30.9	32.6	24.2	18.5	17.7	14.1	- 3.6

Source: INEI, Informe Técnico Evolución de la pobreza al 2009, May 2010.

The incidence of extreme poverty in rural areas was 27.8 percent in 2009 (1.9 percentage points lower than in 2008). A more favorable evolution was observed in rural sierra and urban sierra areas, where it declined by 4.2 and 2.4 percentage points between 2008 and 2009.



INCIDENCE OF EXTREME POVERTY BY GEOGRAPHIC AREAS (%)							
	2004	2005	2006	2007	2008	2009	Change 2008-2009 (% points)
Extreme Poverty	17.1	17.4	16.1	13.7	12.6	11.5	- 1.1
Geographic area							
Urban	6.5	6.3	4.9	3.5	3.4	2.8	- 0.6
Rural	36.8	37.9	37.1	32.9	29.7	27.8	- 1.9
Geographic domain							
Urban coast	5.6	4.0	3.0	2.1	2.4	2.3	- 0.1
Rural coast	13.8	13.4	14.4	10.5	7.9	9.2	1.3
Urban highland	13.6	11.6	10.3	8.5	9.2	6.8	- 2.4
Rural highland	44.0	46.6	46.5	40.8	37.4	33.2	- 4.2
Urban jungle	18.7	22.5	18.1	11.0	7.2	8.8	1.6
Rural jungle	30.4	28.0	24.6	23.4	20.7	23.8	3.1
Metropolitan Lima	1.3	2.0	0.9	0.5	0.7	0.2	- 0.5

Source: INEI. Informe Técnico Evolución de la Pobreza al 2009, May 2010.

The poverty gap, indicator that shows the difference in percentage terms between the per capita spending of the poor and the poverty line, was 10.1 percent in 2009, one percentage point lower than in the previous year. This indicator, which may be used to estimate how much income a person requires to stop living under poverty conditions, declined in both rural areas (-1.3 percentage points) and in urban areas (-0.8 percentage points). Moreover, even though rural sierra areas show the highest poverty gap rate (22.8 percent) by geographical areas, poverty dropped more in these areas (2.9 percentage points).

POVERTY GAP BY GEOGRAPHIC AREAS (%)								
	2004	2005	2006	2007	2008	2009	Poverty lines 2009 (soles)	Change 2008- 2009 (% points)
Total	16.2	16.6	15.1	12.8	11.1	10.1	257	- 1.0
Geographic area								
Urban	10.6	10.6	8.7	6.5	5.8	5.0	286	- 0.8
Rural	26.6	27.7	27.0	24.4	21.0	19.7	203	- 1.3
Geographic domain								
Urban coast	10.1	8.4	7.8	5.7	5.2	4.6	257	- 0.6
Rural coast	15.5	14.7	14.4	11.6	8.3	10.3	211	2.0
Urban highland	15.4	15.1	13.5	11.6	10.5	8.7	270	- 1.8
Rural highland	30.6	32.4	32.2	29.3	25.7	22.8	207	- 2.9
Urban jungle	16.5	18.2	16.3	11.9	8.1	8.7	250	0.6
Rural jungle	21.9	22.2	20.0	18.0	15.2	16.5	186	1.3
Metropolitan Lima	7.5	8.4	5.5	3.7	3.5	2.9	318	- 0.6

Source: INEI. Informe Técnico Evolución de la Pobreza al 2009, May 2010.

The reduction of poverty and the reduction of the poverty gap express the sustained growth recorded in the level of real per capita spending in the last five years. The latter increased by 4.1 percent between 2008 and 2009, mainly as a result of the growth of spending in Metropolitan Lima (9.1 percent) and in rural sierra areas (4.4 percent).

MONTHLY REAL PER CAPITA EXPENDITURE							
(Average constant nuevos soles, base=2001 a prices in Metropolitan Lima)							
	2004	2005	2006	2007	2008	2009	Change 2008-2009 (% points)
NATIONAL	300	303	325	346	355	370	4.1
Geographic area							
Urban	374	378	408	436	443	464	4.8
Rural	164	165	170	179	193	195	1.1
Geographic domain							
Costa urbana	330	347	359	400	400	402	0.3
Costa rural	220	223	229	251	269	263	- 2.0
Sierra urbana	323	336	342	375	398	400	0.4
Sierra rural	152	153	155	160	173	180	4.4
Selva urbana	271	266	278	318	348	346	- 0.7
Selva rural	163	160	171	185	202	192	- 4.7
Lima Metropolitana	444	438	494	509	508	554	9.1

Source: INEI, Informe Técnico Evolución de la Pobreza al 2009, May 2010.

The improvement in living conditions is also reflected in the reduction of inequality levels in terms of per capita spending, measured by the Gini coefficient, which fell from 0.41 in 2004 to 0.39 in 2009.

EVOLUTION OF GINI COEFFICIENT 1/			
Year	Total	Urban	Rural
2004	0.41	0.37	0.32
2005	0.41	0.37	0.32
2006	0.42	0.38	0.32
2007	0.41	0.36	0.33
2008	0.38	0.34	0.32
2009	0.39	0.35	0.31

1/ Index used as a measure of inequality of income. A value of 0 express total equality and a value of 1 maximal inequality.
Source: INEI, Informe Técnico, Evolución de la Pobreza 2009, May 2010.

II.

External sector

In a context of global economic growth and high commodity prices, Peru's balance of payments in 2010 was marked by the improvement recorded in the trade balance and by increased long-term capital inflows.

1. International environment

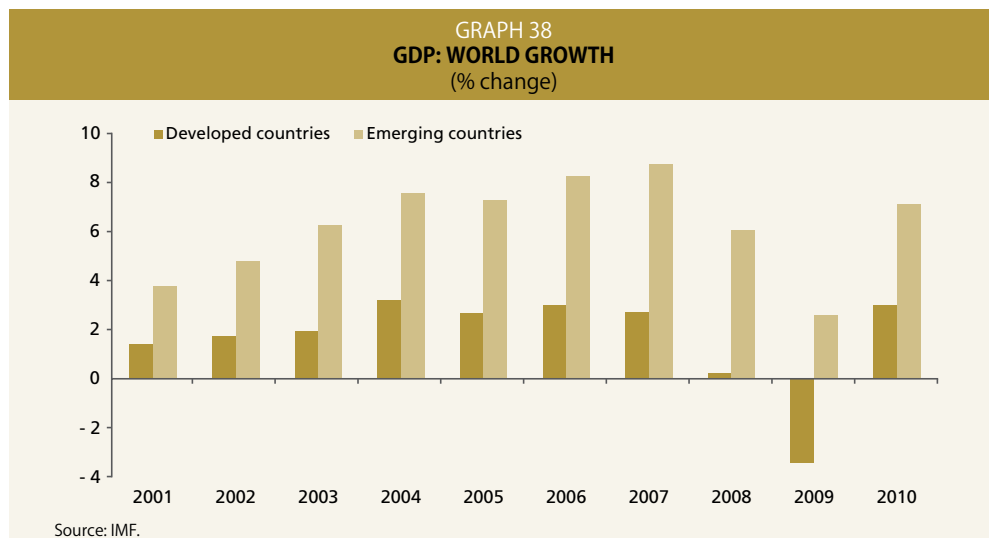
Even though global economic activity recovered in 2010, this recovery was not homogeneous in the different countries. In the emerging economies, for example, the recovery of domestic demand was coupled by higher commodity prices and increased capital inflows.

Recovery in most developed economies, on the other hand, has been slower and has depended greatly on the maintenance of monetary and fiscal stimulus. The Federal Reserve's announcement of its second asset purchase program should be pointed out in this sense.

This recovery of economic activity has been limited by increased uncertainty about the financial situation of countries with debt problems in the Eurozone and by the rise in international food and crude prices which intensified inflationary pressures in the global economy in the second half of the year.

2. Economic activity

After the recession experienced during 2009, the global economy grew 4.9 percent in 2010. While developed economies grew 3.0 percent on average, the emerging economies showed significantly higher growth rates (7.2 percent). It is worth pointing out that growth in both cases was higher than the average growth rate in the 2001-2007.





Recovery in most **developed economies** was supported by the maintenance of monetary and fiscal stimulus amid low inflationary pressures.

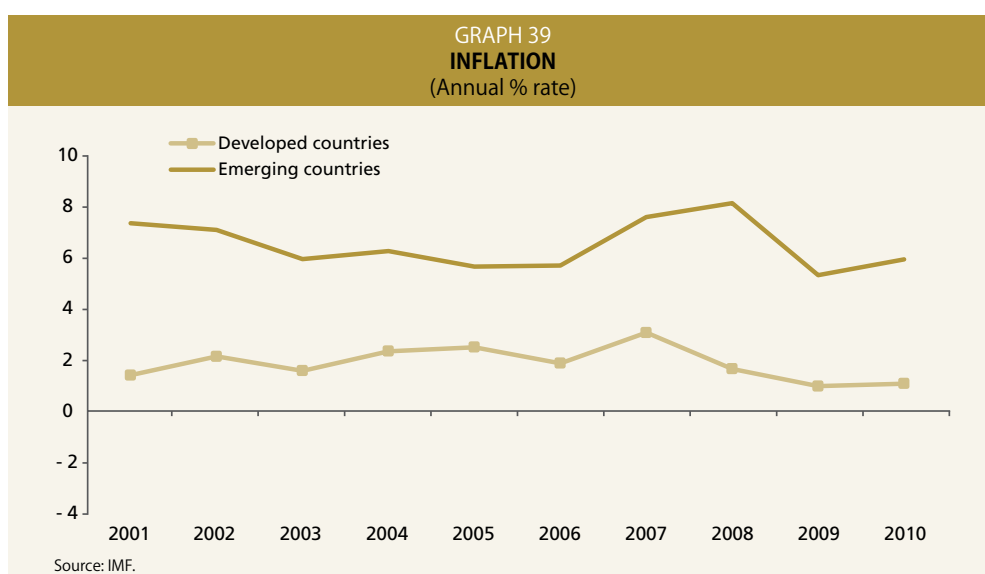
In the **United States**, growth was based on the replenishment of inventories, on the dynamism of non-residential investment and, to a lesser extent, on private consumption. The recovery of consumption was slow due to households' high deleveraging levels –reflected in a debt-to-personal income ratio of over 105 percent–, high rates of unemployment that reached 9.4 percent at year end, and credit conditions which, in contrast with those for medium and large enterprises, remained restrictive during most of the year. Only in Q4 did consumption show signs of recovery as credit conditions for families began to improve.

Because uncertainty about the evolution of consumption remained until September, the FED renewed monetary stimulus in early November pumping US\$ 600 billion and the government announced a fiscal stimulus of US\$ 858 billion in early December for the period 2011-2012. These measures were given in a context of low inflationary pressures, with core inflation showing a rate of 0.8 percent, the lowest level ever recorded since this index was established (1958).

Europe showed a mixed performance. The **Eurozone** recorded growth, but rates in the member countries were not uniform. Germany grew 3.6 percent due to the dynamism of its exports and domestic demand.

On the other hand, the economies affected by a debt crisis and a real estate bubble –Greece, Portugal, Ireland and Spain– experienced GDP contractions due to the deterioration of external funding conditions and to the fiscal policy adjustments implemented to prevent a further deterioration of the debt sustainability.

Growth in the **United Kingdom** was driven by exports –favored by the depreciation of the pound in previous years–, investment and domestic consumption, but was limited by the fiscal adjustment and inflationary pressures, as well as by the appreciation of the pound in the second half of 2010. The VAT was raised from 15 to 17.5 percent and inflation recorded an annual rate of 3.7 percent at the end of the year.



Japan also showed a recovery, especially in the first half of the year, due to the evolution of consumption which was favored by tax incentives for durable goods, as well as due to the normalization of employment conditions, investment –particularly, non residential investment– and net exports. However, this recovery was affected in Q4 by the country's fiscal situation, the existence of deflationary pressures and the appreciation of the yen, which experienced the highest appreciation observed among the currencies of developed countries. In addition to this, the growth of investment was limited by excess installed capacity.

On the other hand, **emerging economies** grew at high rates –registering even higher rates than the ones observed in 2001-2007–, with the dynamic performance of domestic demand and exports accounting for this recovery which would be generating demand pressures and possible bubbles in the assets markets in some of these countries. In this context, the authorities have started withdrawing monetary stimulus due to the higher inflationary pressures faced by many of these economies.

TABLE 22
WORLD GROWTH
(Annual % change)

	Average 2001-2007	2008	2009	2010
Developed countries	2.4	0.2	- 3.4	3.0
1. USA	2.4	0.0	- 2.6	2.9
2. Eurozone	1.9	0.4	- 4.1	1.7
Germany	1.3	1.0	- 4.7	3.6
France	1.8	0.2	- 2.6	1.6
3. Japan	1.6	- 1.2	- 6.3	3.9
4. United Kingdom	2.6	- 0.1	- 4.9	1.3
5. Canada	2.5	0.5	- 2.5	3.1
6. Other developed countries	3.9	1.6	- 1.2	5.6
Developing countries	6.6	6.1	2.7	7.2
1. Sub-saharan Africa	6.3	5.6	2.8	5.0
2. Central and Eastern Europe	4.9	3.2	- 3.6	4.1
3. Commonwealth of Independent States	7.4	5.3	- 6.5	4.6
Russia	6.8	5.2	- 7.9	4.0
4. Developing Asia	8.7	7.7	7.2	9.5
China	10.8	9.6	9.2	10.3
India	7.4	6.2	6.8	10.4
5. Middle East and North Africa	5.3	5.1	1.8	3.8
6. Latin America and the Caribbean	3.6	4.3	- 1.7	6.0
Brazil	3.4	5.2	- 0.6	7.5
World Economy	4.1	2.9	- 0.5	4.9
Memo:				
BRICs 1/	8.4	7.7	5.4	9.2
Trading partners 2/	3.8	2.7	- 1.1	4.4

1/ Brazil, Russia, India and China.
2/ Peru's 20 main trading partners.
Source: Bloomberg, IMF, Consensus Forecast.



TABLE 23
MONETARY POLICY INTEREST RATES

	Dec.07	Dec. 08	Dec. 09	Dec.10	Change (bps.) 2010/2009
Raised interest rates in 2010					
Chile	6.00	8.25	0.50	3.25	275
Brazil	11.25	13.75	8.75	10.75	200
Peru	5.00	6.50	1.25	3.00	175
India	7.75	6.50	4.75	6.25	150
Pakistan	10.00	15.00	12.50	14.00	150
Australia	6.75	4.25	3.75	4.75	100
Sweden	4.00	2.00	0.25	1.25	100
Canada	4.25	1.50	0.25	1.00	75
Israel	4.25	2.50	1.25	2.00	75
Malaysia	3.50	3.25	2.00	2.75	75
Thailand	3.25	2.75	1.25	2.00	75
China	7.47	5.31	5.31	5.81	50
South Korea	5.00	3.00	2.00	2.50	50
New Zealand	8.25	5.00	2.50	3.00	50
Taiwan	3.38	2.00	1.25	1.63	38
Norway	5.25	3.00	1.75	2.00	25
Interest rates remained unchanged in 2010					
ECB	4.00	2.50	1.00	1.00	0
Slovakia	4.25	2.50	2.50	2.50	0
United States	4.25	0.25	0.25	0.25	0
Philippines	5.25	5.50	4.00	4.00	0
Indonesia	8.00	9.25	6.50	6.50	0
Japan	0.50	0.10	0.10	0.10	0
Mexico	7.50	8.25	4.50	4.50	0
Poland	5.00	5.00	3.50	3.50	0
United Kingdom	5.50	2.00	0.50	0.50	0
Switzerland	2.75	0.50	0.25	0.25	0
Turkey	15.75	15.00	6.50	6.50	0
Lowered interest rates in 2010					
Iceland	13.75	18.00	10.00	4.50	- 550
South Africa	11.00	11.50	7.00	5.50	- 150
Colombia	9.50	9.50	3.50	3.00	- 50
Hungary	7.50	10.00	6.25	5.75	- 50
Czech Republic	3.50	2.25	1.00	0.75	- 25

Source: Bloomberg and Reuters.

In the emerging economies, **China** grew 10.3 percent, favored mainly by investment and the recovery of foreign trade. Higher growth rates were observed in the first semester, but moderated gradually by the second half of the year as a series of monetary policy measures were adopted to prevent the overwarming of the economy and its inflationary effects. The evolution of the main indicators of activity confirms this trend. Inflation rose from 1.5 percent in January to 4.6 percent in December, affected also by food prices, which led this index to increase from 3.7 to 9.6 percent in this period.

TABLE 24
CHINA: INDICATORS OF ECONOMIC ACTIVITY
 (12 month % change)

	2008	2009	2010
GDP IV quarter 1/	6.8	10.7	9.8
Industrial Production	5.7	18.5	13.5
Investment in fixed assets	26.1	30.5	24.5
Retail	19.0	17.5	19.1
Export	- 2.8	17.8	17.9
Imports	21.3	55.9	25.6
Total inflation	1.2	1.9	4.6
Food inflation	4.2	5.3	9.6
Prices of housing 2 /	- 0.4	7.8	6.4
Current Account (% GDP)	9.3	5.9	5.1
NIR in US\$ billion	1.9	2.4	2.8

1/ Change compared to the same quarter in the previous year.

2/ National Development and Reform Commission index for the 70 most important cities.

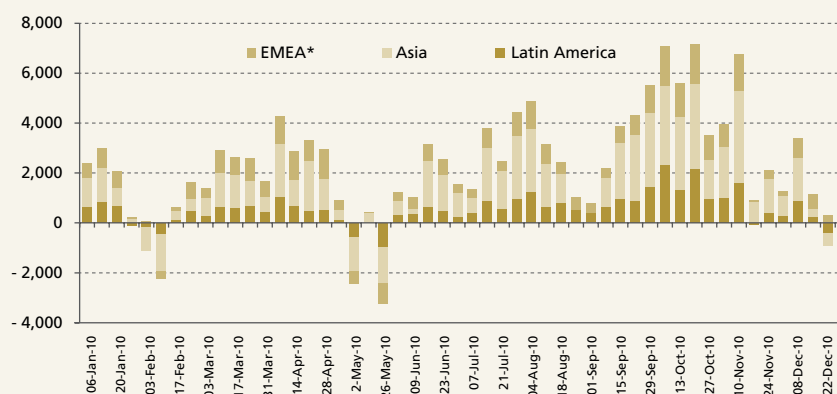
Source: Bloomberg.

A series of measures were implemented over the year to limit the growth of liquidity and credit and to moderate the rise in real estate prices: the Central Bank raised its interest rate –which had remained unchanged since end 2008– and raised the rate on reserve requirements on 6 occasions. Other measures adopted included limits to bank loans, monthly loan quotas per entity, rising the rate on mortgage loans and the down payment for the purchase of a second house, and prohibiting residents to purchase a third housing property.

Growth in the rest of emerging economies was favored by the recovery of international trade and by better terms of trade. **Latin America** closed the year with a significant improvement in economic activity associated with the growth of consumption and investment, as well as of external demand.

Most emerging economies faced increased capital inflows that generated appreciatory pressures. This trend intensified when interest rates were raised due to higher inflationary pressures, leading central banks to increase interventions in the foreign exchange market and to adopt administrative and/or macro prudential measures to discourage capital inflows or promote their outflow.

GRAPH 40
PORTFOLIO FLOWS TO DEVELOPING COUNTRIES
 (Monthly flows, US\$ million)



(*) EMEA: Europe, Middle East and Africa, EM Asia: Emerging Asia.

Source: Barclays.

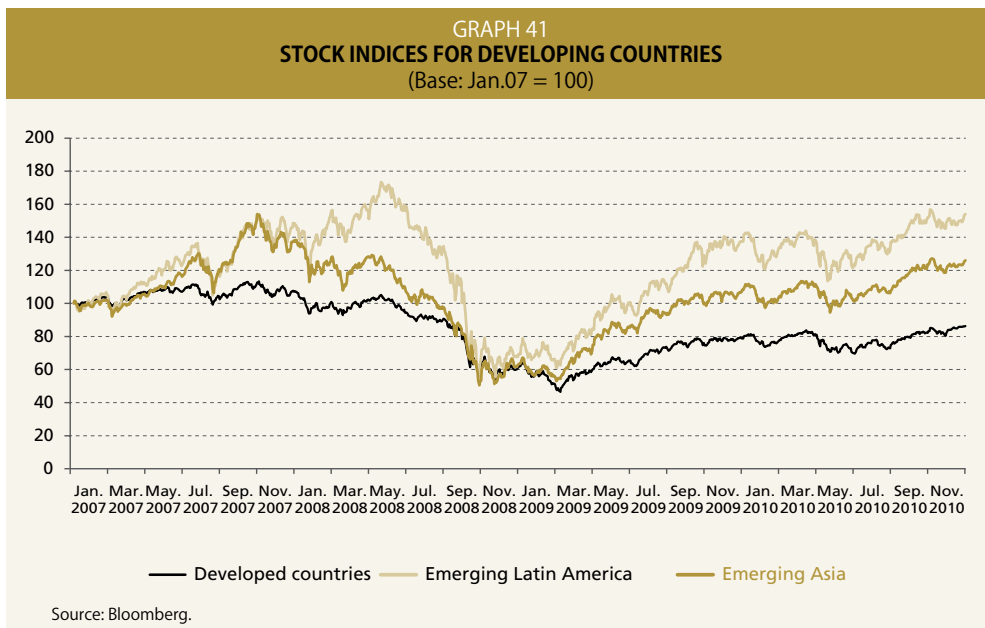


3. Financial markets

Overall, financial markets continued showing a normalization trend after the extreme volatility and risk aversion observed as a result of the international financial crisis.

Factors accounting for the recovery of the major capital markets and increased risk appetite included the recovery of global growth, the Federal Reserve’s second asset purchase program or “Quantitative Easing 2” announced in November, the US new fiscal package announced in December, the high levels of international liquidity reflected in the low interest rates of the major developed countries’ central banks, and the recovery of investors’ confidence.

The stock indices in the major economies, excluding Japan, recorded gains, while corporate credit spreads in developed economies and sovereign bonds spreads in the major emerging economies declined and the yield on U.S. Treasury bonds rose.



Among other factors, this trend was limited by the delicate fiscal situation of some economies in the Eurozone. The series of adverse events observed since May included the situation of fiscal accounts in Greece, the high cost of bank rescue in Ireland, and fears that this situation could spread onto other economies that experienced similar problems, such as Portugal and Spain. These events generated increased risk aversion whose effects concentrated mainly in European money markets, in the sovereign debt of the Eurozone and in the value of the euro.

The worsening of financial conditions in Greece, and later in Ireland, led these countries to seek the rescue programs developed by the European Union and the International Monetary Fund (IMF). The first program was applied in May and the second in November. Simultaneously, given the increased likelihood of a debt crisis contagion to other economies in the region, the European Union and the IMF announced the creation of a facility for a total of € 750 billion for the economies of the Eurozone.

Additionally, the European Central Bank announced a discretionary program of purchases of sovereign bonds of countries with debt problems (which would be completely sterilized) and the reactivation of unlimited liquidity lines.

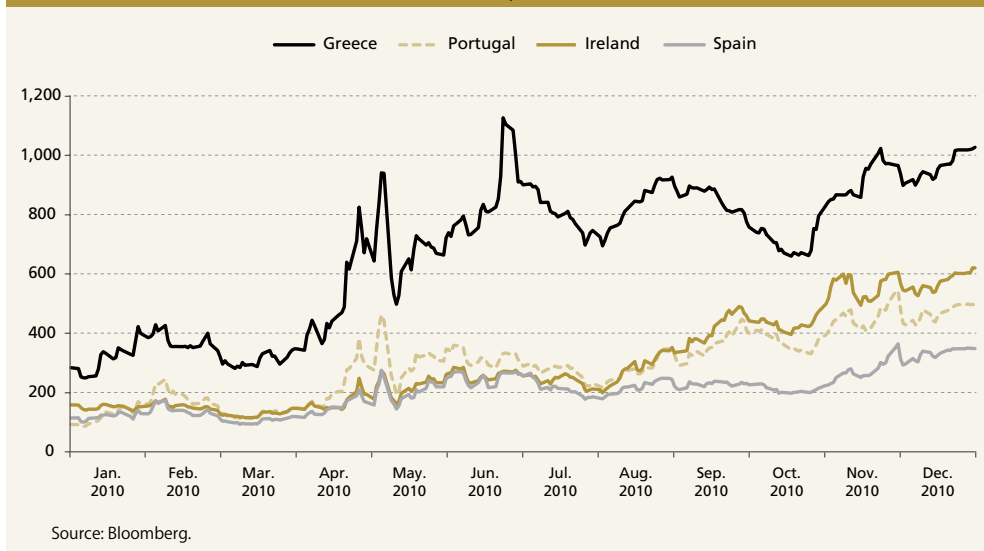
TABLE 25
EUROPE ECONOMIC INDICATORS
(% of GDP)

	2008	2009	2010	Debt Rating (Dec. 2010)	
				S&P	Moody's
Ireland (GDP 2009: US\$ 264.9 billions)				A	Baa1
GDP Growth (%)	-3.6	-7.6	-0.9		
CDS Spreads (Bps) 1/	181	158	619		
Fiscal deficit	-7.3	-14.4	-10.5		
Public debt	44.3	65.5	98.9		
Portugal (GDP 2009: US\$ 233.5 billions)				A-	A1
GDP Growth (%)	0.0	-2.5	1.4		
CDS Spreads (Bps) 1/	96	92	497		
Fiscal deficit	-2.9	-9.3	-7.3		
Public debt	65.3	76.1	82.1		
Spain (GDP 2009: US\$ 1,467.9 billions)				AA	Aa1
GDP Growth (%)	0.8	-3.7	-0.2		
CDS Spreads (Bps) 1/	101	113	348		
Fiscal deficit	-4.2	-11.1	-9.3		
Public debt	39.8	53.2	62.8		
Greece (GDP 2009: US\$ 330.8 billions)				BB+	Ba1
GDP Growth (%)	1.3	-2.3	-4.5		
CDS Spreads (Bps) 1/	232	283	1,026		
Fiscal deficit	-9.4	-15.4	-9.4		
Public debt	110.3	126.8	142.7		

1/ Data as of December of each year
Source: Moody's, Deutsche Bank, Barclays, JP. Morgan and Eurostat.

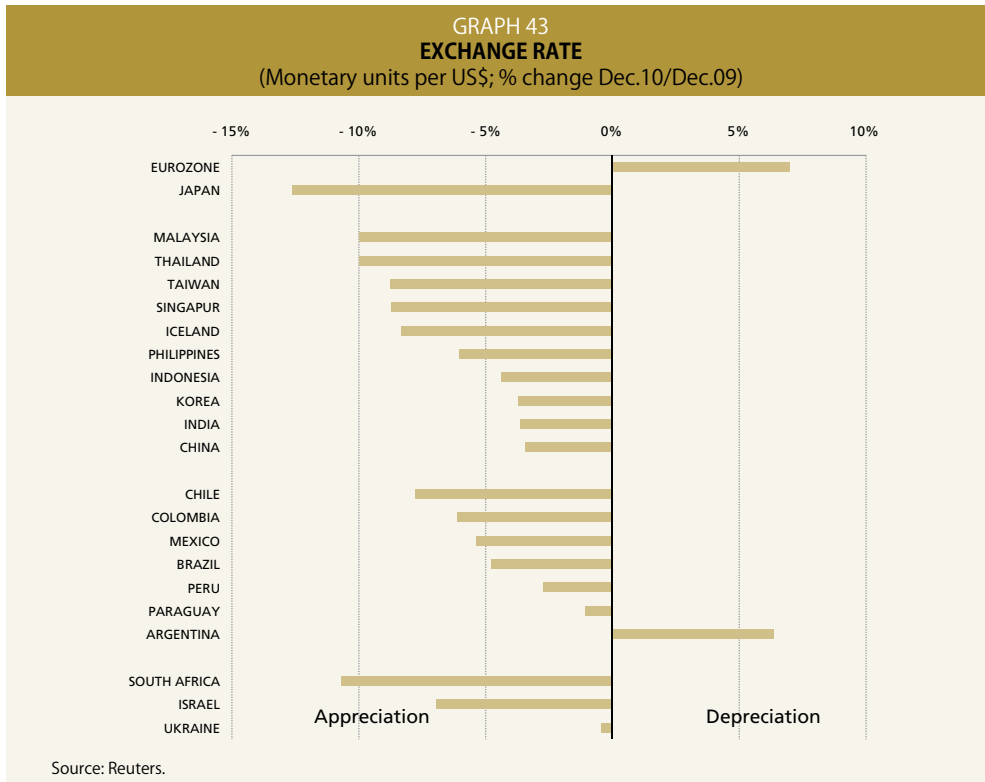
Even though the financial conditions in these economies showed some improvement at the close of the year, they are still far from the ones observed prior to the crisis. The increase in the debt restructuring-related risks; the risks of contagion; the rating downgrading of Greece, Ireland and Portugal, and of banks in these countries, as well as banks' increased dependence on the ECB funds, contributed to the maintenance of high credit spreads in sovereign bonds and in the major banking institutions in Greece, Ireland, Portugal and Spain.

GRAPH 42
CREDIT DEFAULT SWAP SPREAD
(In basis points)





The evolution of the dollar in **foreign exchange markets** was affected by a series of mixed factors: on the one hand, the better outlook for growth and the announcement of Quantitative Easing 2 weakened the dollar, but, on the other hand, the situation in the Eurozone finally led the US currency to strengthen against the euro. Moreover, the dollar weakened against the yen.



4. Balance of Payments

In a context of gradual global economic recovery and high commodity prices, the balance of payments in 2010 was characterized by the improvement recorded in the trade balance, which was coupled by higher profits in firms with foreign shareholding. In addition to this, the high levels of international liquidity and the normalization of conditions in financial markets allowed external financing to increase, particularly in terms of external financing to banks.

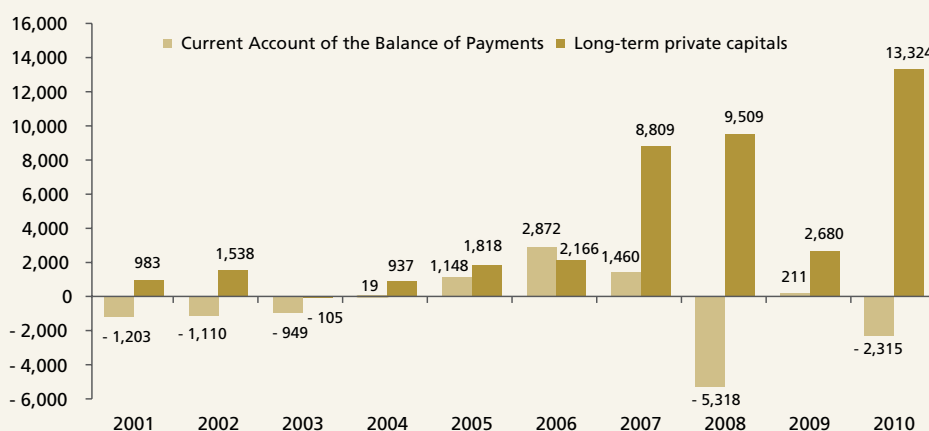
Recording the highest rate since 2006, terms of trade grew 17.9 percent in 2010. Together with the recovery of global economic activity and the diversification of markets and nontraditional products, this effect favored the growth of exports, which registered a growth rate of 31.9 percent.

Imports grew 37.1 percent as a result of the strong growth of consumption and investment in domestic demand. The higher volume of trade and the higher commodity prices favored an increase in the profits of firms with foreign shareholding, increasing also the deficit in services associated with trade and economic activity in general, such as expenditure in transportation and business services. As a result of this, the deficit in the current account in 2010 was equivalent to 1.5 percent of GDP.

The current account deficit was mostly financed with long term private capitals, which amounted to 8.7 percent of GDP and consisted mainly of reinvestments of profits by firms with foreign shareholding –particularly mining, hydrocarbons, and financial companies–, loan disbursements to banks, and non residents’ investments in securities issued in the local market.

This increased funding was in turn complemented by a lower capital outflow in terms of local institutional investors’ investment in foreign securities. In this period, the Central Bank increased its international reserves by US\$ 10,970 million, the highest amount of reserves accumulated in a year.

GRAPH 44
CURRENT ACCOUNT AND LONG TERM CAPITAL
(Millions of US\$)



Source: BCRP.

TABLE 26
BALANCE OF PAYMENTS

	Millions of US\$			% of GDP		
	2008	2009	2010	2008	2009	2010
I. CURRENT ACCOUNT BALANCE	- 5,318	211	- 2,315	- 4.2	0.2	- 1.5
1. Trade Balance	2,569	5,951	6,750	2.0	4.7	4.4
a. FOB Exports	31,018	26,962	35,565	24.4	21.2	23.1
b. FOB Imports	- 28,449	- 21,011	- 28,815	- 22.4	- 16.5	- 18.7
2. Services	- 2,056	- 1,144	- 2,037	- 1.6	- 0.9	- 1.3
a. Exports	3,649	3,645	3,956	2.9	2.9	2.6
b. Imports	- 5,704	- 4,789	- 5,993	- 4.5	- 3.8	- 3.9
3. Investment Income	- 8,774	- 7,484	- 10,053	- 6.9	- 5.9	- 6.5
a. Private	- 8,888	- 7,533	- 9,873	- 7.0	- 5.9	- 6.4
b. Public	113	49	- 180	0.1	0.0	- 0.1
4. Current transfers	2,943	2,887	3,026	2.3	2.3	2.0
of which: Remittances	2,444	2,409	2,534	1.9	1.9	1.6
II. FINANCIAL ACCOUNT	8,674	1,499	12,583	6.8	1.2	8.2
1. Private Sector	9,509	2,680	13,324	7.5	2.1	8.7
a. Assets	- 652	- 4,102	- 1,041	- 0.5	- 3.2	- 0.7
b. Liabilities	10,162	6,783	14,365	8.0	5.3	9.3
2. Public Sector	- 1,404	1,032	- 1,004	- 1.1	0.8	- 0.7
a. Assets	65	- 317	4	0.1	- 0.2	0.0
b. Liabilities	- 1,469	1,349	- 1,007	- 1.2	1.1	- 0.7
3. Short term capital	568	- 2,214	263	0.4	- 1.7	0.2
a. Assets	416	- 622	- 1,007	0.3	- 0.5	- 0.7
b. Liabilities	153	- 1,592	1,270	0.1	- 1.2	0.8
III. EXCEPTIONAL FINANCING	57	36	19	0.0	0.0	0.0
IV. NET ERRORS AND OMISSIONS	- 244	- 702	904	- 0.2	- 0.6	0.6
V. BALANCE OF PAYMENT RESULT	3,169	1,043	11,192	2.5	0.8	7.3
(V = I + II + III + IV) = (1-2)						
1. Change in the balance of NIRs	3,507	1,939	10,970	2.8	1.5	7.1
2. Valuation effect	338	896	- 222	0.3	0.7	- 0.1

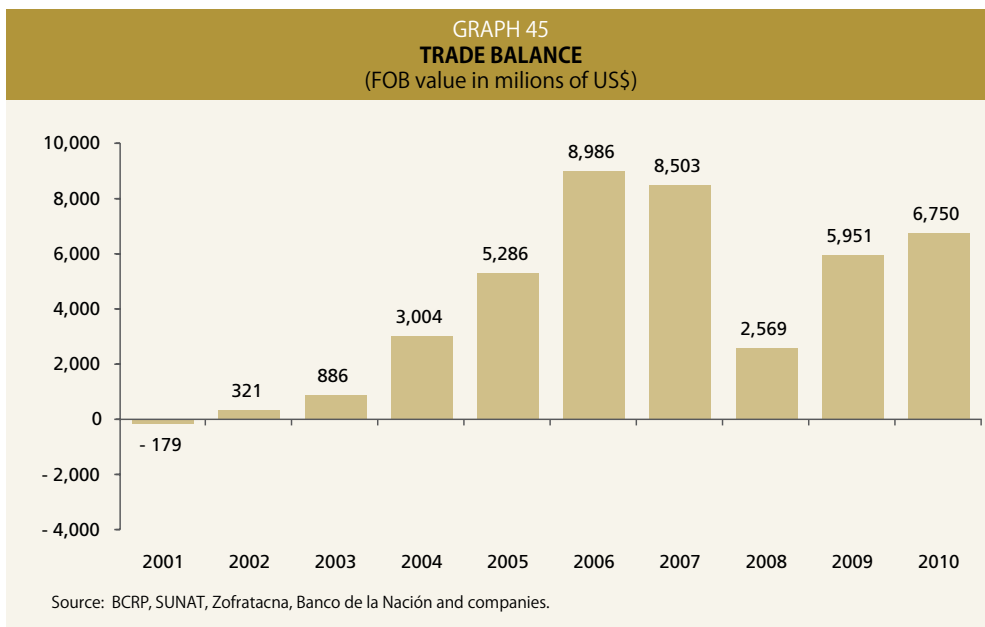
Source: BCRP, MEF, SBS, SUNAT, Ministry of Foreign Affairs, Cofide, ONP, FCR, Tacna Free Trade Zone, Banco de la Nación, Cavali S.A. ICLV, Proinversión, Bank for International Settlements (BIS), and companies.



4.1 Trade balance

Higher by US\$ 799 million than in 2009, the trade surplus in 2010 amounted to US\$ 6,750 million. Exports, which amounted to US\$ 35,565 million –a sum 31.9 percent higher than the one recorded in 2009–, were favored by higher international commodity prices and by the higher volume of nontraditional exports. On the hand, the volume of traditional exports declined due to lower exports of gold, zinc, and fishmeal (the production of the latter was affected by La Niña).

Imports amounted to US\$ 28,815 million, a sum 37.1 percent higher than the one registered in the previous year. Imports grew both in terms of volume (24.5 percent) and in terms of average import prices (10.1 percent).



With a share of a third of our foreign trade, the United States and China continued to be our main trading partners. China’s share increased from 0.8 percentage points to 16 percent of our total trade due to higher exports of copper, lead, zinc, iron and fishmeal to this country, as well as due to higher imports of cell phones, computers, iron and steel products, motorcycles, and garments.

The share of the United States in our foreign trade declined by 0.5 percentage points, even though exports to this country –particularly, gold, crude oil and oil derivatives, coffee, asparagus– increased by 28.2 percent, while imports –especially, crude, civil engineering machinery, vehicles to transport goods, plastics, cotton and wheat– increased by 33.5 percent compared to 2009.

TABLE 27
TRADE BY MAIN COUNTRIES AND REGIONS 1/
(%)

	Exports 2/			Imports 3/			X + M		
	2008	2009	2010	2008	2009	2010	2008	2009	2010
United States of America	19.1	17.4	16.9	18.7	19.7	19.2	19.0	18.4	18.0
China	11.8	15.3	15.4	13.5	15.0	16.7	12.6	15.2	16.0
Switzerland	11.1	14.8	10.9	0.4	0.6	0.4	6.0	8.6	6.2
Canada	6.3	8.6	9.4	1.4	1.8	1.7	4.0	5.7	6.0
Japan	5.8	5.1	5.1	4.1	4.1	4.5	5.0	4.7	4.8
Brazil	2.8	1.9	2.7	8.1	7.6	7.3	5.3	4.4	4.7
Chile	5.7	2.8	3.9	4.1	4.7	3.9	4.9	3.6	3.9
Germany	3.3	3.9	4.3	2.9	3.3	3.0	3.1	3.6	3.7
Ecuador	1.6	2.2	2.3	6.2	4.8	5.0	3.8	3.3	3.5
Colombia	2.3	2.4	2.2	4.3	4.3	4.5	3.3	3.3	3.2
South Korea	1.8	2.8	2.5	2.5	2.9	3.4	2.1	2.8	2.9
Spain	3.3	2.8	3.4	1.4	1.4	1.3	2.4	2.2	2.5
Mexico	1.0	0.9	0.8	4.1	3.4	3.8	2.5	2.0	2.1
Italy	2.9	2.3	2.7	2.4	1.8	1.4	2.7	2.1	2.1
Other countries	21.2	16.8	17.5	25.9	24.5	23.9	23.4	20.2	20.4
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Memo:									
Asia	23.8	26.0	25.9	26.1	27.9	30.9	24.9	26.8	28.1
North America	26.6	27.1	27.2	24.3	25.0	24.8	25.5	26.2	26.1
European Union	17.8	15.9	18.4	12.2	11.3	10.6	15.1	13.9	15.0
Andean Countries 4 /	14.2	10.9	11.0	16.7	16.3	14.9	15.4	13.2	12.7
Mercosur 5 /	3.4	2.3	3.1	13.9	12.9	12.1	8.4	6.9	7.2
Rest	14.3	17.8	14.3	6.8	6.7	6.6	10.7	13.0	10.9

X: Exports M: Imports.

1/ Imports were grouped by country of origin.

2/ Exports exclude goods sold and repairs of foreign ships and aircrafts.

3/ Imports exclude defense material, other purchased goods, and ships and aircrafts abroad.

4/ Bolivia, Chile, Colombia, Ecuador and Venezuela.

5/ Brazil, Argentina, Uruguay and Paraguay.

Source: BCRP, SUNAT and Zofratracna.

Latin American countries, especially Brazil and Chile, increased their participation in our exports, requiring higher amounts of copper and zinc, and molybdenum, crude oil and fishmeal, respectively. Likewise, China, Japan and South Korea increased their participation as providers of imports in terms of total imports to our country.



TABLE 28
EXPORTS 1/
(% change)

	Volume			Prices		
	2008	2009	2010	2008	2009	2010
Exports	7.3	- 4.1	1.9	3.5	- 10.0	29.9
Traditional exports	5.6	1.6	- 1.5	2.8	- 13.6	36.8
<i>Of which:</i>						
Fish meal	24.0	- 1.6	- 29.7	- 6.5	6.5	55.4
Coffee	29.6	- 12.2	16.3	19.4	- 2.6	27.2
Copper	10.7	0.7	0.5	- 6.4	- 21.4	50.0
Gold	7.5	8.9	- 9.2	25.1	11.6	25.8
Zinc	14.4	- 5.2	- 3.0	- 48.1	- 17.6	48.1
Crude oil and derivatives	- 10.6	11.2	12.7	34.0	- 36.4	33.0
Non traditional exports	13.3	- 14.8	15.3	6.0	- 4.0	6.9
<i>Of which:</i>						
Agricultural exports	33.1	5.0	17.4	- 4.6	- 9.1	2.1
Fisheries	7.5	- 14.6	- 6.5	16.2	- 2.2	32.6
Textiles	5.7	- 29.9	2.5	11.2	5.3	1.4
Chemicals	12.2	- 12.0	31.6	15.5	- 8.5	10.5
Iron and steel 2 /	- 0.6	- 26.3	23.4	- 0.6	- 14.4	31.9

1 / Calculated on the basis of unit values (the result of dividing the total value of each category by the total volume).

2 / Includes jewelry.

Source: BCRP, SUNAT and businesses.

Traditional exports

In 2010 traditional exports amounted to US\$ 27,669 million, a sum 34.2 percent higher than the one observed in 2009. This growth of traditional exports was influenced by the higher international prices of products such as copper, gold, zinc, and crude. The volume of traditional exports, on the other hand, was affected by lower shipments of fishmeal, gold, and zinc.

The value of fishing exports (US\$ 1,884 million) increased by 11.9 percent relative to 2009 due to higher average prices (49.4 percent), given that the volume of these exports dropped as a result of adverse weather conditions that affected the availability of marine resources (anchovy).

Mining exports amounted to US\$ 21,723 million, a sum 32.6 percent higher than in 2009, due to the higher prices of metals, while the volume of mining exports was affected by Yanacocha and Barrick's lower exports of gold (9.2 percent). These two mining companies account for 39.8 percent of the total volume of gold exports.

Exports of crude and natural gas grew 60.8 percent due to the higher prices of crude and oil derivatives (33.0 percent), as well as due to the fact that Peru started exporting natural gas in June 2010. The main destinations of exports of natural gas, which amounted to US\$ 284 million in the year, were Spain (US\$ 87 million), United States (US\$ 57 million) and South Korea (US\$ 44 million).

TABLE 29
FOB EXPORTS. BY GROUP OF PRODUCTS

	FOB Value: Millions of US\$			% change	
	2008	2009	2010	2009	2010
I. TRADITIONAL PRODUCTS	23,266	20,622	27,669	- 11.4	34.2
FISHING	1,797	1,683	1,884	- 6.4	11.9
Fishmeal	1,413	1,425	1,609	0.9	12.9
Fish oil	385	258	274	- 33.0	6.4
AGRICULTURAL PRODUCTS	686	636	975	- 7.2	53.2
Coffee	645	584	888	- 9.4	52.0
Sugar	25	37	65	49.9	74.7
Cotton	2	3	1	17.1	- 59.1
Other agricultural products 1 /	14	12	20	- 12.9	69.7
MINING	18,101	16,382	21,723	- 9.5	32.6
Copper 2 /	7,277	5,934	8,870	- 18.5	49.5
Gold	5,586	6,805	7,756	21.8	14.0
Zinc	1,468	1,233	1,691	- 16.0	37.1
Lead 2 /	1,136	1,116	1,579	- 1.8	41.5
Tin	663	479	663	- 27.7	38.5
Iron	385	298	523	- 22.7	75.7
Molybdenum	943	276	492	- 70.7	78.4
Refined silver	595	214	118	- 64.0	- 44.8
Rest of mining products 3 /	48	28	29	- 42.1	6.3
OIL AND NATURAL GAS	2,681	1,921	3,088	- 28.4	60.8
II. NON-TRADITIONAL PRODUCTS	7,562	6,186	7,641	- 18.2	23.5
Agricultural products	1,913	1,825	2,190	- 4.6	20.0
Textiles	2,026	1,495	1,558	- 26.2	4.2
Chemicals	1,041	837	1,223	- 19.6	46.3
Iron and steel, and jewelry	909	569	918	- 37.4	61.4
Fishing products	622	518	642	- 16.7	24.0
Metal mechanic products	328	366	394	11.6	7.7
Wood and paper manufacturing	428	335	355	- 21.7	5.9
Non-metallic minerals	176	148	251	- 15.9	69.6
Others 4 /	121	93	110	- 22.8	18.1
III. Others 5 /	190	154	254	- 19.2	65.3
IV. TOTAL EXPORTS	31,018	26,962	35,565	- 13.1	31.9

1/ Includes coca leaf and derivatives, molasses, wool and furs.

2/ Includes silver content.

3/ Includes bismuth and tungsten, mainly.

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

5/ Includes sales of fuels and food to foreign vessels and repairs of capital goods.

Source: BCRP, SUNAT and companies.

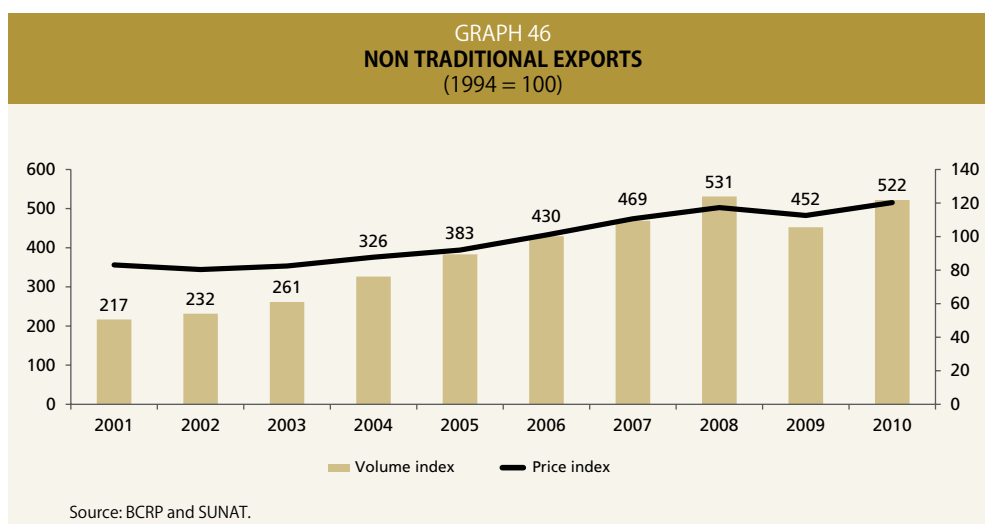


Non traditional exports

In 2010, exports of non traditional products totaled US\$ 7,641 million, an amount 23.5 percent higher than in 2009. The volume of non traditional exports increased 15.3 percent due to the higher amount of agricultural products exported, especially grapes, mangos, avocados and artichoke conserves.

Exports of chemical products –sheets for wrapping, zinc oxide and cochineal dyes– and iron and steel products –refined copper wire– also increased. In addition to this, Minera Miski Mayo, owned by the Brazilian mining company Vale do Rio Doce, started exporting phosphates (non-metallic mineral exports) to the United States, Brazil, Mexico and India.

In the last ten years, exports of non traditional products have grown 14.1 percent on average, reflecting a higher average annual volume of 10.5 percent as a result of increased exports of agricultural products (20.7 percent), chemicals (16.1 percent), fisheries (9.5 percent), and textiles (3.6 percent).



Increasing by 17.4 percent in terms of volume, exports of agricultural products amounted to US\$ 2,190 million in 2010, with exports of grapes, mangos, artichoke conserves and avocados being noteworthy. These products were mainly exported to the United States (US\$ 683 million), the Netherlands (US\$ 266 million), and Spain (US\$ 227 million). The volume of agricultural exports has grown at an average annual rate of 20.7 percent in the last 10 years, mainly as a result of exports of new products such as grapes, paprika, artichoke conserves, avocados, and organic bananas, among other products.

The volume of fishing exports was affected by weather conditions, but offset by higher average prices. Exports of fisheries amounted to US\$ 642 million –a sum 24.0 percent higher than in 2009–, with average prices increasing 32.6 percent, while the volume declined by 6.5 percent.

Exports of canned giant squid and prawn tails were lower (15.4 percent and 12.0 percent, respectively), but exports of scallops to France and the United States increased (31.9 percent).

In the last ten years, the volume of fishery exports grew at an average annual rate of 9.5 percent, reflecting the sale of new products such as canned giant squid, prawn tails, canned anchovy, frozen prawns, anchovy fillets, among others. Higher sales of frozen squid and scallops contributed also to this result.

MAIN NON-TRADITIONAL AGRICULTURAL PRODUCTS (Millions of US\$)				MAIN NON-TRADITIONAL FISHING PRODUCTS (Millions of US\$)			
Most popular products	2000	2010	Annual average % change	Most popular products	2000	2010	Annual average % change
Asparagus	148	427	11.2	Frozen Squid	24	152	20.3
Fresh grapes	6	180	40.5	Scallops	18	113	20.1
Paprika	6	97	32.3	Canned squid	1	81	57.9
Artichokes, prepared	1	96	61.0	Frozen prawns tails	4	45	26.6
Fresh mangoes	23	89	14.4	Frozen fillets	6	42	20.8
Avocado	2	85	42.3	Canned anchovies	1	21	31.6
Chilly pepper	5	84	33.2	Others frozen fish	2	20	22.9
Evaporated milk	3	77	38.4	Whole frozen shrimp	2	15	22.4
Animal feed	6	70	28.1	Other canned fish (eg mackerel)	15	15	0.1
Organic bananas	0	49	68.7	Squid meal	0	13	58.8
Canned peppers and others	1	47	48.6	Other frozen fish	7	13	6.6
Fresh Onions	6	42	20.6	Fillets of salted anchovies	0	13	42.3
Cocoa	0	35	99.2	Shark fins	6	11	5.9
Fresh mandarins	1	35	42.7	Frozen hake fillets	10	11	1.0
Subtotal	209	1,414	21.1	Shelled frozen shrimp	1	9	25.5
Total	394	2,190	18.7	Subtotal	98	572	19.3
				Total	177	642	13.8

Source: BCRP and SUNAT.

Source: BCRP and SUNAT.

Textile exports in 2010 recorded a total value of US\$ 1,558 million, a sum 4.2 percent higher than in 2009. The volume of these exports increased 2.5 percent and the average prices increased 1.4 percent. Excluding exports to Venezuela, exports of textiles in the year totaled US\$ 1,348 million, a figure 18.5 percent higher than the one recorded in 2009.

This recovery was driven by exports to other Andean countries (32.4 percent), Mercosur (77.5 percent) and the United States (14.0 percent). The price of textile exports in the last ten years grew 8.3 percent, while the volume grew 4.0 percent, with higher average exports to Venezuela (26.9 percent), Colombia (18.1 percent), Ecuador (13.5 percent) and Argentina (31.7 percent) accounting for this growth.

The exports of **chemical products** in 2010 amounted to US\$ 1,223 million –up 46.3 percent relative to 2009–, as a result of higher exports of cochineal dyes (US\$ 210 million), flexible sheets for wrapping (US\$ 95 million), zinc oxide (US\$ 56 million) and PET preforms (US\$ 50 million). The main destinations of these exports by regions were: Andean Countries (US\$ 643 million), European Union (US\$ 204 million), Mercosur (US\$ 85 million) and the United States (US\$ 70 million).

The volume of chemical exports grew at an annual average rate of 16.1 percent in the last ten years.



TABLE 31

MAIN COUNTRIES OF DESTINATION OF TEXTILE PRODUCTS (Millions of US\$)				MAIN COUNTRIES OF DESTINATION OF CHEMICAL PRODUCTS (Millions of US\$)			
Top destinations	2000	2010	Var. % Average annual	Top destinations	2000	2010	Var. % Average annual
United States	406	689	5.4	Colombia	22	164	22.3
Venezuela	19	210	26.9	Ecuador	21	136	20.5
Colombia	17	88	18.1	Bolivia	31	134	15.9
Brazil	7	65	25.3	Chile	23	122	18.1
Chile	35	61	5.7	Venezuela	24	86	13.7
Ecuador	15	53	13.5	United States	14	70	17.1
Italy	21	49	8.7	Brazil	5	60	28.3
Bolivia	15	37	9.3	Germany	5	48	25.2
Germany	15	32	8.1	China	0	36	55.2
United Kingdom	15	31	7.6	Denmark	1	32	43.1
Argentina	2	29	31.7	Netherlands	3	31	28.3
China	22	25	1.2	Mexico	17	26	4.2
Mexico	7	18	10.4	United Kingdom	4	24	20.7
France	6	17	10.7	Argentina	4	22	19.0
Canada	7	16	8.3	Spain	3	21	21.2
Subtotal	609	1,421	8.8	Subtotal	176	1,011	19.1
Total	701	1,558	8.3	Total	212	1,223	19.1
Memo:				Memo:			
Andean Countries 1 /	101	449	16.0	Andean Countries 1 /	121	643	18.2
European Union	98	165	5.4	European Union	26	204	23.0
Mercosur	9	99	26.5	Mercosur	9	85	24.6

1/ Bolivia, Chile, Colombia, Ecuador and Venezuela.
Source: BCRP and SUNAT.

1/ Bolivia, Chile, Colombia, Ecuador and Venezuela.
Source: BCRP and SUNAT.

Imports

Reflecting increased domestic demand, imports in 2010 amounted to US\$ 28,815 million, a sum 37.1 percent higher than the one recorded in 2009. The volume of imports grew 24.5 percent due to increased imports of industrial inputs and capital goods (especially in the sectors of transportation, construction, mining and hydrocarbons, and commerce), while the price of imports grew 10.1 percent, mainly due to the higher prices of crude, food products, and industrial inputs.

Imports of **consumer goods** grew 38.5 percent relative to 2009, due to increased imports of cars, electrical appliances, motorcycles, perfume products, shoe wear and garments. Imports of food products, such as sugar, dairy products, and meat, also increased during the year.

Imports of industrial **inputs** also grew due to higher imports of iron and steel, plastics, textiles, cereals, organic chemicals, paper and cardboard.

Imports of **capital goods** for industry grew 23.1 percent compared to 2009, due to increased purchases of civil engineering, data processing and telecommunications equipment, machinery, electrical junction devices, and heating and refrigeration equipment. Moreover, imports of construction materials grew 27.3 percent relative to 2009 due to increased imports of steel bars, pipes for oil and gas pipelines, pipes for the extraction of gas and crude, ceramic tiles, Portland cement, and clinker.

TABLE 32
IMPORTS 1/
(% change)

	Volume			Prices		
	2008	2009	2010	2008	2009	2010
Imports	19.9	- 20.1	24.5	21.0	- 7.4	10.1
1. Consumer goods	27.3	- 9.3	28.0	10.6	- 4.6	8.1
Non-durable goods	19.0	- 2.4	19.4	12.4	- 6.2	9.9
Main food products 2 /	8.0	- 21.4	29.0	29.3	- 20.5	34.4
Rest 3 /	20.8	- 0.8	18.6	10.4	- 4.0	7.5
Durable goods	40.3	- 15.9	38.3	9.1	- 1.3	6.1
2. Inputs	6.6	- 18.7	21.3	30.4	- 14.8	15.3
Main food 4 /	- 6.3	1.7	20.6	51.6	- 18.1	0.0
Petroleum and derivatives	0.1	- 16.5	10.0	40.2	- 32.4	30.7
Rest 5 /	14.9	- 20.7	27.8	19.6	- 5.8	11.1
<i>Of which:</i>						
Plastics	12.3	- 10.2	28.6	15.1	- 26.9	22.8
Iron and steel	7.7	- 40.0	62.7	40.7	- 5.9	14.7
Textiles	17.9	- 21.5	38.8	4.6	- 8.7	17.4
Papers	18.9	- 10.0	16.2	8.1	- 5.8	2.8
Chemicals	25.3	- 14.5	- 1.1	7.9	19.6	32.1
Organic Chemicals	12.5	- 20.7	23.6	13.1	- 5.5	14.9
3. Capital goods	44.1	- 23.9	27.5	9.5	- 2.4	3.8

1 / The price index of Imports is calculated on the basis of the prices of imports of food and fuel and the basket of our major trading partners for the rest of Imports. The price index of inputs is calculated based on the unit values (result of dividing the total value of each category by the total volume).

2 / Rice, sugar, milk and meat.

3 / Excludes food.

4 / Wheat, maize and soybean.

5 / Excludes food and crude oil and derivatives.

Source: BCRP, SUNAT, Zofratatna, Banco de la Nación and companies.

TABLE 33
FOB IMPORTS, BY USE OR DESTINATION

	Valor FOB: Millions of US\$			% change	
	2008	2009	2010	2009	2010
1. CONSUMER GOODS	4,520	3,962	5,489	- 12.3	38.5
Non-durable	2,328	2,137	2,809	- 8.2	31.4
Durable	2,192	1,825	2,680	- 16.7	46.8
2. INPUTS	14,556	10,076	14,023	- 30.8	39.2
Fuels, lubricants and related inputs	5,225	2,929	4,063	- 43.9	38.7
Raw materials for agriculture	874	773	868	- 11.5	12.2
Raw materials for industry	8,458	6,374	9,093	- 24.6	42.7
3. CAPITAL GOODS	9,233	6,850	9,074	- 25.8	32.5
Construction materials	1,305	854	1,087	- 34.6	27.3
For agriculture	90	72	80	- 20.6	11.4
For industry	5,765	4,498	5,539	- 22.0	23.1
Transportation equipment	2,073	1,426	2,369	- 31.2	66.1
4. OTHER GOODS 1/	140	122	229	- 12.8	87.7
5. TOTAL IMPORTS	28,449	21,011	28,815	- 26.1	37.1
Memo:					
Main food products 2/	1,703	1,349	1,725	- 20.8	27.8
Wheat	489	346	368	- 29.2	6.4
Maize and/or sorgum	310	266	372	- 14.2	39.7
Rice	88	49	55	- 44.0	11.2
Sugar 3/	72	57	121	- 20.7	111.7
Dairy products	77	37	81	- 52.2	118.5
Soybean	625	561	679	- 10.3	21.2
Meat	42	34	49	- 19.8	46.5

1/ Includes donations of goods, purchases of fuel and food by Peruvian ships, and repairs of capital goods in other countries, as well as other goods not considered by the classification used.

2/ Excludes food donations.

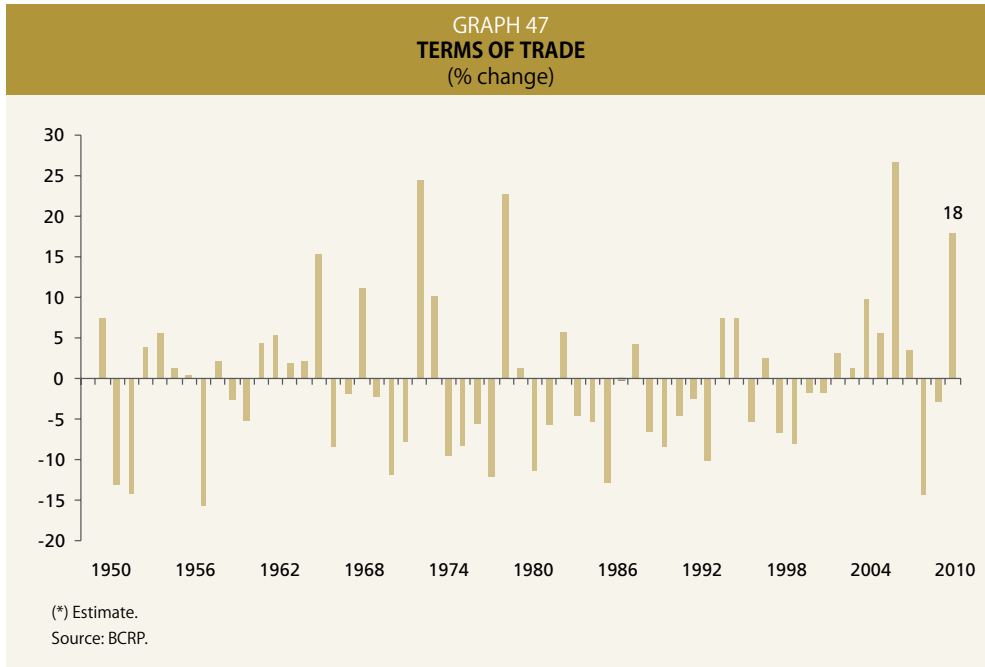
3/ Includes unrefined sugar, classified as inputs.

Source: BCRP, SUNAT, Zofratatna, Banco de la Nación, and companies.

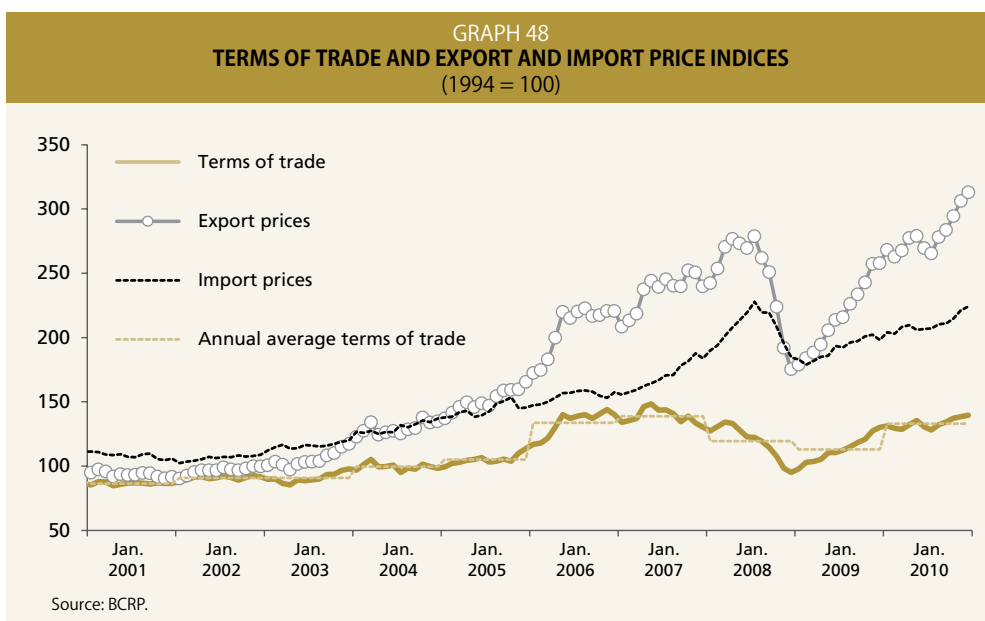


4.2 Terms of Trade

Commodity prices rebounded in 2010, particularly in the second half of the year, favored by global economic recovery and the increased demand for commodities of emerging countries (e.g. China), abundant international levels that contributed to the growth of non commercial positions, and by supply shocks that intensified conditions in the already tight markets of basic products.

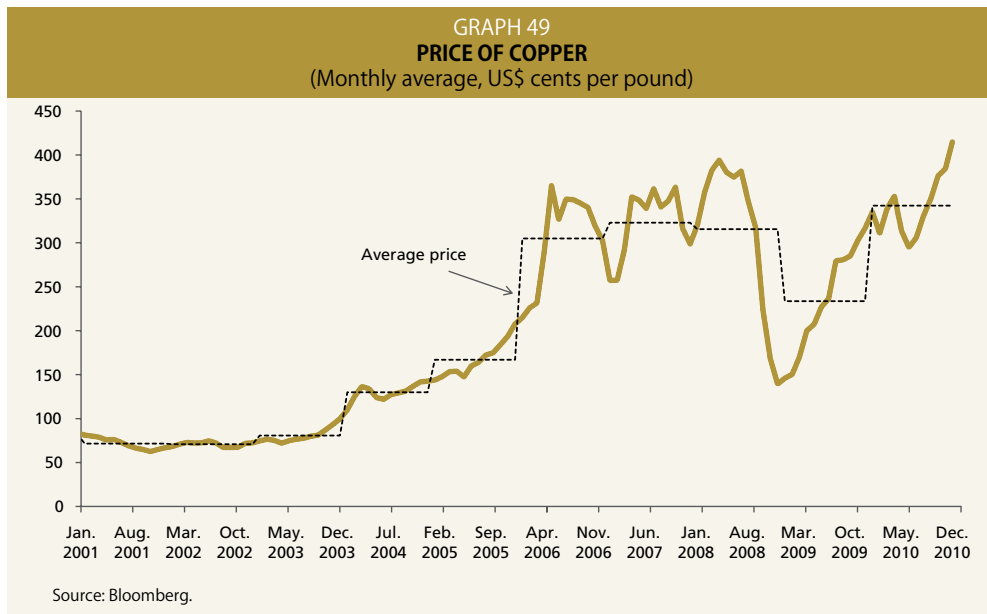


Given that the commodities which showed the highest price rises were our export products (basic metals), our terms of trade increased 17.9 percent in 2010, recording the fourth highest historical increase. The higher price of exports (29.9 percent) was in part offset by the rise in the prices of imports (10.1 percent).

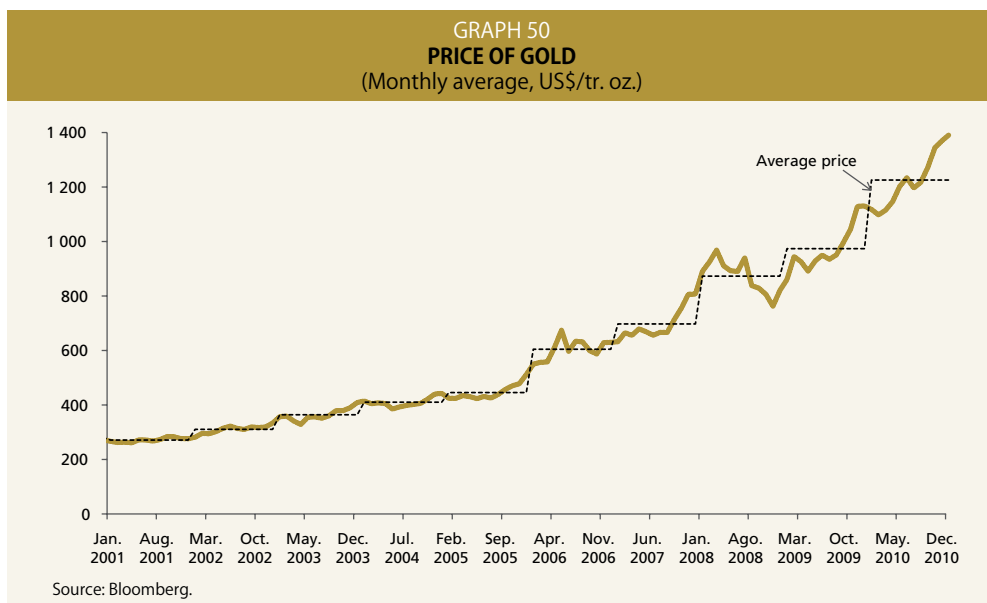


The average level of terms of trade in 2010 was only 2.0 percent lower than the one recorded in 2007, that is, prior to the decline of international prices associated with the international financial crisis. The prices of exports were 20.9 percent higher than the ones observed in 2007, while the prices of imports were 23.4 percent higher.

The price of **copper** showed an upward trend during most of the year, favored by the recovery of global economic activity. In 2010, the average price of copper rose 46.6 percent relative to 2009 and recorded an average level of US\$ 3.4/pound at year end, having reached a historical nominal record of US\$ 4.4 on December 31. This price rise was associated with growing tightness in the copper market due emerging countries' increased demand and due to supply constraints in some producing countries.



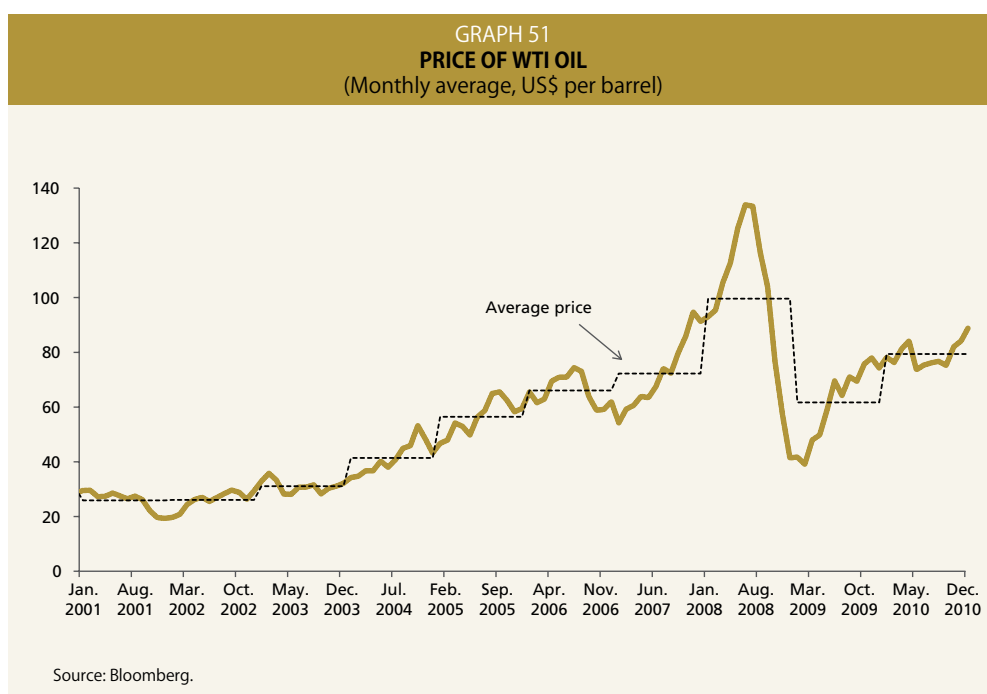
The price of **gold** rose by over 25.9 percent in 2010, registering an average level of US\$ 1,225/troy ounce at year end. This rise was influenced by investors' increased demand for gold to diversify their portfolios in a context of high risk aversion.





The rise in the price of gold was supported by the fact that non-commercial positions in gold increased nearly 18.5 percent in 2010, as well as by inflationary expectations in some regions and, to a lower extent, by the demand for gold for jewelry and industrial uses. Gold reached a maximum price of US\$ 1,420/troy ounce in early December.

The price of **oil crude** fluctuated around US\$ 80/barrel during 2010, which represented an increase of nearly 28.7 percent in average terms compared to 2009. Crude registered its lowest level in May (US\$/bl 65), recovering gradually thereafter to a level of US\$ 90 at the end of the year. Expectations of higher consumption from emerging countries (China and India), supply constraints in some producing countries (Mexico, Norway, the Middle East) and the strong increase observed in investors' non commercial positions in oil crude –which grew over 127.8 percent in the year– accounted for this evolution in the price of crude.

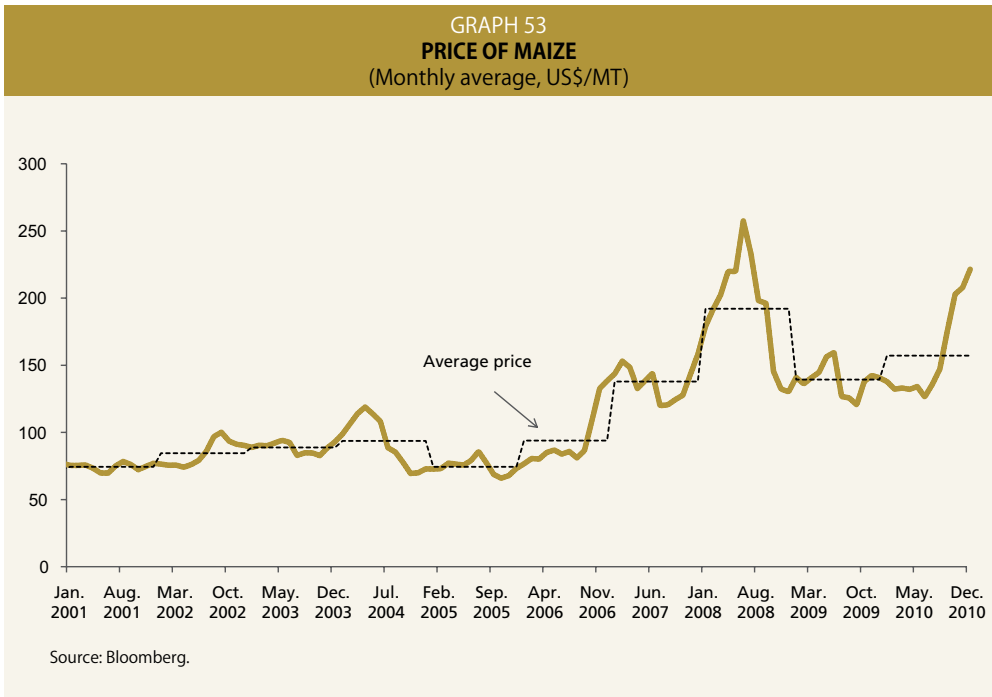
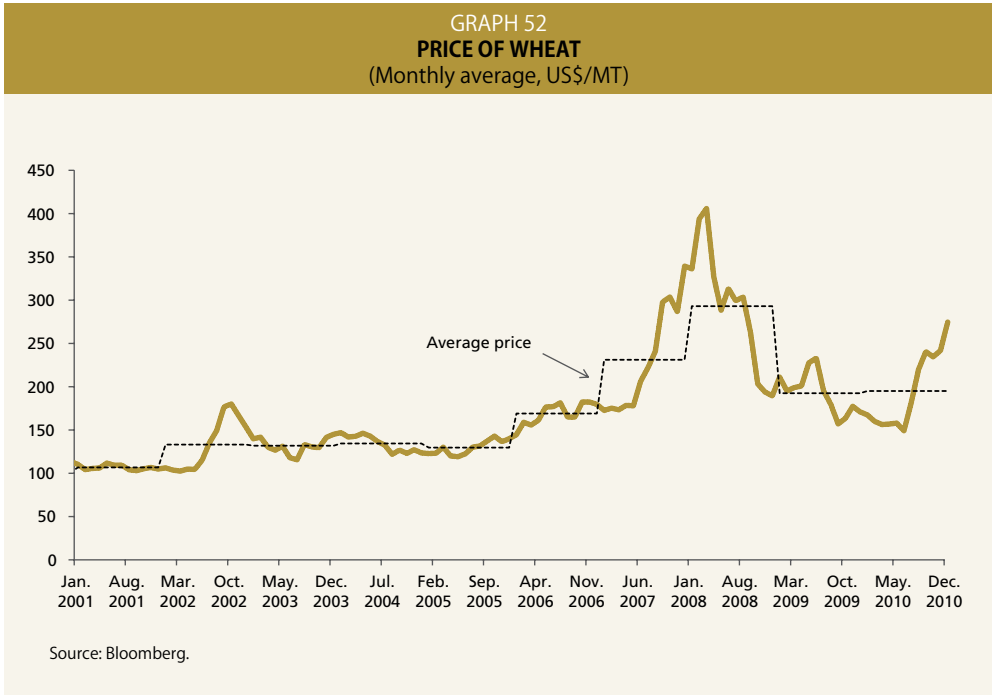


Food prices closed the year with sharp increases due to supply constraints caused by adverse climate conditions and due to the strong demand of emerging countries. The increase of non commercial positions contributed to exacerbate the volatility of food prices.

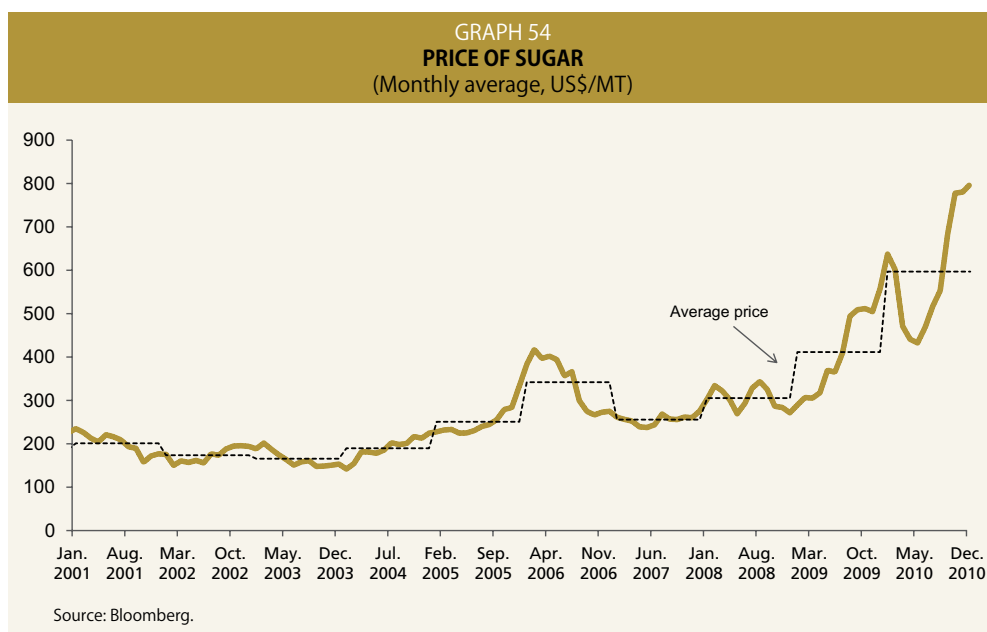
Reuter's Commodity Research Bureau (CRB) food price index registered higher levels than in 2008, renewing concerns that similar inflationary pressures to the ones recorded in that period could be observed.

In the case of grains, **wheat** and **maize** showed a marked upward trend since mid-2010 due to the drought that affected European countries, which led Russia and Ukraine to impose restrictions on the exports of these products. This situation worsened towards the end of the year with the intensification of La Niña event, which generated floods in Australia and drought in Argentina, leading Australian wheat to decline in terms of quality and generating adverse effects on the development of maize in Argentina.

In this context of lower global supply, the demand of emerging countries, particularly of China, continued generating pressures on inventories and upward pressures on the prices of these crops, although the latter did not reach the record levels observed in 2008.



The price of **sugar** recorded its maximum high as a result of countries' strong demand for this product with the aim of recovering inventories, which generated long lines of ships in Brazilian ports. Although Brazil's production recovered from the decline experienced in the previous year, the higher pace of demand led the price of sugar to remain volatile and showing a strong upward trend after India postponed reinitiating its exports.



4.3 Services

The trade deficit in services amounted to US\$ 2,037 million, a figure US\$ 893 million higher than the one recorded in 2009. Although revenue increased 8.5 percent compared with the previous year, mainly as a result of the travel component, expenses increased 25.1 percent, mainly as a result of higher payments for freight costs, other business services, and travel services.

TABLE 34
SERVICES

	Millions of US\$			% change	
	2008	2009	2010	2009	2010
I. TRANSPORTATION	-1,741	-979	-1,599	43.8	-63.3
1. Credit	818	758	854	-7.4	12.7
2. Debit	-2,560	-1,737	-2,453	32.1	-41.2
II. TRAVEL	870	926	1,001	6.5	8.0
1. Credit	1,991	2,014	2,274	1.2	12.9
2. Debit	-1,121	-1,088	-1,274	3.0	-17.1
III. COMMUNICATIONS	-8	-69	-78	-802.9	-12.7
1. Credit	125	91	102	-27.1	11.4
2. Debit	-133	-161	-180	-20.8	-12.0
IV. INSURANCE AND REINSURANCE	-152	-176	-325	-16.1	-84.7
1. Credit	227	271	166	19.3	-38.7
2. Debit	-379	-447	-491	-18.0	-9.9
V. OTHERS 1/	-1,024	-845	-1,035	17.5	-22.4
1. Credit	487	511	560	4.9	9.6
2. Debit	-1,511	-1,356	-1,595	10.2	-17.6
VI. TOTAL SERVICES	-2,056	-1,144	-2,037	44.4	-78.1
1. Credit	3,649	3,645	3,956	-0.1	8.5
2. Debit	-5,704	-4,789	-5,993	16.0	-25.1

1/ Includes government, financial, and information technology services, royalties, leasing of equipment, and business services.
Source: BCRP, SUNAT, Ministry of Trade Affairs and companies.

The deficit in **transportation** was US\$ 1,599 million, a sum US\$ 620 million higher than the one registered in 2009. Revenue increased by US\$ 96 million (12.7 percent), with expenditures of foreign vessels in the country and sales of airline tickets abroad by domestic airlines accounting for this result. Expenses increased by US\$ 716 million due to the increase registered in freight costs (47.9 percent) as a result of higher imports and due to the sale of international tickets (17.8 percent).

The surplus recorded in **travels** was US\$ 1,001 million, a figure US\$ 74 million higher than in 2009. Revenues grew 12.9 percent due to the increased number of visitors who came to the country (10.3 percent) and the higher average spending realized (2.3 percent). On the other hand, expenses grew 17.1 percent due to the increased number of Peruvian citizens that visited other countries (8.7 percent) and the higher average spending of Peruvians tourists abroad (8.1 percent).

Other services recorded a deficit of US\$ 1,035 million, a sum US\$ 190 million higher than the deficit registered in 2009. Revenue increased 9.6 percent, mainly as a result of the increase observed in entrepreneurial services, while expenses increased 17.6 percent as a result of higher payments for informatics services and other business services.

TABLE 35
OTHER SERVICES

	Millions of US\$			% change		
	2008	2009	2010	2008	2009	2010
Balance of Other Services	- 1,024	- 845	- 1,035	45.4	- 17.5	22.4
Income	487	511	560	19.9	4.9	9.6
Government Services	135	137	140	3.0	1.5	2.7
Others services	352	374	420	27.9	6.3	12.1
Others business services	280	303	333	27.8	8.0	10.1
Financial Services	47	48	59	22.3	2.1	22.5
Rest	25	24	28	42.0	- 5.3	16.5
Expenditures	1,511	1,356	1,595	36.1	- 10.2	17.6
Government Services	138	146	150	6.0	6.0	2.7
Other services	1,373	1,210	1,445	40.0	- 11.9	19.4
Others business services	784	767	929	37.7	- 2.1	21.1
Computer and Information Services	169	153	206	38.3	- 9.6	35.0
Royalties and license rights	159	152	197	43.3	- 4.4	29.1
Rest	261	138	113	46.7	- 47.1	- 18.4

Source: Companies.

4.4 Current Transfers

Current transfers in 2010 amounted to US\$ 3,026 million. Remittances from Peruvians living abroad, which represented 83.7 percent of this total, amounted to US\$ 2,534 million, a figure 5.2 percent higher than the one recorded in 2009. It is worth pointing out that remittances from the United States increased by 0.8 percent, while remittances from Spain increased by 1.8 percent.

In 2010, revenues for remittances represented 1.6 percent of GDP. The average annual growth rate of remittances between 2001 and 2010 was 14.1 percent. However, this pace of growth declined since 2007 as a result of the economic slowdown in the United States, the international financial crisis, and increased immigration controls.



TABLE 36
REMITTANCES FROM ABROAD

Year	Millions of US\$	% change	% of GDP
2001	753	5.0	1.4
2002	705	- 6.4	1.2
2003	869	23.1	1.4
2004	1,133	30.4	1.6
2005	1,440	27.1	1.8
2006	1,837	27.6	2.0
2007	2,131	16.0	2.0
2008	2,444	14.7	1.9
2009	2,409	- 1.4	1.9
2010	2,534	5.2	1.6

Source: SBS, banks and companies.

Six countries concentrated 78.5 percent of total remittances from other countries, the United States being the main country of origin of these funds. The rate of growth of remittances from this country remained low, although stable during 2010, its share in terms of total remittances declining from 35.9 percent in 2009 to 34.5 percent in 2010.

Spain ranks second in terms of total remittances to Peru. Showing declining growth rates during the year, remittances from Spain reduced their share from 17.1 percent in 2009 to 16.6 percent in 2010, in a context of recession in the Spanish economy that affected immigrant employment, particularly in the construction sector. Moreover, immigrant employment in Andean countries dropped 6.6 percent¹².

On the other hand, Japan increased its share from 7.9 percent in 2009 to 8.8 percent in 2010, since remittances from this country grew 16.4 percent favored in part by the appreciation of the yen (6.7 percent).

Remittances from South American countries continue increasing their share. Remittances from Argentina, Chile, Venezuela and Uruguay, which represented 9.7 percent of total remittances in 2009, represented 10.8 percent of this total in 2010.

TABLE 37
REMITTANCES BY COUNTRIES
(%s)

	2005	2006	2007	2008	2009	2010
United States	44.7	46.0	44.1	41.0	35.9	34.5
Spain	12.1	13.4	15.1	15.3	17.1	16.6
Japan	14.2	11.6	9.7	9.3	7.9	8.8
Italy	6.4	5.1	6.0	6.2	9.7	8.8
Chile	2.5	3.3	3.8	4.3	4.5	5.1
Argentina	2.5	2.6	3.1	3.4	4.0	4.8
Other countries 1 /	17.5	18.1	18.2	20.4	20.8	21.5
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

1 / Includes remittances not classified by country (informal channels).

Source: SBS, banks and companies.

¹² "Las Remesas de América Latina y el Caribe durante el 2010: Estabilización después de la crisis". Fondo Multilateral de Inversiones (FOMIN, IDB Group).

In terms of the channels used to transfer these funds, banks increased their share by 2 percent compared to 2009, given that 46 percent of total remittances were channeled through them, while 44 percent of remittances were channeled through funds transfer companies and other means, their share declining by 2 percentage points.

TABLE 38
REMITTANCES FROM ABROAD BY CHANNELS USED TO TRANSFER THEM
(%)

Sources	2005	2006	2007	2008	2009	2010
Banks	28	32	36	40	44	46
FTCs - Other channels 1/	61	56	53	48	44	42
Informal channels	11	11	11	12	12	12
Remittances from abroad	100	100	100	100	100	100

1/ Fund transfer companies (FTCs) and others means.
Source: SBS, Banks and companies.

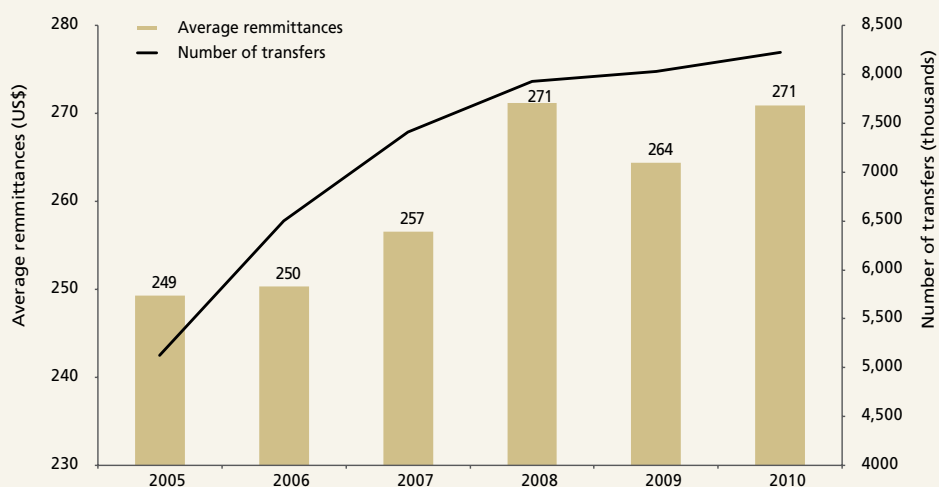
BOX 2

AVERAGE REMITTANCE

Recovering to the level observed in 2008, the amount of an average remittance in 2010 was US\$ 271, a sum 2.4 percent higher than in 2009. Remittances from Chile and Argentina increased the most in average terms, recording rates of 15.9 and 10.3 percent, respectively. Moreover, the number of remittances from Argentina grew 16.9 percent, in part as a result of transfers of funds via local banks.

Remittances from the US and Italy increased less (1.5 and 2.4 percent, respectively). The number of remittances from Italy declined 7.0 percent, after having grown significantly in 2009 when they were channeled through a local bank.

AVERAGE REMITTANCE (US\$) AND NUMBER OF REMITTANCES SENT (THOUSANDS)



Source: SBS, banks and companies.



AVERAGE REMITTANCE FROM ABROAD BY MAIN COUNTRIES 1/

	US\$						% change				
	2005	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010
United States	210	219	225	238	226	229	4.6	2.8	5.7	-5.3	1.5
Spain	286	305	327	349	343	339	6.9	7.1	6.5	-1.6	-1.2
Japan	537	539	560	566	599	596	0.4	4.0	1.0	5.9	-0.6
Italy	327	307	342	347	302	310	-6.2	11.7	1.5	-13.0	2.4
Chile	141	145	144	157	165	191	2.5	-0.7	9.2	4.7	15.9
Argentina	164	145	140	152	156	172	-11.6	-3.6	8.4	2.6	10.3
Rest of countries	296	309	330	349	346	345	4.1	6.8	5.7	-0.9	-0.2
Average total remittance	249	250	257	271	264	271	0.4	2.5	5.7	-2.5	2.5

1/ Excludes estimate of remittances transferred through informal channels. not classified by country.
Source: SBS, banks and companies.

NUMBER OF REMITTANCES FROM ABROAD BY MAIN COUNTRIES 1/1/

	Thousand remittances						% change				
	2005	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010
United States	3,072	3,851	4,171	4,207	3,835	3,812	25.4	8.3	0.9	-8.8	-0.6
Spain	609	807	983	1,070	1,204	1,241	32.5	21.8	8.9	12.5	3.0
Japan	382	394	367	404	318	372	3.1	-6.9	9.9	-21.2	17.1
Italy	282	305	375	439	771	718	8.3	22.9	17.2	75.7	-7.0
Chile	256	419	570	667	666	674	63.6	36.0	17.1	-0.1	1.1
Argentina	223	331	466	555	612	715	48.6	41.0	19.0	10.2	16.9
Rest of country	303	395	480	590	624	696	30.4	21.6	22.7	5.8	11.5
Total number Remittance	5,127	6,502	7,413	7,931	8,030	8,227	26.8	14.0	7.0	1.3	2.4

1/ Excludes estimated of remittances transferred through informal channels. not classified by country.
Source: SBS, banks and companies.

4.5 Factor income

In 2010, factor income showed a negative balance of US\$ 10,053 million, a sum lower by US\$ 2,570 million than the one recorded in the previous year. The deficit in the private sector amounted to US\$ 9,873 million, a balance associated mainly with the profits generated by companies with foreign shareholding, which increased by US\$ 2,305 million. The sectors that registered a higher growth in profits were mining, the oil sector, services and the financial sector.

The deficit in the public sector, which amounted to US\$ 180 million –a result contrasting with the US\$ 49 million surplus recorded in 2009–, is associated with the lower revenues obtained as a result of lower international interest rates.

TABLE 39
FACTOR INCOME

	Millions of US\$			% change	
	2008	2009	2010	2009	2010
I. INCOME	1,837	1,433	1,175	- 22.0	- 18.0
1. Private	471	328	308	- 30.4	- 6.1
2. Public	1,366	1,105	867	- 19.1	- 21.6
II. EXPENSES	10,611	8,917	11,228	- 16.0	25.9
1. Private	9,359	7,860	10,181	- 16.0	29.5
Profits ^{1/}	8,346	7,173	9,478	- 14.1	32.1
Interests	1,013	688	703	- 32.1	2.2
· Long-term loans	423	382	366	- 9.6	- 4.1
· Bonds	214	155	213	- 27.3	37.0
· Short-term loans ^{2/}	376	150	124	- 60.1	- 17.6
2. Public	1,253	1,057	1,047	- 15.7	- 0.9
Interests on long term loans	559	448	334	- 19.9	- 25.5
Interests on bonds	598	599	710	0.1	18.6
Interests on BCRP securities ^{3/}	95	10	3	- 89.8	- 71.0
III. BALANCE (I-II)	- 8,774	- 7,484	- 10,053	14.7	- 34.3
1. Private	- 8,888	- 7,533	- 9,873	15.2	- 31.1
2. Public	113	49	- 180	- 56.9	- 468.4

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

2/ Includes interests of non-financial public enterprises.

3/ Includes interests of short-term and long-term loans.

Source: BCRP, MEF, Cofide, ONP and companies

5. Private sector financial account and short term capital inflows

The financial account showed a positive balance of US\$ 12,583 million. This significantly higher balance than the one recorded in 2009 is mostly explained by capitals inflows to the private sector. A noteworthy growth of direct investment, loans and non residents investment in securities issued in the local market was observed during the year, and was complemented by lower capital outflows for investment in foreign assets.

Private sector

In 2010, private sector liabilities with other countries amounted to US\$ 14,365 million, of which US\$ 7,328 million was foreign direct investment, mainly in the form of profit reinvestment by companies with foreign direct investments (US\$ 5,731 million). The sectors recording higher reinvestments were the mining sector, the financial sector, the hydrocarbons sector, and services. Moreover, external loans for a total of US\$ 3,752 million were obtained during the year, of which US\$ 3,015 million were loans to banks. Non residents purchased local securities for a total value of US\$ 3,198 million.



TABLE 40
PRIVATE SECTOR FINANCIAL ACCOUNT

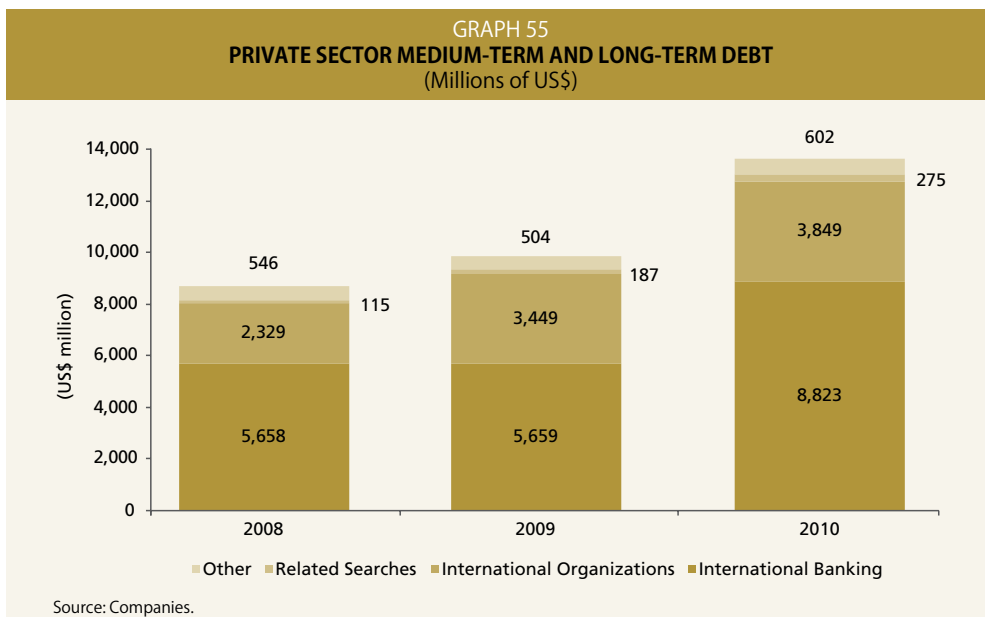
	Millions of US\$			% of GDP		
	2008	2009	2010	2008	2009	2010
1. Assets	- 652	- 4,102	- 1,041	- 0.5	- 3.2	- 0.7
Direct investment abroad	- 736	- 398	- 215	- 0.6	- 0.3	- 0.1
Portfolio investment abroad 1/	83	- 3,704	- 826	0.1	- 2.9	- 0.5
2. Liabilities	10,162	6,783	14,365	8.0	5.3	9.3
Foreign direct investment	6,924	5,576	7,328	5.4	4.4	4.8
a. Reinvestment	3,287	4,951	5,731	2.6	3.9	3.7
b. Capital inflows and other transactions	2,981	1,531	1,533	2.3	1.2	1.0
c. Net loans to parent companies	656	- 906	64	0.5	- 0.7	0.0
Portfolio foreign investment	599	55	3,284	0.5	0.0	2.1
a. Capital participation 2/	85	47	87	0.1	0.0	0.1
b. Other liabilities 3/	514	9	3,198	0.4	0.0	2.1
Long-term loans	2,640	1,151	3,752	2.1	0.9	2.4
a. Disbursements	3,413	2,075	4,940	2.7	1.6	3.2
b. Amortization	- 774	- 923	- 1,187	- 0.6	- 0.7	- 0.8
3. TOTAL	9,509	2,680	13,324	7.5	2.1	8.7
Memo:						
Net foreign direct investment 4/	6,188	5,178	7,113	4.9	4.1	4.6

1/ Includes mainly shares and other assets of the financial and non-financial sectors. The negative sign indicates an increase of assets.
 2/ Includes non-residents net purchases of shares listed at Cavali S.A. and traded at the Lima Stock Exchange (LSE). Also includes the placements of American Depositary Receipts (ADRs).
 3/ Including bonds, credit notes and securitizations in net terms (issuance minus redemption)
 4/ Locally made foreign direct investment plus FDI made abroad.
 Source: BCRP, Cavali S.A. ICLV, Agencia de Promoción de la Inversión Privada (Proinversión), and companies.

Private sector external debt

The medium-term and long-term debt of the private sector at December 31 amounted to US\$ 13,550 million, a level of debt 38 percent higher than the one recorded at end 2009 (US\$ 9,798 million).

GRAPH 55
PRIVATE SECTOR MEDIUM-TERM AND LONG-TERM DEBT
(Millions of US\$)



Source: Companies.

By sources, the main lenders were international banks, which provided loans for a total of US\$ 8,823 million (65 percent of the debt). Their share increased compared to 2009 mainly due to external financing to local banks, which in terms of net loans amounted to US\$ 3,281 million. International organizations were the second most important source of loans, with a share of 28 percent. The loans from international organizations were mainly oriented to the hydrocarbons sector.

TABLE 41
PRIVATE MEDIUM TERM AND LONG TERM EXTERNAL DEBT BY SOURCE
(At period end)

	Millions of US\$			% of GDP		
	2008	2009	2010	2008	2009	2010
Private Sector 1 /	8,647	9,798	13,550	6.8	7.7	10.7
International banks	5,658	5,659	8,823	4.5	4.5	6.9
International Organizations	2,329	3,449	3,849	1.8	2.7	3.0
Suppliers	115	187	275	0.1	0.1	0.2
Others	546	504	602	0.4	0.4	0.5
Financial Sector	4,321	4,246	7,259	3.4	3.3	5.7
International banks	3,000	3,063	5,973	2.4	2.4	4.7
International Organizations	1,071	977	1,085	0.8	0.8	0.9
Others	250	206	201	0.2	0.2	0.2
Non Financial Sector	4,326	5,552	6,291	3.4	4.4	4.9
International banks	2,658	2,597	2,851	2.1	2.0	2.2
International Organizations	1,258	2,471	2,764	1.0	1.9	2.2
Suppliers	115	187	275	0.1	0.1	0.2
Others	296	298	401	0.2	0.2	0.3
Hydrocarbons	1,203	2,250	2,793	0.9	1.8	2.2
International banks	112	293	482	0.1	0.2	0.4
International Organizations	1,090	1,957	2,256	0.9	1.5	1.8
Others	0	0	55	0.0	0.0	0.0
Mining	1,039	1,103	1,149	0.8	0.9	0.9
International banks	934	738	799	0.7	0.6	0.6
International Organizations	0	300	288	0.0	0.2	0.2
Suppliers	14	15	15	0.0	0.0	0.0
Others	90	50	47	0.1	0.0	0.0

1/ Without bonds.
Source: Companies.

Private sector external assets declined by US\$ 1,041 million, reflecting institutional investors' purchases of external assets. The latter was lower by US\$ 3,061 million than the one recorded in 2009 due to lower purchases by banks (US\$ 1,410 million), mutual funds (US\$ 599 million), and administrators of private pension funds (US\$ 561 million).



BOX 3

COORDINATED DIRECT INVESTMENT SURVEY - 2009

In addition to financial resources, foreign direct investment (FDI) provides recipient economies with additional benefits, such as technology transfer and management expertise. Therefore, the importance of improving the measurement of FDI and using this information as a tool of economic analysis is widely accepted.

The Coordinated Direct Investment Survey (CDIS), a worldwide statistical data collection effort led by the IMF in coordination with 132 countries and designed to improve the availability and quality of data on foreign direct investment (FDI), both overall and by immediate counterpart economy, was conducted in 2010.

The CDIS was applied in private sector companies that have received foreign direct investment or that act as direct investors due to their investments overseas. The survey forms and methodology used were coordinated with the International Monetary Fund.

The data collected includes the balance in direct investor's equity (which in turn includes capital contributions and retained earnings), as well as the balance of the loans received or granted between the direct investor and the company with direct investment, distinguishing in this way two positions in companies: when they act as direct investment companies, in which case they generally show a net liability position, and when they act as direct investors, in which case they show a net asset position.

According to the CDIS preliminary results, the balance of received FDI at December 2009 amounted to US\$ 34,521 million. The main sources of direct investment to Peru were the United States (US\$ 9,113 million), Canada (US\$ 4,007 million), Spain (US\$ 3,056 million) and Chile (US\$ 2,527 million), among others.

By economic sectors, mining was the main recipient of FDI with a balance of US\$ 10,137 million, most of which came from the United States and Canada, followed by the sector of services which showed a FDI balance of US\$ 8,297 million at end 2009, with investments from Spain, Chile, and the United States.

FDI in the hydrocarbons sector was third, with a balance of US\$ 5,982 million –mainly due to US investments–, while the financial sector recorded a balance of US\$ 4,526 million. Moreover, the balance of FDI in manufacturing was US\$ 3,346 million and the balance in the energy sector was US\$ 2,235 million.

FOREIGN DIRECT INVESTMENT IN PERU BY SECTOR OF DESTINATION	
SECTOR	FDI
Mining	29%
Services	24%
Hydrocarbons	17%
Industry	10%
Financial Sector	13%
Energy	6%

Source: Companies.

MAIN RECEIPTS OF FDI, BY SECTORS
(Millions of US\$)

United States	9,113	Brazil	813
Mining	3,831	Mining	376
Hydrocarbons	2,839	Industry	307
Services	1,046	Services	187
Others	1,396	Others	- 57
Canada	4,007	South Korea	644
Mining	2,726	Hydrocarbons	555
Financial Sector	1,272	Others	89
Others	9		
Spain	3,056	Australia	640
Services	1,835	Mining	630
Hydrocarbons	808	Others	10
Energy	241	Uruguay	619
Others	172	Services	524
		Others	95
Chile	2,527	Colombia	725
Services	1,183	Energy	270
Mining	642	Industry	358
Energy	410	Others	97
Others	292		
Netherlands	1,008	Mexico	521
Mining	532	Services	446
Services	191	Others	74
Industry	172		
Others	113	Japan	338
		Services	165
Switzerland	911	Mining	120
Mining	598	Others	53
Services	242		
Industry	70	China	298
Others	1	Mining	282
		Others	16

Source: Companies.

On the other hand, Peru's FDI abroad at end 2009 amounted to US\$ 1,291 million. The balance of Peruvian FDI in Chile was US\$ 509 million, in Brazil US\$ 505 million, in the United States US\$ 194 million, in Bolivia US\$ 119 million and in Colombia US\$ 20 million.



PERU'S FOREIGN DIRECT INVESTMENT ABROAD BY SECTOR OF DESTINATION

SECTOR	FDI
Mining	58%
Industry	29%
Services 1/	13%

1/ Includes financial sector.
Source: Companies.

The economic sector with higher Peruvian FDI is mining, with a balance of US\$ 750 million (especially in Brazil and Chile), followed by industry with a balance of US\$ 376 million (mainly in the United States) and the financial sector, with a balance of US\$ 217 million (especially in Bolivia and Chile).

Short term capital flows

In 2010 the net flow of short-term capital was US\$ 263 million. Liabilities increased by US\$ 1,270 million, with banks accounting for US\$ 669 million and the non-financial sector accounting for US\$ 575 million. On the other hand, purchases of foreign assets amounted to US\$ 1,007 million, of which US\$ 240 million corresponded to banks and US\$ 758 million to the non financial sector.

TABLE 42
SHORT TERM CAPITAL FINANCIAL ACCOUNT

	Millions of US\$		
	2008	2009	2010
1. BANKS	- 1,378	3	429
Assets 1/	- 819	268	- 240
Liabilities 2/	- 560	- 265	669
2. BCRP 3/	- 181	- 583	- 80
3. BANCO DE LA NACIÓN	43	- 30	- 11
Assets 1/	43	- 30	- 11
Liabilities 2/	0	0	0
4. NON-BANK FINANCIAL	- 74	- 45	107
Assets 1/	- 6	- 20	2
Liabilities 2/	- 68	- 25	105
5. NON-FINANCIAL SECTOR 4/	2,159	- 1,558	- 183
Assets 1/	1,197	- 840	- 758
Liabilities 2/	961	- 718	575
6. TOTAL SHORT-TERM CAPITAL	568	- 2,214	263
Assets 1/	416	- 622	- 1,007
Liabilities 2/	153	- 1,592	1,270

1 / The negative sign indicates an increase of assets.

2 / A positive sign indicates an increase of Liabilities.

3 / Obligations in national currency to nonresidents for Certificates of Deposit issued by the Central Bank.

4 / Net flow of assets with other countries. The negative sign indicates an increase in net assets.

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

International assets and liabilities position

At end 2010 foreign assets amounted to US\$ 72,908 million, a sum 26 percent higher than the one recorded at end 2009 resulting from the 33 percent increase registered in the BCRP assets. The balance of liabilities at year end was US\$ 110,345 million, higher by 23 percent than in 2009, mainly as a result of the increase in the balance of FDI, associated with reinvestment flows in the year and with equity participation as a result of the higher value of non residents' stock holdings in the Lima Stock Exchange.

TABLE 43
NET INTERNATIONAL INVESTMENT POSITION
(At period end)

	Millions of US\$			% of GDP		
	2008	2009	2010	2008	2009	2010
I. Assets	48,262	57,723	72,908	38.0	45.3	47.4
1. Reserve assets of BCRP	31,233	33,175	44,150	24.6	26.0	28.7
2. Assets of financial sector (excluding BCRP)	10,745	16,017	18,307	8.5	12.6	11.9
3. Others assets	6,284	8,531	10,451	4.9	6.7	6.8
II. Liabilities	78,498	89,886	110,345	61.8	70.6	71.7
1. Bonds and total external debt private and public debt 2/	34,838	35,731	40,236	27.4	28.1	26.1
a. Medium and long term debt	28,435	30,950	34,182	22.4	24.3	22.2
Private sector 2/	9,198	10,349	14,277	7.2	8.1	9.3
Public sector	19,237	20,600	19,905	15.1	16.2	12.9
b. Short term debt	6,403	4,782	6,054	5.0	3.8	3.9
Financial sector (excluding BCRP)	1,924	1,633	2,408	1.5	1.3	1.6
BCRP	736	124	45	0.6	0.1	0.0
Others 3/	3,743	3,025	3,600	2.9	2.4	2.3
2. Direct investment	32,340	34,521	41,849	25.4	27.1	27.2
3. Capital participation	11,319	19,634	28,260	8.9	15.4	18.4

1 / External public debt includes the debt of the Central Government and public enterprises. The latter now represents less than 5 percent of total. The external debt is mostly medium and long term debt (99 percent).

2 / Includes bonds.

3 / Includes mainly short term debt of the nonfinancial private sector.

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

III.

Public finances

Reflecting the country's economic growth and the higher prices of our main exports, the deficit of the non financial public sector in 2010 was lower than in 2009.

In 2010 the deficit recorded by the non financial public sector was equivalent to 0.5 percent of GDP, lower by 1.1 percentage points of GDP than the one registered in 2009, due to the positive impact of the recovery of economic activity and domestic demand on revenues.

The government continued implementing its fiscal stimulus program, initiated in 2009 with the Fiscal Stimulus Plan, particularly during the first half of the year. Expenditure control measures were approved during the second half of the year to slow down the rate of expansion of expenditure relative to the one observed in 2009. These measures, established by Emergency Decree 037-2010, set limits for expenditure in goods and services, postponed the implementation of unexecuted projects, established conditions for the use of contingency reserves, and suspended new debt transactions.

1. Fiscal policy indicators

1.1 Conventional Economic Balance

The public sector deficit was mainly associated with the operations of the general government, which declined from -1.9 to -0.4 percent of GDP due to higher current revenue (up 1.1 percentage points of GDP) and lower non financial expenditures (down 0.2 percentage points of GDP).

By government levels, local governments showed a deficit of 0.4 percent of GDP, while regional governments showed a deficit of 0.2 percent of GDP.

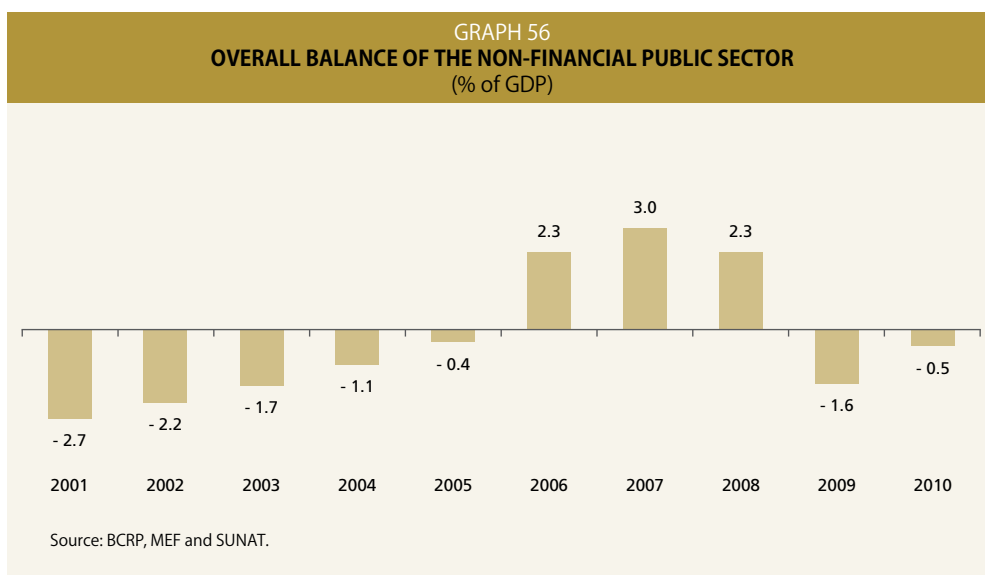


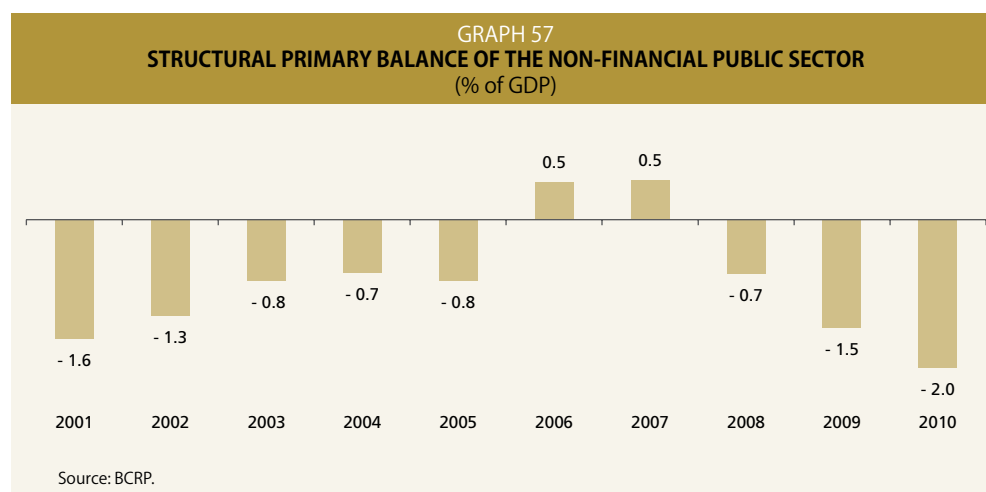
TABLE 44
OVERALL BALANCE OF THE NON-FINANCIAL PUBLIC SECTOR

	Millions of nuevos soles			% of GDP		
	2008	2009	2010	2008	2009	2010
I. Primary Balance	14,517	-1,170	2,877	3.9	-0.3	0.7
1. Of the General Government	14,578	-2,220	3,321	3.9	-0.6	0.8
a. Current revenue	78,126	71,625	86,085	21.1	18.7	19.8
i. Tax revenue	59,672	53,842	65,919	16.1	14.1	15.2
ii. Non-tax revenue	18,454	17,783	20,166	5.0	4.7	4.6
b. Non-financial expenditure	63,968	74,293	83,512	17.2	19.4	19.2
i. Current	48,400	52,797	57,277	13.0	13.8	13.2
ii. Capital	15,568	21,496	26,234	4.2	5.6	6.0
c. Capital revenue	420	448	747	0.1	0.1	0.2
2. Of State Enterprises	-61	1,049	-444	0.0	0.3	-0.1
II. Interests	5,884	5,011	5,085	1.6	1.3	1.2
1. External debt	3,350	3,101	2,927	0.9	0.8	0.7
2. Domestic debt	2,534	1,910	2,158	0.7	0.5	0.5
III. Overall Balance (I-II)	8,633	-6,181	-2,208	2.3	-1.6	-0.5
1. Net external financing	-3,472	4,069	-2,077	-0.9	1.1	-0.5
(Millions of US\$)	-\$1,205	\$1,317	-\$728	-0.9	1.1	-0.5
a. Disbursements	\$1,165	\$3,225	\$4,261	0.9	2.6	2.8
b. Amortization	\$2,604	\$1,843	\$5,184	2.0	1.4	3.4
c. Others	\$234	-\$65	\$195	0.2	-0.1	0.1
2. Net domestic financing	-5,317	2,011	3,866	-1.4	0.5	0.9
3. Privatization	156	102	419	0.0	0.0	0.1

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

1.2 Structural economic balance

The conventional economic balance is not necessarily a good indicator to evaluate fiscal policy decisions, given that it is influenced by variables that are exogenous to fiscal policy, such as the economic cycle and the prices of our main mineral exports. The structural economic balance showed a deficit of 2 percent of GDP –higher than the one recorded in 2009 (1.5 percent of GDP)–, which implied a positive fiscal impulse of 0.7 percent of GDP.



1.3 Non financial public sector financial requirements

Funding for a total of US\$ 7,049 million was required in 2010 to cover the deficit in the year, which amounted to S/. 2,208 million, and the amortization of the public debt, which amounted to US\$ 6,269 million. The amortization of both the external public debt (US\$ 5,184 million) and the domestic public debt (US\$ 1,084 million) was financed through debt management operations carried out in April, August, and November.

These operations, which sought to increase the mean life of the debt, as well as its components in domestic currency and at fixed rates, were favored by a propitious international environment in 2010.

TABLE 45
FINANCING OF THE NON-FINANCIAL PUBLIC SECTOR

				% of GDP		
	2008	2009	2010	2008	2009	2010
1. Overall balance (Millions of nuevos soles)	8,633	-6,181	-2,208	2.3	-1.6	-0.5
Millions of US\$	2,951	-2,054	-780			
2. Amortization (Millions of US\$)	-3,126	-2,401	-6,269	-2.5	-1.9	-4.1
Redemption of recognition bonds	-94	-91	-263	-0.1	-0.1	-0.2
Domestic debt	-428	-466	-821	-0.3	-0.4	-0.5
External debt	-2,604	-1,843	-5,184	-2.0	-1.4	-3.4
3. Financial requirements (Millions of US\$)	175	4,454	7,049	0.1	3.5	4.6
External disbursements	1,165	3,225	4,261	0.9	2.5	2.8
Freely disposable funds	883	2,613	3,539	0.7	2.1	2.3
Investment projects	282	612	2,732	0.2	0.5	1.8
Domestic bonds	473	1,004	3,452	0.4	0.8	2.2
Privatization	51	34	148	0.0	0.0	0.1
Others	-1,515	191	-813	-1.2	0.2	-0.5

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



2. General government revenue

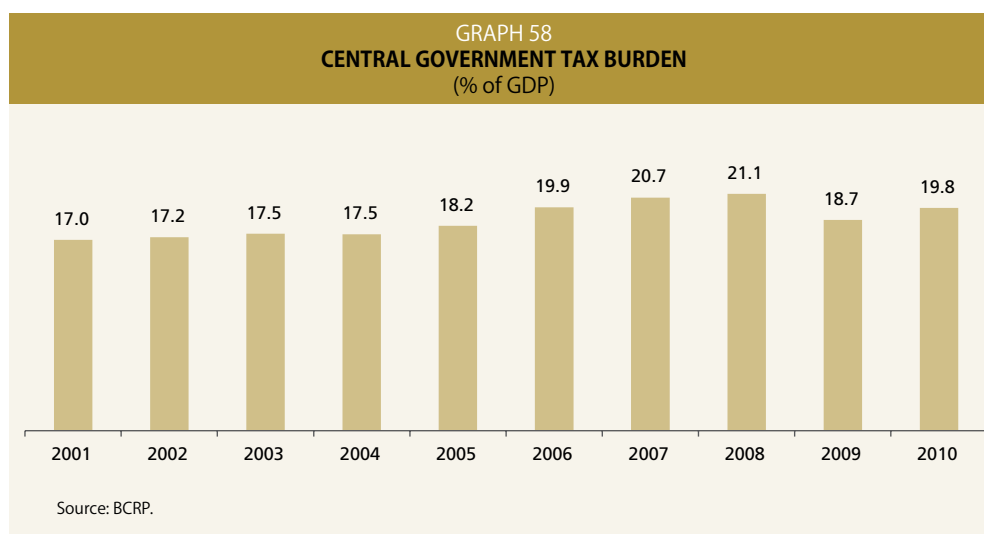
In 2010 the current revenues of the general government amounted to 19.8 percent of GDP, a figure higher by 1.1 percentage points of GDP than the one observed in the previous year, which represents a real growth of 18.4 percent. This growth in revenues resulted mainly from the higher tax component recorded by the national government due to the growth of economic activity and to the increase registered in the prices of our exports.

With this, the fiscal pressure in the general government –that is, the current revenue-to-GDP ratio– was 19.8 percent in 2010.

TABLE 46
FISCAL REVENUE RATIOS
(% of GDP)

	2008	2009	2010
Central government tax burden 1/	15.7	13.7	14.8
Central government fiscal burden 2/	18.3	15.9	17.2
Fiscal burden of the general government 2/	21.1	18.7	19.8

1/ Central government tax revenues.
2/ Current revenues as a ratio of GDP.
Source: MEF, Banco de la Nación, BCRP and Sunat.



The growth of tax revenues is explained by higher revenues from the income tax, better international metal prices, higher revenues from the VAT associated with the growth of economic activity, and higher revenues from import duties.

TABLE 47
CENTRAL GOVERNMENT REVENUES

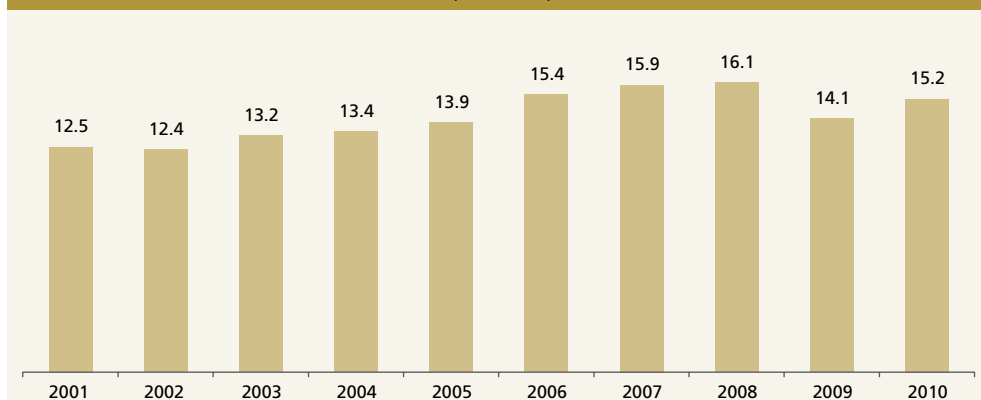
	Millions of nuevos soles			Real % change		% of GDP		
	2008	2009	2010	2009	2010	2008	2009	2010
I. TAX REVENUE	59,672	53,842	65,919	-12.3	20.6	16.1	14.1	15.2
1. Income tax	24,146	20,346	25,802	-18.1	24.9	6.5	5.3	5.9
- Individuals	5,353	5,608	6,283	1.8	10.4	1.4	1.5	1.4
- Legal entities	16,317	12,269	16,423	-27.0	31.8	4.4	3.2	3.8
- Tax regularization	2,476	2,470	3,096	-3.1	23.5	0.7	0.6	0.7
2. Import duties	1,911	1,493	1,803	-24.1	19.0	0.5	0.4	0.4
3. Value-added tax (VAT)	31,583	29,519	35,536	-9.2	18.6	8.5	7.7	8.2
- Domestic VAT	15,749	17,322	19,629	6.9	11.6	4.2	4.5	4.5
- VAT on imports	15,834	12,197	15,907	-25.2	28.5	4.3	3.2	3.7
4. Excise tax	3,461	4,146	4,670	16.4	10.9	0.9	1.1	1.1
- Fuels	1,457	2,255	2,410	50.4	5.3	0.4	0.6	0.6
- Others	2,004	1,891	2,260	-8.3	17.7	0.5	0.5	0.5
5. Other tax revenues ^{1/}	5,757	5,676	6,056	-4.2	5.1	1.6	1.5	1.4
6. Tax returns	-7,185	-7,339	-7,948	-0.8	6.7	-1.9	-1.9	-1.8
II. NON-TAX REVENUES 2/	18,454	17,783	20,166	-6.4	11.7	5.0	4.7	4.6
III. TOTAL	78,126	71,625	86,085	-10.9	18.4	21.1	18.7	19.8

1/ Includes municipal tax.

2/ Includes contributions to the ONP and EsSalud, royalties and fees, resources directly collected and others.

Source: SUNAT, EsSalud, ONP, charity societies, regulatory agencies and registry offices.

GRAPH 59
GENERAL GOVERNMENT TAX RATIO
(% of GDP)



Source: BCRP.



- Revenues from **income tax** increased from 5.3 to 5.9 percent in GDP terms due to the higher payments on account of the mining sector (real growth of 83.5 percent) given the rise in the international prices of metals and increased international demand.

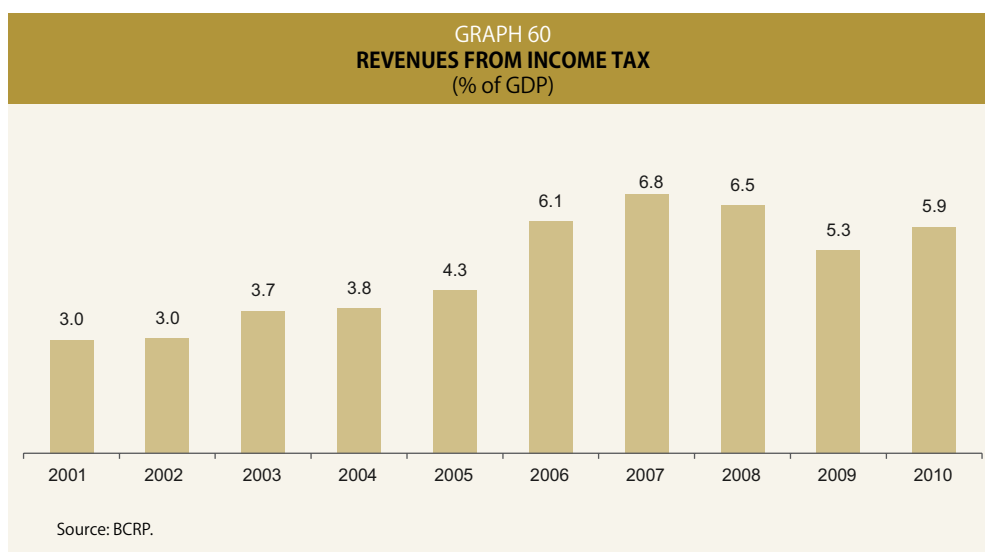


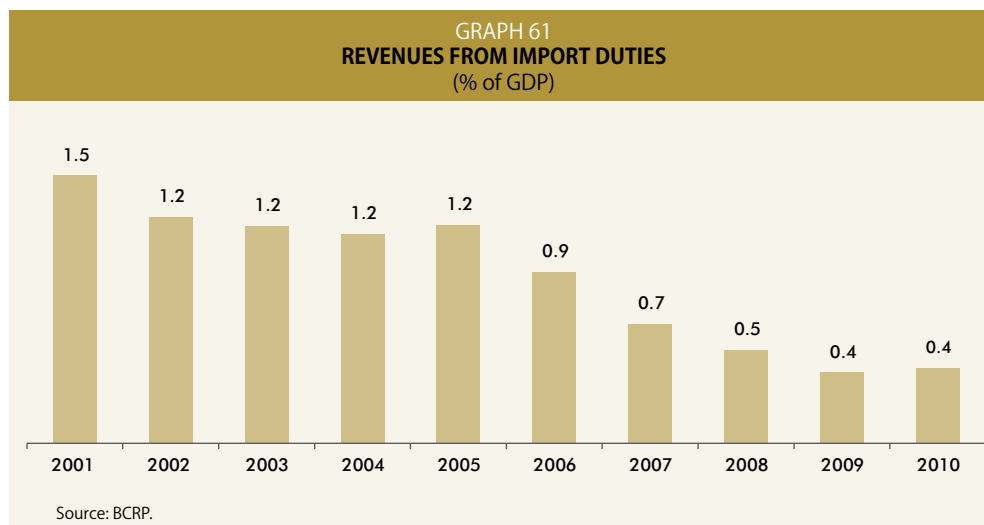
TABLE 48
REVENUES FROM CORPORATE TAX BY SECTORS
(Millions of nuevos soles)

	2008	2009	2010	Real % chg.	
				2009	2010
Mining	6,743	3,018	5,618	- 56.7	83.5
Others Services 1 /	4,454	4,604	5,377	0.3	15.2
Manufacturing	2,235	2,004	2,307	- 13.1	13.5
Commerce	2,235	2,099	2,267	- 8.8	6.4
Hydrocarbons	996	543	1,056	- 47.1	91.7
Construction	395	548	715	34.4	28.8
Fishing	59	54	124	- 11.6	128.7
Agriculture and livestock	54	38	44	- 32.4	15.4
Total	17,169	12,907	17,507	- 27.2	33.8

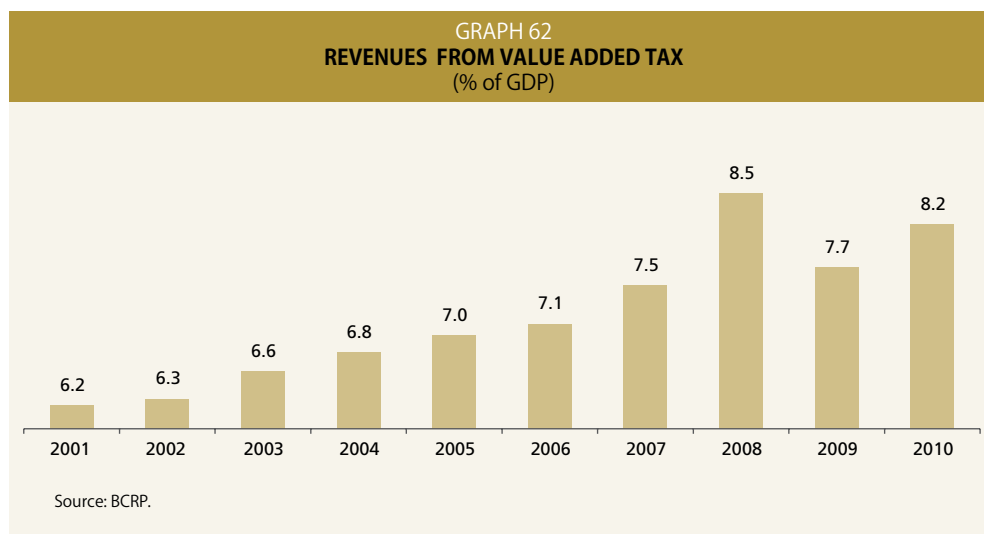
1/ Includes activities in real estate, business, leasing, telecommunications, financial intermediation, health, social services, tourism and hotels, electric generation, and water services.
Source: SUNAT.

- Revenues from the **income tax on individuals** grew by a real 10.4 percent due to the higher revenues from independent and dependent workers (7.8 and 7.0 percent, respectively). It is worth pointing out that these higher revenues were also associated with higher profit sharing, especially in the mining sector.

- Revenues from **import duties** grew 19.0 percent in real terms, remaining constant at 0.4 percent in GDP terms. This balance was influenced by the growth of imports (37.1 percent), and particularly by higher imports of consumer goods. The latter are subject to higher tariff rates than imports of capital goods and inputs, and grew 38.5 percent.



- Revenues from the **value added tax (VAT)** recorded a growth rate of 18.6 percent in real terms, increasing from an equivalent of 7.7 to 8.2 percent of GDP, due to increased taxed sales as a result of the growth of economic activity. The domestic VAT grew due to the greater dynamism of domestic demand, while the growth of the external VAT was associated with the growth of imports.



- On the other hand, revenues from the **excise tax** remained at 1.1 percent of GDP, but recording a real growth of 10.9 percent. This improvement resulted from higher revenues from both the excise tax on fuels –due to higher imports of fuels– and from the excise tax on other goods.



- Revenues from **other taxes** declined from 1.5 to 1.4 percent of GDP, in spite of showing a growth of 5.1 percent in real terms. The increase recorded in revenues from the car circulation tax (44.5 percent), the tax on casinos and slot machines (13.2 percent), fines (11.2 percent) and the Temporary Tax on Net Assets (2.2 percent) contrasted with the lower revenues from the Tax on Financial Transactions (down 2.5 percent), which reflected the reduction of the tax rate from 0.06 to 0.05 percent.
- **Tax refunds**, which were equivalent to 1.8 percent of GDP, grew 6.7 percent in real terms. This was due to higher refunds for exports, which recorded a rate of 28 percent in real terms, offsetting the 8.0 to 6.5 percent decline in the tariff refund rate (drawback).
- The higher international prices of minerals accounted for a real growth of 11.7 percent in **non tax revenues** given that revenues from royalties and oil and mining royalties (canon) grew 53.7 percent. Increased transfers to the Treasury due to the Central Bank's profits, which amounted to S/. 458 million in the year, also contributed to this growth rate.

Extraordinary transfers for a total of S/. 161 million were also recorded in compliance with the rules governing the right of workers to participate in companies' profit sharing. Transfers for profit remainders above 2,200 tax units (ITU) per year were made to regional governments. The difference between the 2,200 ITU and the total remaining has to be used exclusively to finance road infrastructure within the region that generated these resources.

TABLE 49
GENERAL GOVERNMENT NON TAX REVENUES

	Millions of nuevos soles			Variación % Real	
	2008	2009	2010	2009	2010
Contributions to Essalud and ONP	6,193	6,659	7,217	4.5	6.7
Own resources and transfers	4,540	4,444	4,533	- 4.9	0.5
Gas companies royalties 1 /	1,233	1,237	2,179	- 2.5	73.6
Oil Royalties 1 /	775	626	788	- 21.6	24.0
Petroleum Canon 2 /	1,633	1,241	1,840	- 26.2	46.0
Mining Royalties 1 /	454	338	645	- 27.8	88.1
Others	3,625	3,238	2,964	- 13.2	- 9.8
TOTAL	18,454	17,783	20,166	- 6.4	11.7

1/ Payment for the use of state property.

2/ % of the production value redistributed to the regions for the exploitation of natural resources.

Source: SUNAT, Perupetro and MEF.

BOX 4

TAX CHANGES - 2010

A series of tax changes were approved in December. These changes included the reduction of import tariffs, as well as changes in the income tax, the export of services, and the excise tax on fuel consumption.

TARIFFS

Supreme Decree 279-2010-EF, dated December 30, established a new general tariff reduction for 3,401 of the total 7,380 tariff items. This measure is aimed at improving efficiency and competitiveness in the domestic economy in the frame of trade opening policies implemented in the country.

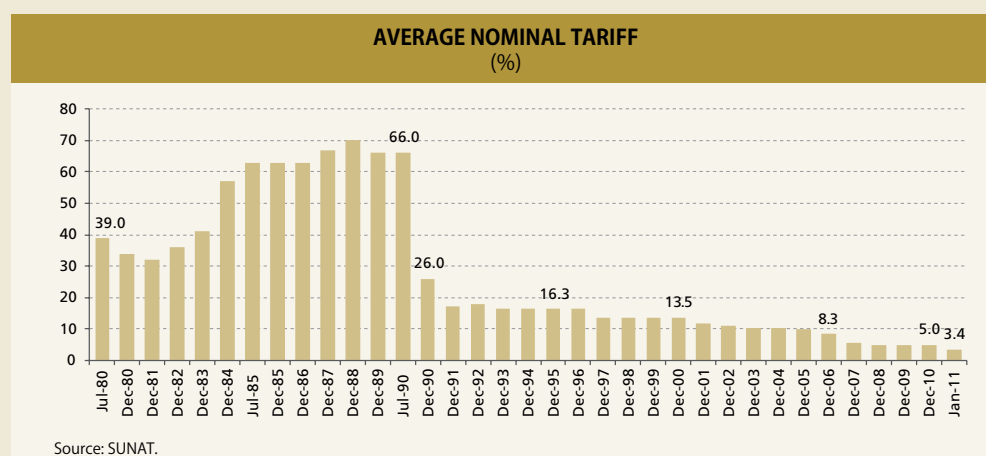
The tariff changes included:

- Reducing the maximum tariff rate from 17 percent to 13 percent for 792 tariff items that were subject to this rate.
- Reducing the 9 percent tariff rate for 2,489 of the 2,609 tariff items subject to this rate to 6 percent and reducing this rate to zero in the case of the other 120 tariff items.

With these new tariff structure with rates of 0, 6 and 13 percent, the average tariff rate has declined from 5.0 to 3.4 percent and the rate dispersion has declined from 5.9 to 4.1 percentage points.

TARIFF STRUCTURE				
TARIFF (%)	BEFORE		AFTER	
	Subheadings	%	Subheadings	%
0	3,979	53.9	4,099	55.5
6			2,489	33.7
9	2,609	35.4		
13			792	10.7
17	792	10.7		
Total	7,380	100.0	7,380	100.0
Average tariff (%)	5.0		3.4	

Successive tariff reductions have been approved since December 1990. The average nominal tariff was reduced from 66 to 26 percent in that year. In line with the MEF's Tariff Policy Guidelines (Ministerial Resolution 005-2006-EF/15) aimed at reducing the rates and rate dispersion progressively.



**INCOME TAX**

Law 29645 was enacted on 31 December 2010 to standardize the payment of the tax on residents and non residents' capital gains at the Lima Stock Exchange (LSE). Thus, non-residents' capital earnings from stocks listed and traded at the LSE –or listed in foreign stock markets and traded in foreign centralized mechanisms with which integration agreements have been established– will be taxed at a rate of 5 percent and not according to the progressive scale of 15, 21 and 30 percent.

Clearing and Securities Settlement Institutions or other organizations performing similar functions have been included as withholding agents in the case of stock gains generated by individuals. This measure is intended at covering the loopholes of the tax on stock gains that prevented its proper application, since the obligation of paying this tax relied exclusively on individuals domiciled or not domiciled in the country.

	TYPE OF INCOME	RATE	
		BEFORE	NOW
Individuals	Interest, when paid or owed by a generator of third category income domiciled in the country.	30%	4.99%
Legal entities	Interest paid abroad by multiple operation companies established in Peru.	1%	4.99%
	Interest from bonds, other debt instruments and deposits.	30%	4.99%

Source: SUNAT.

The exemption of 5 tax units (ITU) from capital gains on equity is only applicable to second-category income, which in practice means that this benefit will only apply to incomes from Peruvian sources.

This law also homogenized the tax rates applicable to debt transactions with non resident individuals.

This rate homogenization implies, on the one hand, a higher tax on banks' external funding (up from 1 to 4.99 percent), which increases the cost of this funding, and on the other hand, a tax reduction (from 30 to 4.99 percent) for business funding sources –such as bonds purchased abroad–, which would lead to a reduction in the cost of funding under this system.

EXCISE TAX ON FUEL CONSUMPTION

A new scheme of the excise tax on fuels produced from crude was established in December. This measure reduced the excise tax on gasohol fuels –gasolines with 7.8 percent of ethanol– between S/. 0.12 and S/. 0.08 per gallon, the excise tax on 97 and 98 octane gasolines by S/. 0.03 per gallon and the excise tax on kerosene by S/. 0.01 per gallon, and established a differentiated excise tax on B5 Diesel with a sulfur content of 50 ppm.

3. General government expenditure

The non financial expenditure of the general government was equivalent to 19.2 percent of GDP, 0.2 percentage points of GDP lower than in 2009, but showing a real growth of 10.7 percent. The highest real growth in expenditure was observed in national government agencies and local governments (with 11.6 and 11.3 percent, respectively).

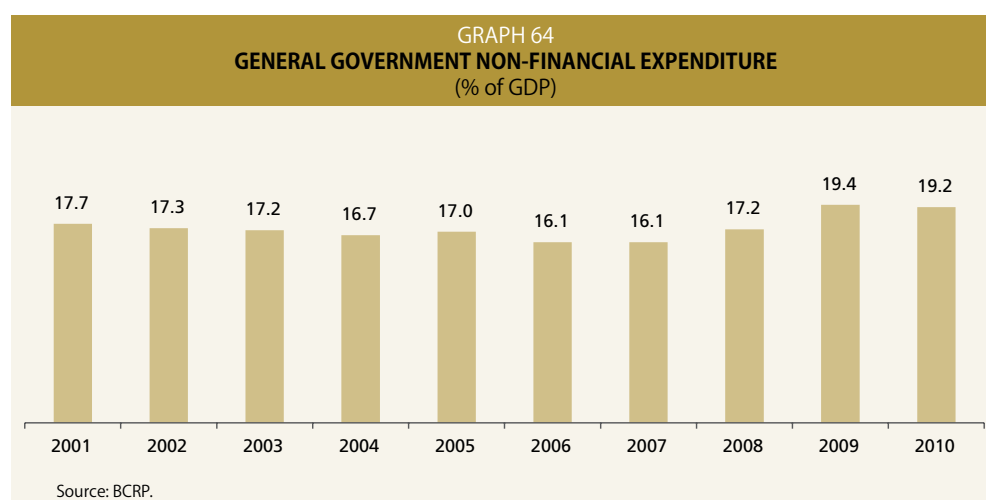


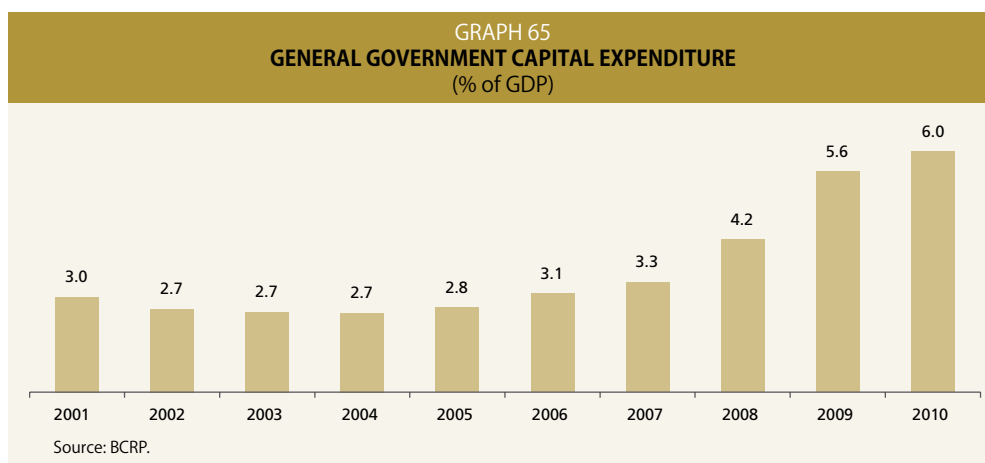
TABLE 50
GENERAL GOVERNMENT NON-FINANCIAL EXPENDITURE 1/

	Millions of nuevos soles			Real % chg.		% of GDP		
	2008	2009	2010	(09/08)	(10/09)	2008	2009	2010
I. CURRENT EXPENDITURE	48,400	52,797	57,277	6.0	6.9	13.0	13.8	13.2
Wages and salaries	18,016	19,647	20,834	5.9	4.4	4.9	5.1	4.8
National government	10,312	11,347	12,181	6.9	5.7	2.8	3.0	2.8
Regional governments	6,299	6,758	6,804	4.2	-0.8	1.7	1.8	1.6
Local governments	1,405	1,542	1,849	6.6	18.1	0.4	0.4	0.4
Goods and services	16,267	19,067	22,316	13.9	15.3	4.4	5.0	5.1
National government	11,202	13,674	15,791	18.6	13.7	3.0	3.6	3.6
Regional governments	1,321	1,549	2,005	14.0	27.5	0.4	0.4	0.5
Local governments	3,745	3,844	4,520	-0.3	15.8	1.0	1.0	1.0
Transfers	14,117	14,083	14,128	-3.1	-1.2	3.8	3.7	3.3
National government	11,554	11,273	11,206	-5.2	-2.1	3.1	2.9	2.6
Regional governments	1,888	1,995	1,981	2.7	-2.2	0.5	0.5	0.5
Local governments	676	815	941	17.2	13.7	0.2	0.2	0.2
II. CAPITAL EXPENDITURE	15,568	21,496	26,234	34.1	20.2	4.2	5.6	6.0
Gross capital formation	14,890	19,584	24,025	27.8	20.8	4.0	5.1	5.5
National government	4,766	6,374	9,032	29.9	39.6	1.3	1.7	2.1
Regional governments	2,773	4,076	4,988	42.8	20.5	0.7	1.1	1.1
Local governments	7,350	9,134	10,005	20.7	7.9	2.0	2.4	2.3
Other capital expenditure	678	1,912	2,209	174.0	13.8	0.2	0.5	0.5
III. NON FINANCIAL EXPENDITURE (I+II)	63,968	74,293	83,512	12.8	10.7	17.2	19.4	19.2
National government	38,006	44,271	50,165	13.2	11.6	10.2	11.6	11.5
Regional governments	12,630	14,586	15,903	12.2	7.4	3.4	3.8	3.7
Local governments	13,332	15,436	17,444	12.5	11.3	3.6	4.0	4.0

1/ Preliminary data. Net of commissions and intergovernmental transfers.

2/ Transfers from the Fuel Price Stabilization Fund (FEPC) to public and private oil companies.

Source: MEF.



3.1 National Government

The non financial expenditure of the national government was equivalent to 11.5 percent of GDP, which implied a real growth of 11.6 percent compared to 2009. This growth of expenditure was mainly observed in gross capital formation (39.6 percent in real terms) and in purchases of goods and services (13.7 percent in real terms).

- **Expenditure in remunerations** recorded a real growth of 5.7 percent, which resulted mainly from the payment of salaries of teachers included in the Public Educator program (Carrera Pública Magisterial) and from an extraordinary allocation of funds for the Armed Forces and the National Police of Peru, which amounted to S/. 150 million (Compensación por Defensa, Seguridad Nacional and Orden Interno, D.U. 014-2010).

Moreover, S/. 50 was paid in April and August to the administrative staff of primary, alternative and special education centers and public universities as education incentives through the Comités de Administración de los Fondos de Asistencia and Estímulo (CAFAE). This incentive was also given to active and retired military and police personnel (D.S. 105-2010-EF).

TABLE 51
NATIONAL GOVERNMENT NON FINANCIAL EXPENDITURES 1/

	Millions of nuevos soles			Real % chg.		% of GDP		
	2008	2009	2010	(09/08)	(10/09)	2008	2009	2010
I. CURRENT EXPENDITURE	33,068	36,294	39,178	6.6	6.3	8.9	9.5	9.0
Wages and salaries	10,312	11,347	12,181	6.9	5.7	2.8	3.0	2.8
Goods and services	11,202	13,674	15,791	18.6	13.7	3.0	3.6	3.6
Transfers	11,554	11,273	11,206	-5.2	-2.1	3.1	2.9	2.6
II. CAPITAL EXPENDITURE	4,938	7,977	10,987	56.9	35.7	1.3	2.1	2.5
III. TOTAL (I+II)	38,006	44,271	50,165	13.2	11.6	10.2	11.6	11.5

1/ Preliminary data. Net of commissions and intergovernmental transfers.
Source: MEF.

- **Expenditure in goods and services** amounted to 3.6 percent of GDP, which implied a real growth of 13.7 percent in real terms, due to higher allocations of funds to the ministries of Transports and Communications, Defense and Interior, Education, Agriculture, and Labor, as well as to organizations such as the Oficina Nacional de Procesos Electorales (ONPE), Jurado Nacional de Elecciones, and Registro Nacional de Identificación and Estado Civil (RENIEC).
- **Expenditure for current transfers** declined from 2.9 percent of GDP in 2009 to 2.6 percent of GDP in 2010 (2.1 percent in real terms). These transfers include pensions, the payments of the Fuel Price Stabilization Fund (FPSF) to refineries and fuel importers, and other transfers to the private sector (e.g. programs such as Juntos and Seguro Integral de Salud).

The effectiveness of the FPSF was extended in April and changes were approved (Emergency Decree 027-2010) to prevent that the Fund's accumulated liabilities with fuel producers and/or importers might jeopardize the balance of public finances, as well as to focus the Fund's intervention on the more vulnerable sectors in the economy.

TABLE 52
MAIN INVESTMENT PROJECTS OF THE NATIONAL GOVERNMENT
(Millions of nuevos soles)

ECONOMIC SECTOR	2009	2010	Flujo
TRANSPORT	3,308	5,131	1,823
Road Concessions-IRSA Sur and Norte	1,680	2,146	467
Special Project Tren Eléctrico	254	803	549
Airport Concessions - Jorge Chavez and regional airports	156	489	333
Rehabilitation and improvement of the Ayacucho - Abancay highway	25	340	315
Rehabilitation and improvement of the Chongoyape - Cochabamba - Cajamarca highway	34	129	95
Rehabilitation and improvement of the Casma - Yaután - Huaraz highway	55	123	68
Rehabilitation and improvement of Tingo Maria - Aguaytía - Pucallpa highway	185	120	- 65
Rehabilitation of rural roads	149	112	- 37
Construction and improvement of the Camaná-Matarani-Ilo-Tacna highway	1	90	89
Conservation and improvement of the national road network	67	81	15
Construction and improvement of the Cusco - Quillabamba highway	0	73	73
Improvement and expansion of the entrance to Callao port terminal entrance	0	47	47
Rehabilitation and improvement of the road-Tocache Tocache	132	46	- 87
Construction of overpasses in Ramiro Prialé highway	0	44	44
Rehabilitation and improvement of the pavements of Airport of Cusco	14	37	24
Rehabilitation and improvement of the road Lunahuaná - Detour Yauyos - Chupaca	48	37	- 11
Improvement and construction of the rest Saramirza Eje Vial No. 4 highway	61	35	- 25
Improvement and rehabilitation of the Sullana The Alamo Eje Vial No. 2 highway	13	20	7
Rehabilitation. improvement of the Churín - Oyón highway	0	20	20
Comprehensive rehabilitation of Huancayo - Huancavelica railway	3	1	- 2
Other projects	431	337	- 94
HEALTH	372	394	23
Improvement and equipment of hospitals emergency services	345	365	21
Support to Health Sector Reform PAR-Salud	8	6	- 2
Other projects	19	23	4
ELECTRICITY	351	548	197
Installation of small power systems in several towns	316	529	214
Improvement of transmission lines	16	4	- 12
Other projects	19	14	- 5
AGRICULTURE AND LIVESTOCK	544	445	- 100
Support agriculture	245	167	- 78
Irrigation infrastructure	145	145	- 1
Eradication of fruit fly <i>Ceratitis capitata</i> from the coast of Peru	40	41	1
Other projects	114	92	- 22
HOUSING	204	195	- 9
National Rural Water Supply and Sanitation project	116	130	14
Rights of real property	32	27	- 5
Housing sector	25	4	- 21
Other projects	31	34	4
ECONOMY	96	143	47
Support for government reform and improving the customs system	50	56	6
Promotion of private investment	29	69	40
Other projects	17	18	1
JUSTICE	135	118	- 16
Improvement of administration of justice	105	85	- 20
Other projects	29	33	4
EDUCATION	684	1,018	335
Improvement of education infrastructure	600	891	291
Other projects	84	127	44
OTHERS	679	1,039	360
Operation and maintenance of operations of agricultural production	24	27	2
Emergencia Social Productiva (PESP) project	28	32	4
Other projects	627	980	354
TOTAL	6,374	9,032	2,659

Source: MEF.



- **Capital expenditure** grew 35.7 percent in real terms, from 2.1 percent of GDP in 2009 to 2.5 percent in 2010, reflecting mainly the real growth observed in gross capital formation (39.6 percent).

The sectors with higher expenditure were: Transports (S/. 5,131 million, in road rehabilitation and improvement); Education (S/. 1,018 million, in improvement of education infrastructure and quality of education); Electricity (S/. 548 million, in rural electrification projects); Agriculture (S/. 445 million, in irrigation projects and conservation of natural resources); Health (S/. 394 million, in improvement and equipment in hospital emergency services), and Housing (S/. 195 million, in Proyecto Nacional de Agua Potable and Saneamiento Rural).

The main investment projects of the general government included the IIRSA Sur and Norte projects (S/. 2,146 million), Tren Eléctrico (S/. 803 million), airport concessions (S/. 489 million), and the Ayacucho-Abancay highway (S/. 340 million), which concentrated 16 percent of total investment executed by the general government in 2010. These four projects are part of the national government Transport sector.

3.2 Regional governments

The non financial expenditure of regional governments increased 7.4 percent in real terms, even though it declined from 3.8 to 3.7 percent in GDP terms. The largest increases in real terms were recorded in investments (20.5 percent) in road and education infrastructure, and in the procurement of goods and services (27.5 percent).

TABLE 53
REGIONAL GOVERNMENTS NON FINANCIAL EXPENDITURE

	Millions of nuevos soles			Real % chg.		% of GDP		
	2008	2009	2010	09/08	10/09	2008	2009	2010
I. CURRENT EXPENDITURE	9,507	10,302	10,791	5.3	3.2	2.6	2.7	2.5
Wages and salaries	6,299	6,758	6,804	4.2	-0.8	1.7	1.8	1.6
Goods and services	1,321	1,549	2,005	14.0	27.5	0.4	0.4	0.5
Transfers	1,888	1,995	1,981	2.7	-2.2	0.5	0.5	0.5
II. CAPITAL EXPENDITURE	3,123	4,283	5,112	33.2	17.6	0.8	1.1	1.2
III. TOTAL (I+II)	12,630	14,586	15,903	12.2	7.4	3.4	3.8	3.7

Source: MEF.

3.3 Local governments

In 2010, the non financial expenditure of local governments grew by a real 11.3 percent compared to the previous year. The highest growth rate was recorded in gross capital formation (S/. 871 million), which showed a real growth of 7.9 percent.

TABLE 54
LOCAL GOVERNMENTS NON FINANCIAL EXPENDITURE

	Millions of nuevos soles			Real % chg.		% of GDP		
	2008	2009	2010	09/08	10/09	2008	2009	2010
I. CURRENT EXPENDITURE	5,826	6,201	7,309	3.4	16.1	1.6	1.6	1.7
Wages and salaries	1,405	1,542	1,849	6.6	18.1	0.4	0.4	0.4
Goods and services	3,745	3,844	4,520	-0.3	15.8	1.0	1.0	1.0
Transfers	676	815	941	17.2	13.7	0.2	0.2	0.2
II. CAPITAL EXPENDITURE	7,507	9,235	10,134	19.5	8.1	2.0	2.4	2.3
III. TOTAL (I+II)	13,332	15,436	17,444	12.5	11.3	3.6	4.0	4.0

Source: MEF.

As a result of fiscal decentralization and the increase recorded in the prices of minerals and hydrocarbons, the resources of local governments have increased significantly, which has led to budget increases and to higher municipal expenditure, especially in the last three years. The increase in expenditure has been particularly noteworthy in the investments account.

The most significant investments in 2010 included the *Metropolitano (Programa de Transporte Urbano de Lima Metropolitana – Metropolitano)*, the Santa Rosa Tunnel interconnecting the districts of Rimac and San Juan de Lurigancho, the *intercambio vial Panamericana Norte-Carlos Izaguirre*, and *intercambio vial Primavera-Caminos del Inca*, all of them developed in Metropolitan Lima.

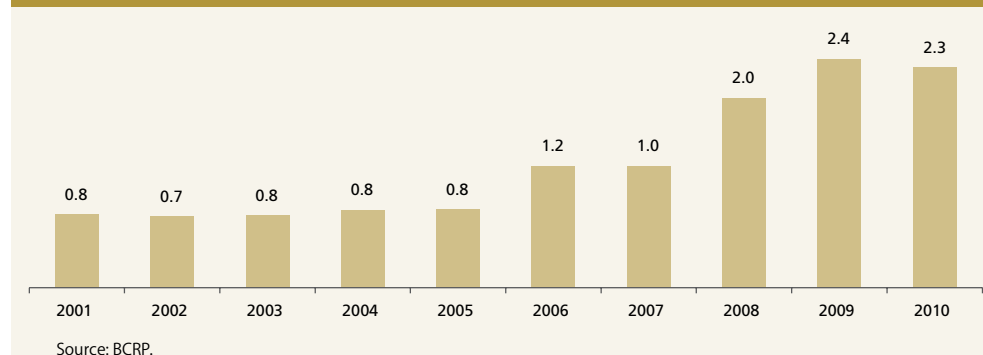
The local governments with the largest investments included the municipalities of Metropolitan Lima (S/. 743 million), the District Municipality of Echarate (S/. 158 million), San Marcos (S/. 155 million), the Municipality of the Province of Santa (S/. 136 million), and Ilabaya (S/. 101 million). These five local governments concentrate 13 percent of total municipal investments (S/. 10,005 million).

TABLE 55
MUNICIPAL INVESTMENTS
(Millions of nuevos soles)

Municipality	Department	Accrued
1. Municipality of Lima	Lima	743
2. District Municipality of Echarate	Cusco	158
3. District Municipality of San Marcos	Ancash	155
4. Provincial Municipality of Santa - Chimbote	Ancash	136
5. District Municipality of Ilabaya	Tacna	101
6. Provincial Municipality of Cajamarca	Cajamarca	91
7. Provincial Municipality of Mariscal Nieto - Moquegua	Moquegua	85
8. District Municipality of Ite	Tacna	84
9. Municipal District of Col. Gregorio Albarracín Lanchipa	Tacna	74
10. District Municipality of Independencia	Ancash	73
11. Provincial Municipality of Jorge Basadre - Locumba	Tacna	67
12. District Municipality of Torata	Moquegua	62
13. Provincial Municipality of Cusco	Cusco	59
14. District Municipality of Cerro Colorado	Arequipa	56
15. Provincial Municipality of Espinar	Cusco	55
16. Provincial Municipality of Coronel Portillo	Ucayali	54
17. District Municipality of Quimbiri	Cusco	52
18. District Municipality of Vilcabamba	Cusco	51
19. Provincial Municipality of Lambayeque	Lambayeque	48
20. Provincial Municipality of Pisco	Ica	45
Others		7,758
TOTAL		10,005

Source: MEF.

GRAPH 66
GROSS CAPITAL FORMATION IN LOCAL GOVERNMENTS
(% of GDP)



Source: BCRP.



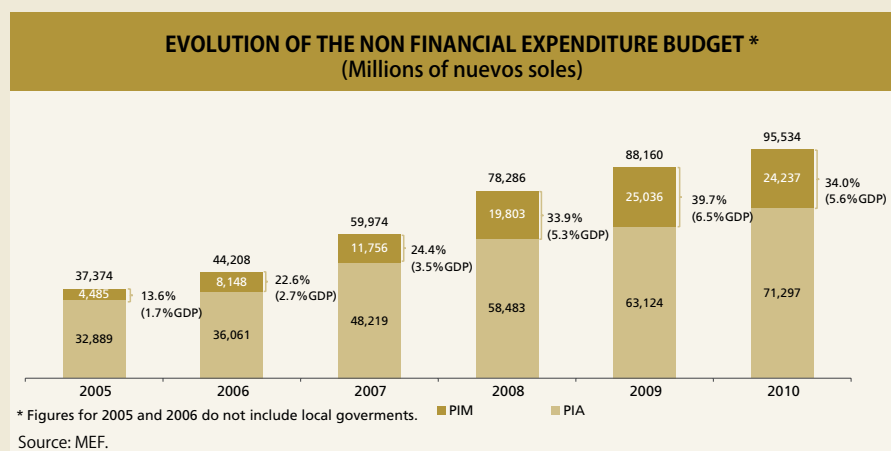
BOX 5

BUDGET EXECUTION AND SUPPLEMENTARY CREDITS

Peruvian government agencies initiate the phase of budget execution on the first of January of each year with an initial budget denominated Institutional Opening Budget (*Presupuesto Institucional de Apertura* - PIA). This budget is usually amended over the year through the approval of supplementary credits and transfers to budget items. Since supplementary credits increase the PIA, it is thereafter called Institutional Amended Budget (*Presupuesto Institucional Modificado* - PIM).

These budget extensions may be approved by law or by emergency decrees. In the case of ministries, supplementary credits of government funds administered by a ministry are approved by the respective minister.

Between 2007 and 2010, budget extensions have increased the PIA by over a third of the initial budget, which represents 5.2 percent of the average annual GDP.



Not all the extended budget is executed. The ratio of budget execution in recent years has been about 80 percent. Lower levels of executed expenditure are observed in sub-national governments, particularly in municipalities, which execute approximately 70 percent of their budgets.

NON FINANCIAL EXPENDITURE BUDGET
(Billions of nuevos soles)

	PIA						PIM						% Change PIM/PIA					
	2005	2006	2007	2008	2009	2010	2005	2006	2007	2008	2009	2010	2005	2006	2007	2008	2009	2010
National	25.2	27.0	31.4	36.2	38.5	48.8	27.7	32.8	34.9	42.4	46.1	53.2	10.1	21.4	11.1	17.1	19.7	9.0
Local	--	--	8.4	10.6	12.1	9.5	--	--	11.0	19.6	23.4	22.3	--	--	30.5	84.9	93.2	134.9
Regional	7.7	9.0	8.4	11.7	12.5	13.0	9.7	11.4	14.2	16.3	18.7	20.1	25.2	26.1	67.7	39.6	49.3	54.3
TOTAL	32.9	36.1	48.2	58.5	63.1	71.3	37.4	44.2	60.0	78.3	88.2	95.5	13.6	22.6	24.4	33.9	39.7	34.0

Source: MEF.

NON FINANCIAL EXPENDITURE BUDGET (Billions of nuevos soles)																		
	ACCRUED EXPENDITURE						ACCRUED EXPENDITURE % /PIA						ACCRUED EXPENDITURE % /PIM					
	2005	2006	2007	2008	2009	2010	2005	2006	2007	2008	2009	2010	2005	2006	2007	2008	2009	2010
National	25.7	29.4	29.7	35.0	40.9	45.9	102.1	109.0	94.7	96.8	106.4	94.0	92.7	89.8	85.3	82.7	88.9	86.3
Local	--	--	6.7	12.9	15.6	17.4	--	--	79.9	122.0	128.5	183.9	--	--	61.2	66.0	66.5	78.3
Regional	9.0	9.9	11.6	12.8	14.8	16.2	115.9	109.8	137.0	109.7	118.0	124.6	92.6	87.1	81.7	78.6	79.0	80.7
TOTAL	34.6	39.4	48.0	60.8	71.3	79.5	105.3	109.2	99.6	104.0	112.9	111.5	92.7	89.1	80.1	77.7	80.8	83.2

* Local governments' accrued expenditure is recorded in the SIAF since 2007. 100% of municipalities reported data from 2008.
Source: MEF.

The usefulness of the budget as a tool for programming the use of public resources becomes relative if the rate of approved supplementary credits is high. The amended budget is usually oversized since the expenditure executed is generally well below the budget and often ends up being closer to the amount considered in the opening budget rather than the one considered in the amended budget.

4. State enterprises

In contrast with the surplus of S/. 941 million recorded in 2009, the economic balance of state enterprises –defined as the cash flow of these enterprises– showed a deficit of S/. 537 million (equivalent to 0.1 percent of GDP) in 2010 due to the balances registered by Electroperú, Sedapal and Petroperú.

After having registered a surplus of S/. 71 million in 2009, **Electroperú** recorded a deficit of S/. 391 million in 2010. This balance was due to lower sales of electricity to energy distributors at the regulated rate and to lower revenues from payments for additional energy generation costs associated with the temporary export of power to Ecuador in 2009, as well as to higher expenses as a result of the transfer of S/.80 million to Fonaphu and the prepayment of a long-term debt with the MEF, which amounted to S/.347 million.

Sedapal showed a deficit of S/. 233 million –a deficit slightly higher than in 2009– due to the lower income received in the year in comparison with 2009, when this enterprise received transfers from the treasury for the implementation of the program Agua para Todos. This lower income was offset by a lower fund execution in Sedapal's main investment projects: Water and Sanitation Improvement in Marginal Areas of Lima, the program Agua para Todos, and Improvement of Water and Sanitation Works.

Petroperú registered a deficit of S/. 109 million –after having recorded a surplus of S/. 654 million in 2009– due to higher purchases of goods and services and due to the Modernization of Talara Refinery project.

During 2010, Petroperú received a total of S/. 573 million from the Fuel Price Stabilization Fund, as a result of which the Fund's debt balance with this enterprise at December 2010 amounted to S/. 59 million.

The **Regional Electricity Companies** showed an overall surplus of S/. 34 million –a balance S/. 160 million lower than in 2009–, mainly due to lower capital transfers for the rural electrification programs.



TABLE 56
OVERALL BALANCE OF STATE ENTERPRISES

	Millions of nuevos soles			% of GDP		
	2008	2009	2010	2008	2009	2010
Petroperú	- 784	654	- 109	- 0.2	0.2	0.0
Electroperú	180	71	- 391	0.0	0.0	- 0.1
Regional Electricity Companie	119	194	34	0.0	0.1	0.0
Sedapal	97	- 228	- 233	0.0	- 0.1	- 0.1
Others	193	249	163	0.1	0.1	0.0
TOTAL	- 195	941	- 537	- 0.1	0.2	- 0.1

Source: State enterprises and Fonafe.

5. Promotion of private investment

Concession contracts representing a total investment of US\$ 2,833 million were established with the private sector in the sectors of Transport and Communications, Housing (water and sanitation projects) and Electricity in 2010.

Empresa Inmobiliaria Milenia S.A. was also privatized through the sale of 98.2 percent of the State-owned shares in the Lima Stock Exchange (US\$ 112 million).

The main projects or facilities given in concession in 2010, which involved investment commitments by the concessionaires and not cash income, included the following:

- Cold Reserve Generation Program. These power generation projects, aimed at increasing the generation capacity through the construction of thermo plants, were given in concession to Enersur (400 MW capacity to be added in Ilo) and Electro Piura (200 MW capacity to be added in Talara). The winners offered a price/power of US\$ 7,190/MW-month (Ilo plant) and US\$ 7,815/MW-month (Talara plant). Additional projects will be given in concession to increase the generation capacity by 400 MW.
- Majes-Siguas Stage II project. This irrigation project, which also includes the recovery and irrigation of 38 thousand hectares in Siguas, 8 thousand hectares in Majes, agricultural support in the 46 thousand hectares, and the construction of power plants in Llota and Lluclla, was awarded to Consorcio Angostura-Siguas. This concession involves investments for US\$ 136 million by the consortium and US\$ 208 million by the State, the latter to be recovered by the sale of the land to be improved.

The second group of regional airports, which includes the terminals of Apurímac, Ayacucho, Puno, Madre de Dios, Arequipa and Tacna, was given in concession to Consorcio Aeropuertos Andinos del Perú for a period of 25 years. The government will contribute with US\$ 76 million by annual payment for maintenance and operation and payment for compulsory works.

- The Olmos Irrigation Project was awarded to H2Olmos S.A.
- The 90 MW Hydroelectrical Plant of Santa Teresa was given in concession to Luz del Sur. Moreover, 15 percent of the energy produced by this new power plant will go to Egemsa.
- The Terminal for Mineral Concentrates in the port of Callao was awarded by a private initiative to Consorcio Transportadora Callao (integrated by Perubar, Cormin, Chinalco, El Brocal, and Santa Sofía Puertos). The concession is granted for 20 years, the works including the design, financing, construction and operation of the mineral pier and the conveyor belt.

- IIRSA-Amazonas Centro: This road infrastructure project was awarded to Consorcio Desarrollo Vidal for a period of 25 years. The project includes road construction and rehabilitation, as well as road operation and maintenance of 370 km (Puente Ricardo Palma–La Oroya–Huancayo and La Oroya–Cerro de Pasco). The consortium offered to develop ten additional projects to the ones considered in the tender conditions, as well as an additional contribution of over US\$ 26 million.
- Other 10 projects involving investment commitments for a total of US\$ 230 million (3 electricity projects, 6 telecommunications projects, and 1 water and sanitation project, with investments of US\$ 120 million, US\$ 85 million, and US\$ 24 million, respectively).

Furthermore, hydrocarbon exploration and exploitation projects with investment commitments amounting to US\$ 700 million were also given in concession in 2010 to different companies, which have offered royalties of 26 percent on average.

TABLE 57
PRIVATIZATION AND CONCESSIONS 2010
 (Millions of US\$)

SALE OF STOCKS, ASSETS AND CONCESSIONS	DATE	WINNING BIDDER	TRANSACTION OR INVESTMENT
1. Chilca - Marcona - Montalvo transmission line- 500kv	Apr 30	ASA Iberoamérica	291.0
2. Olmos Irrigation Project	Jun 11	H2Olmos S.A. of Grupo Odebrecht	240.0
3. Socabaya Tintaya transmission line and associated substations	Jul 08	Consorcio REI-AC Capitales	43.6
4. Talara - Piura transmission line	Jul 08	Interconexión Eléctrica S.A. E.S.P.	14.6
5. Santa Teresa Hydroelectric power plant	Jul 13	Luz del Sur	150.0
6. IIRSA Eje Amazonas: Stretch 2	Jul 27	Consorcio Desarrollo Vidal	100.0
7. Callao Terminal for shipping mineral concentrates	Aug 05	Consorcio Transportadora Callao	120.3
8. San Gaban - Puerto Maldonado Rural wide band Service	Sep 07	América Movil Perú S.A.C.	8.9
9. Second Group of Regional Airports	Sep 07	Consorcio Aeropuertos Andinos del Perú	257.0
10. Majes - Siguas II	Sep 13	Consorcio Angostura - Siguas	344.0
11. Exploration and Exploitation of Hydrocarbons	Oct 14	Several companies (average royalty of 26%)	700.0
12. Buenos Aires-Canchaque integrated Telecommunications service	Oct 29	Winner Systems S.A.C.	15.9
13. Machupicchu - Abancay - Cotaruse transmission line	Nov 18	Empresa Interconexión Eléctrica S.A. E.S.P.	62.5
14. La Chira Wastewater Treatment Plant	Nov 18	Consorcio La Chira	24.2
15. Cold reserve Generation Project (800MW)	Nov 25	Enersur S.A. y Empresa Eléctrica de Piura S.A	400.0
16. Sale of state owned shares (98.2%) in Millennia Real Estate SA	Dec 21	Several companies	112.0
17. Integration of Rural Areas and places of communities to the Network of Mobile Service - North Central	Dec 28	América Movil Perú S.A.C.	17.2
- South Central	Dec 28	América Movil Perú S.A.C.	15.0
- Selva	Dec 29	América Movil Perú S.A.C.	14.0
18. Broadband for the development of the Apurimac - Ene River Valley and for the development of Camisea communities	Dec 29	Gilat To Home Perú S.A.	14.5
TOTAL			2,944.7

Source: Proinversión, Perupetro, Regional government of Lambayeque.



6. Public debt

The balance of the public debt at December 2010 was US\$ 36,197 million, which implies that the debt balance in GDP terms declined from 27.2 to 23.5 percent compared to the debt balance in 2009. This is mainly explained by the decline of the external debt (from 16.2 to 12.9 percent of GDP) due to a series of debt management operations made by the Peruvian government and, to a lesser extent, by the decline in the domestic debt (from 11.0 to 10.6 percent of GDP).

TABLE 58
PUBLIC DEBT BALANCE 1/ 2/

	Millions of US\$				% of GDP			
	2007	2008	2009	2010	2007	2008	2009	2010
PUBLIC DEBT	31,870	30,648	34,598	36,197	29.7	24.1	27.2	23.5
I. EXTERNAL PUBLIC DEBT 3/	20,081	19,237	20,600	19,905	18.7	15.1	16.2	12.9
Loans	11,820	12,357	11,694	10,597	11.0	9.7	9.2	6.9
International organizations	7,851	7,926	8,311	7,810	7.3	6.2	6.5	5.1
Paris Club	3,883	4,170	3,133	2,548	3.6	3.3	2.5	1.7
Suppliers	60	56	51	40	0.1	0.0	0.0	0.0
International banks	1	186	186	181	0.0	0.1	0.1	0.1
Latin America	20	15	11	9	0.0	0.0	0.0	0.0
Others bilateral organizations 4/	5	3	2	10	0.0	0.0	0.0	0.0
BONDS	8,262	6,880	8,906	9,308	7.7	5.4	7.0	6.0
II. DOMESTIC PUBLIC DEBT	11,789	11,411	13,998	16,292	11.0	9.0	11.0	10.6
1. LONG TERM	10,440	10,183	11,691	14,390	9.7	8.0	9.2	9.3
BANK LOANS	52	68	226	374	0.0	0.1	0.2	0.2
TREASURY BONDS	10,343	10,068	11,414	13,981	9.6	7.9	9.0	9.1
1. Bonds to support the financial system	157	139	122	122	0.1	0.1	0.1	0.1
2. Debt swap bonds 5/	883	769	792	694	0.8	0.6	0.6	0.5
3. Sovereign bonds	6,318	6,196	7,376	10,150	5.9	4.9	5.8	6.6
4. Recognition bonds	2,986	2,964	3,124	3,015	2.8	2.3	2.5	2.0
MUNICIPALITY OF LIMA BONDS	45	48	51	35	0.0	0.0	0.0	0.0
2. SHORT TERM 6/	1,349	1,227	2,307	1,902	1.3	1.0	1.8	1.2
Memo:								
Liabilities of Private-Public Partnerships 7/	698	1,117	1,465	1,635	0.6	0.9	1.2	1.1

1/ Preliminary data.

2/ The bonds are classified according to the market where they were issued. Therefore, the Brady and Global Bonds issued abroad are part of the external public debt, including those purchased by residents. Sovereign bonds issued in the domestic market include those acquired by non-residents.

3/ The external debt includes COFIDE's medium and long term debt and excludes loans to support the balance of payments.

4/ Debt with Eastern Europe countries, the former Soviet Union countries and the People's Republic of China.

5/ D.U. N° 068-99 D.S. N° 002-2007-EF.

6/ Includes Public Treasury overdrafts in Banco de la Nación and credit to the Instituto Nacional de Defensa Civil.

7/ Updated value of the principal for the issue of Certificates of Recognition of Rights for the Annual Payment of works carried out (PAO).

Source: MEF, Banco de la Nación, ONP, and COFIDE

6.1 External public debt

The external debt showed a balance of US\$ 19,905 million, a sum US\$ 695 million lower than the one recorded in 2009 as a result of two debt management operations that generated a net exchange of external debt with domestic debt. The first operation, carried out in April, traded global bonds for US\$ 1,790 million. The second operation, made in December, prepaid external debt for US\$ 2,021 million. Global bond holders and international organizations remained Peru's major creditors.

External disbursements amounted to US\$ 4,261 million, of which US\$ 2,664 million was obtained from placements of global bonds, US\$ 875 million was freely available loans, and US\$ 722 million was funds for investment projects.

The two external debt management operations carried out in the year involved issuances of global bonds for a total of US\$ 2,261 million, while capital earnings amounted to US\$ 403 million.

The freely available loans were mainly obtained from the International Bank for Reconstruction and Development –IBRD– (US\$ 325 million), the Inter American Development Bank –IADB– (US\$ 250 million), and the Corporación Andina de Fomento –CAF– (US\$ 300 million). Moreover, disbursements for investment projects amounting to US\$ 469 million and US\$ 253 million was obtained from international organizations and governments, respectively.

The major investment projects to which these funds were destined included the optimization and construction projects of the water purification plant in Huachipa and Ramal Norte (US\$ 120 million in total), Lima' Tren Urbano (US\$ 216 million), the Peru-Brazil Interoceanic Highway, IIRSA Sur (US\$ 38 million), the Sewerage System and the Installation of the Wastewater Treatment Plant in Iquitos (US\$ 38 million), Transit Improvements in the National Road Network (US\$ 22 million), the Program for the Improvement of Water and Sewerage Systems in Cajamarca (US\$ 21 million), the Project for the Improvement of Water and Sewerage Systems in Lima and Callao (US\$ 19 million), and Metropolitan Lima' Urban Transport Program (US\$ 12 million).

The **amortization** of the external public debt amounted to US\$ 5,268 million. This amount included the debt prepayment operations carried out in December (US\$ 2,021 million) and the debt swap operations carried out in April (US\$ 1,790 million).

6.2 Internal debt

The internal public debt recorded a balance of US\$ 16,292 million, an amount that represented an increase of US\$ 2,294 million. It is worth pointing out that 99.3 percent of this balance is debt issued in domestic currency (S/. 45,422 million). Most of the increase resulted from issuances of sovereign bonds, whose balance increased by S/. 7,199 million.

Sovereign bonds for a total of S/. 6,638 million were issued as part of debt management operations, bonds for a total of S/. 1,140 million were issued to finance the national treasury, and bonds for a total of S/. 1,055 million were issued to finance investments in the regions.

The amortization of the internal public debt amounted to S/. 2,129 million, most of which was sovereign bond maturities (S/. 1,694 million).

6.3 Net debt

The net public debt is the difference between government's assets, defined as total deposits in the financial system, and the respective liabilities, defined as the total public debt. Between 2009 and 2010, this indicator declined from US\$ 18,174 million to US\$ 17,943 million. In GDP terms, the net debt dropped from 14.3 to 11.7 percent.

TABLE 59
NET PUBLIC DEBT

YEAR (December)	Millions of US\$			% of GDP		
	Assets	Liabilities	Net debt	Assets	Liabilities	Net debt
2006	7,958	30,490	22,531	8.6	33.0	24.4
2007	12,736	31,870	19,134	11.9	29.7	17.8
2008	14,803	30,648	15,845	11.6	24.1	12.5
2009	16,424	34,598	18,174	12.9	27.2	14.3
2010	18,254	36,197	17,943	11.9	23.5	11.7

Source: BCRP and MEF.

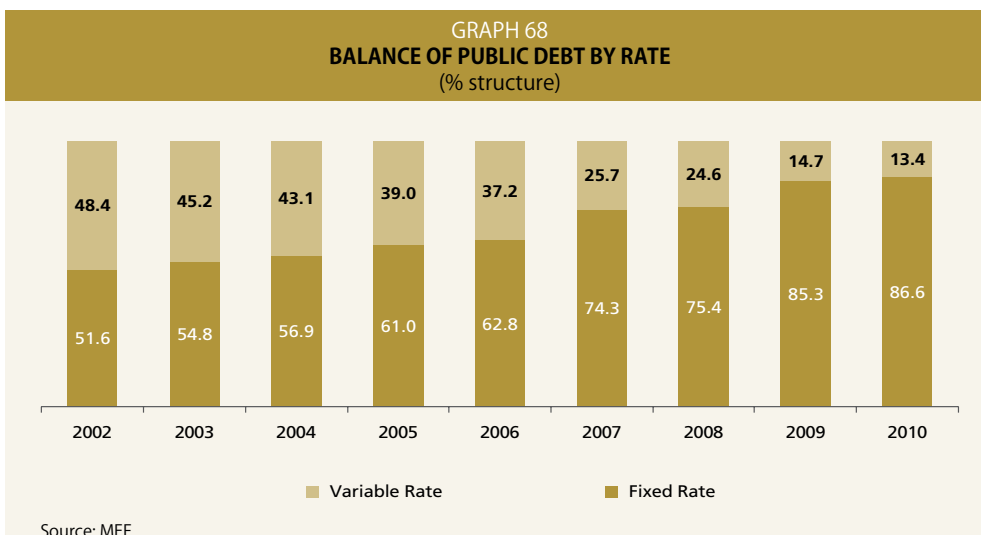
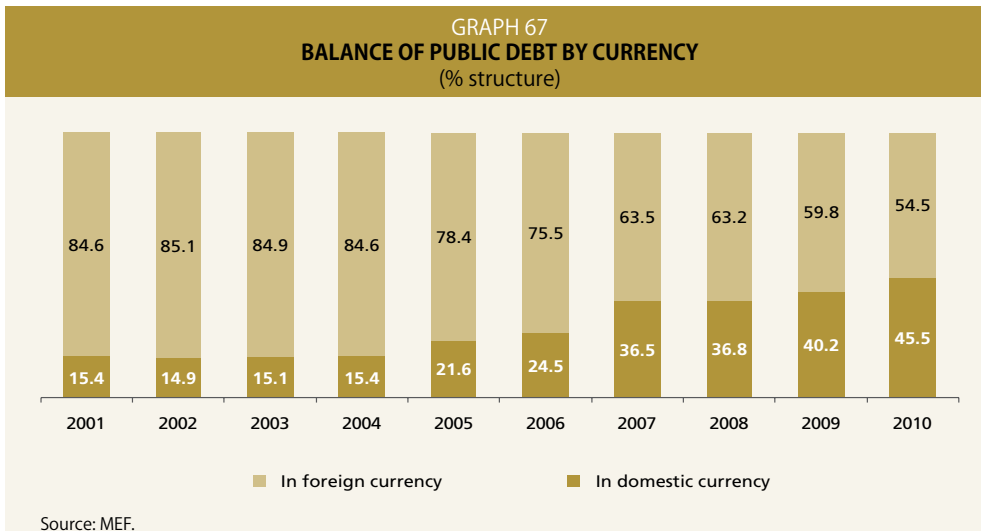


By components, both total assets and total liabilities showed increases. The former increased by US\$ 1,831 million, due to the higher deposits of the national treasury in the financial system (US\$ 1,663 million), while the latter increased by US\$ 1,598 million reflecting the higher debt amount associated with sovereign bonds.

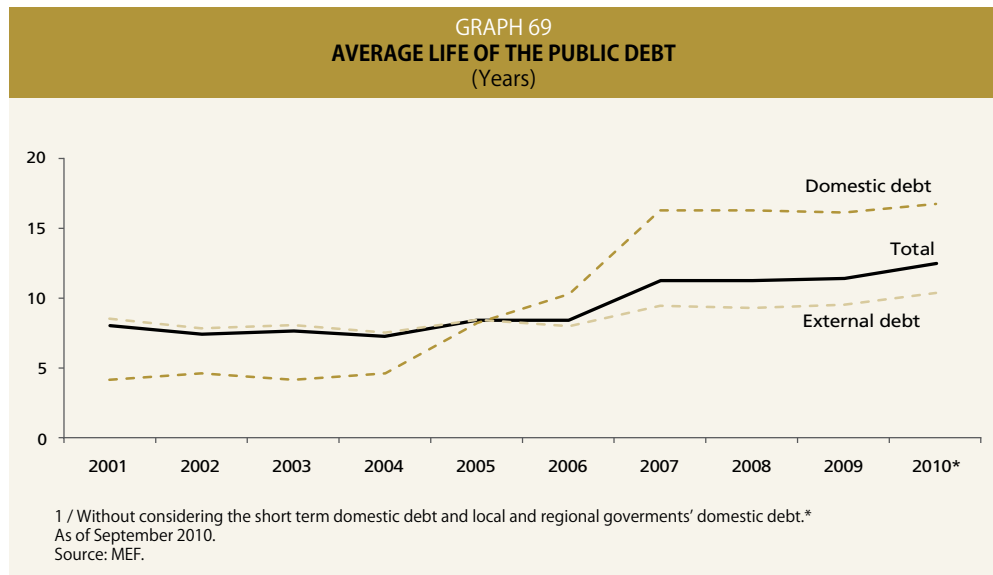
6.4 Other public debt indicators

The debt structure by currency and by type of interest rate are indicators of public liabilities' exposure to risks of volatility in international markets. The risks will be lower if a small part of the debt is contracted in foreign currency, since this reduces the cost of unexpected increases in the exchange rate, and if only a small part of the debt is contracted at variable interest rates, since this prevents higher costs if global rates increase.

These indicators showed favorable paths in the last decade due to debt management operations that have allowed the part of the debt in foreign currency to decline from 84.6 percent at end 2001 to 54.5 percent at end 2010. Moreover, the part of the debt contracted at a variable interest rate has decreased from 48.4 percent in 2002 to 13.4 percent in 2010.



The average life of the debt –indicator of the average period before the service of a debt is scheduled to be paid– reflects the period during which the resources required must be obtained to meet debt maturities. Between 2001 and 2010, this indicator increased from 8 to 13.4 years.

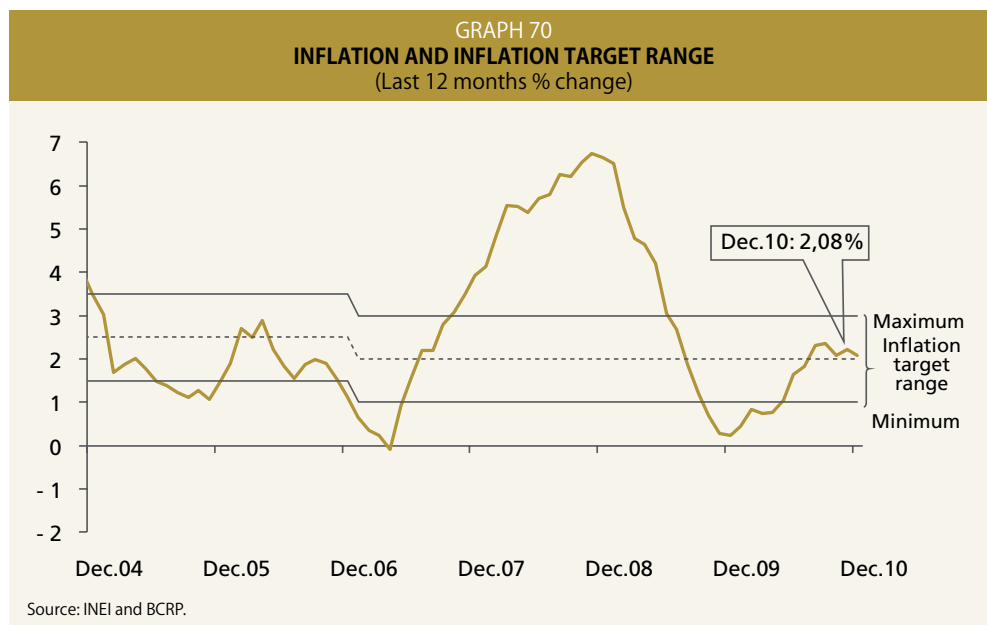


IV.

Inflation

After showing a rate of 0.25 percent at end 2009, inflation recorded a rate of 2.08 percent in 2010. The higher pace of growth of domestic prices was mainly associated with the rise in the international prices of some food products and fuels, as well as with adverse climate conditions that affected the prices of some foodstuffs.

Since 2002 the BCRP's monetary policy is based on an inflation targeting regime, with an inflation target of 2.0 percent, plus or minus one percentage point (between 1.0 percent and 3.0 percent). Reflecting the Central Bank's permanent commitment with monetary stability, compliance with the inflation target is continuously evaluated. Monetary policy actions have a preventive nature and are aimed at maintaining the rate of inflation within the announced target range. Inflation may transitorily divert from the target as a result of domestic supply shocks or changes in the prices of imported products.

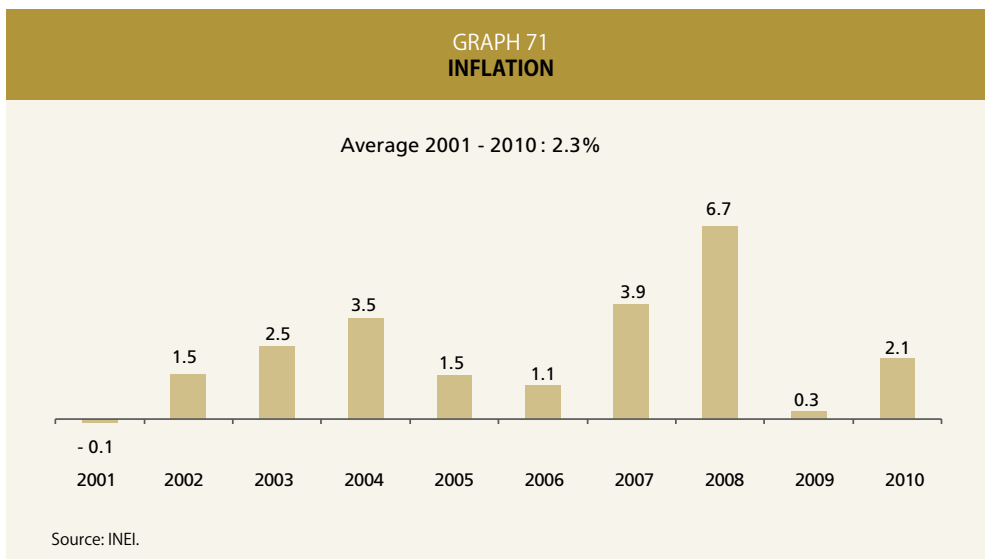




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In spite of the strong dynamism recorded in several indicators of Peru's economic activity, inflation remained very close to the inflation target reflecting that inflation expectations continued to be anchored around the Central Bank's target.

In 2001-2010 the average inflation rate was 2.3 percent, which reflects monetary policy's commitment to maintaining price stability within the target range levels in the long term. Core inflation showed an average rate of 2.0 percent in the same period. It should be pointed out that Peru recorded the lowest inflation rate in the region between 2001 and 2010.



Core inflation

After the economic slowdown observed during 2009 due to the impact of the international financial crisis, the Peruvian economy recovered its dynamism driven by economic agents' favorable expectations, which reflected in the evolution of both consumption and private investment. As a result of this, the output gap started gradually closing up in 2010 after having shown negative values during 2009.

In this context, and with inflation expectations anchored around the target, **core inflation** –component reflecting the trend of inflation associated with demand factors in the domestic economy– recorded 2.1 percent, a rate slightly higher than the inflation target.

The appreciation of the nuevo sol against the dollar and strong competition in the market of industrial products with high imported components were other factors that also contributed to maintain relatively low core inflation levels. The lower pace of growth in the prices of products such as personal grooming items (whose growth rate declined from 3.0 percent in 2009 to 0.6 percent) and cleaning items (whose growth rate fell from 7.3 to -2.8 percent) offset the increase observed in other items like meals outside the home (up from 3.3 to 3.9 percent).

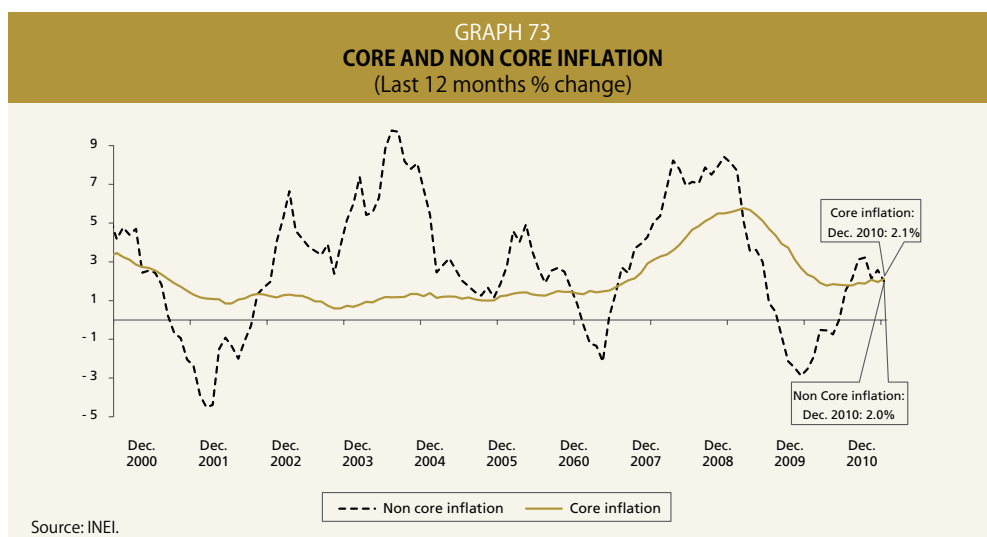
Non-core inflation

The rate of **non-core inflation** rose from -2.5 percent in December 2009 to 2.0 percent in December 2010, mainly as a result of higher fuel prices (up from -12.7 to 12.2 percent) and food prices (up from -1.4 to 1.2 percent). The rise in the case of the former was associated with the rise in the international price of crude, while the rise in the case of the latter in the domestic market was associated with the higher prices of imported inputs and with supply shocks.

TABLE 60
INFLATION
(Annual % change)

	Weight 2009 = 100	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Average 2001-2010
I. Core inflation	65.2	1.30	1.23	0.73	1.23	1.23	1.37	3.11	5.56	2.35	2.12	2.01
1. Food	23.0	0.45	0.70	0.19	2.29	0.80	1.42	4.90	8.35	2.58	3.20	2.46
2. Non food	42.2	2.14	1.59	1.07	0.50	1.63	1.28	1.89	3.51	2.16	1.53	1.73
a. Goods	21.7	2.16	1.46	0.65	-0.38	0.87	0.64	1.72	3.29	2.32	1.07	1.37
b. Services	20.5	2.12	1.81	1.76	1.72	2.47	2.28	2.03	3.91	1.96	2.01	2.21
II. Non core	34.8	-2.36	1.96	5.16	6.75	1.87	0.83	5.07	8.11	-2.54	2.00	2.63
1. Food	14.8	-0.99	0.28	3.73	5.82	1.62	2.06	7.25	10.97	-1.41	1.18	2.98
2. Non food	20.0	-4.27	4.22	7.00	7.90	2.17	-0.67	2.37	4.39	-4.10	2.60	2.08
a. Fuels	2.8	-13.14	15.60	8.94	17.77	6.89	-1.50	6.45	-0.04	-12.66	12.21	3.53
b. Transportation	8.9	-0.02	0.11	10.99	3.49	1.29	1.12	0.82	5.86	0.37	1.94	2.55
c. Public Services	8.4	-2.73	1.96	-1.98	6.19	-1.72	-3.22	0.24	7.48	-2.31	0.01	0.33
III. Total	100.0	-0.13	1.52	2.48	3.48	1.49	1.14	3.93	6.65	0.25	2.08	2.27
Memo:												
Food	37.8	-0.21	0.50	1.89	4.00	1.13	1.76	6.02	9.70	0.57	2.41	2.74
CPI without food	62.2	-0.09	2.44	3.04	3.03	1.75	0.61	2.02	3.86	-0.07	1.87	1.84
CPI without food and energy	56.4	1.65	1.06	2.86	1.09	1.36	1.28	1.49	4.25	1.71	1.38	1.81

Source: INEI and BCRP.



The items that contributed most to increase the rate of inflation were meals outside the home, education (tuition and fees), and gasoline, while the items that contributed most to the decline in the inflation rate were poultry, eggs, and telephone rates, all of which are non-core inflation components.

TABLE 61
INFLATION 2010

	Weight 2009 = 100	% Change	Weighted contribution
I. CORE INFLATION	65.2	2.1	1.38
Goods	32.9	1.5	0.50
Food and beverages	11.3	2.4	0.27
Textiles and footwear	5.5	2.6	0.14
Domestic appliances	1.3	-0.6	-0.01
Other industrial products	14.9	0.7	0.10
Services	32.2	2.7	0.88
Meals outside the home	11.7	3.9	0.47
Education	9.1	3.4	0.31
Health	2.4	-0.2	-0.01
Rent	1.1	2.8	0.03
Other services	7.9	1.0	0.08
II. NON-CORE INFLATION	34.8	2.0	0.69
Food	14.8	1.2	0.17
Chicken meat	3.0	-14.2	-0.44
Bread	1.9	1.1	0.02
Rice	1.9	1.7	0.03
Potato	0.9	11.2	0.09
Sugar	0.5	25.1	0.16
Noodles	0.5	1.6	0.01
Oils	0.5	-1.6	-0.01
Other foodstuff	5.6	5.7	0.31
Fuels	2.8	12.2	0.34
Oil and lubricants	1.3	16.4	0.22
Gas	1.4	8.8	0.12
Transportation	8.9	1.9	0.17
Urban Fares	8.5	1.8	0.15
National Transportation	0.3	6.0	0.02
Public services	8.4	0.0	0.00
Electricity	2.9	1.4	0.04
Telephone	2.9	-3.8	-0.11
Water consumption	1.6	4.5	0.07
III. CPI	100.0	2.1	2.08
<u>Memo:</u>			
Food	37.8	2.4	0.91
CPI excluding food	62.2	1.9	1.16

Source: INEI and BCRP.

Food products with a positive contribution to inflation

- **Sugar:** The price of sugar rose 25.1 percent in 2010. This rise reflected the evolution in the international price of this product, which increased from an average level of US\$ 557/ton for contract 11 sugar in December 2009 to US\$ 779/ton in December 2010 (40 percent), influenced by the drop of global supply and by India's higher demand. In the domestic market, the production of sugar fell 2.8 percent affected by adverse climate conditions and by some strikes and technical stoppages.
- **Fresh and frozen fish:** Fishing declined due to low sea temperatures caused by a La Niña episode and anomalous waves that hindered this activity. As a result of this, the catch of fish for human consumption contracted 8.2 percent in the year, while the price of fresh and frozen fish increased 15.7 percent,
- **Potato:** The price of this crop registered several episodes of rises during the year due to supply problems that affected normal supply. The price of potatoes rose early in the year due to the effect of rains, while the rise observed in mid-2010 was associated with the temporary time gap that arose between the close of the crop year in the Sierra and the beginning of the crop year in the Coast. The price of potatoes increased 11.2 percent in 2010.

Food products with a negative contribution to inflation

- **Chicken meat and eggs:** The price of chicken dropped 14.2 percent on average as a result of higher supply. The placements of baby chicken increased 7 percent compared to 2009, while sales in distribution centers in Metropolitan Lima increased from 500 thousand units per day in 2009 to 539 thousand units per day in 2010 (8 percent).

The domestic production of eggs grew 6.1 percent in the year, leading the price of eggs to drop 6.4 percent.

Education: tuition and fees

education costs (tuition and fees), which increased 3.4 percent, contributed with nearly 0.3 percentage points to this year's inflation rate. This result is explained by the adjustments in school education costs that are usually made at the beginning of the school year and by the adjustments in university and higher education tuition rates made over the year.

Fuels

The price of fuels increased 12.2 percent in 2010 due to the rise in the international price of crude and to the lower resources allocated to the Fuel Price Stabilization Fund during the year. It is worth pointing out that S.D. No. 027.2010 established that the price bands of all types of fuels would be updated on a bi-monthly basis, provided that the international parity price was above the upper limit or below the lower limit of the band. These fuel price adjustments could not be higher than 5 percent, except in the case of LPG whose maximum variation was established at 1.5 percent.

Thus, the price of gasoline and lubricants increased 16.4 percent, while the price of gas increased 8.8 percent. However, the highest price increase was recorded in July (2.1 percent), when the supply of imported GDP gas was affected by abnormal waves that hampered its landing in the port of Callao.

The contract price of WTI crude rose from an average value of US\$ 74.5/barrel in December 2009 to US\$ 89.2/barrel at end December 2010.



TABLE 62
FUEL PRICES
(Annual % change)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Average 2001-2010
Fuels	- 13.1	15.6	8.9	17.8	6.9	- 1.5	6.4	0.0	- 12.7	12.2	3.5
Gasoline	- 11.4	15.7	9.7	17.7	9.2	- 6.2	10.7	- 6.1	- 15.8	16.4	3.3
Gas	- 12.3	11.3	4.2	15.3	- 10.9	0.3	1.3	2.7	- 4.6	8.8	1.2
Price of WTI 1/ oil (end of period)											
US Dollar	19.3	29.4	32.1	43.2	59.4	62.0	91.4	41.4	74.3	89.2	
Nuevos soles	66.4	103.5	111.6	141.9	203.5	198.8	272.4	129.1	213.8	251.2	

1/ West Texas Intermediate.
Source: INEI and Bloomberg.

Utilities

Electricity rates: Electricity rates increased 1.4 percent due to the adjustments established by the sector’s regulating entity, OSINERGMIN, in the months of February and November. The purpose of these adjustments was to update the generation, transmission and distribution rates in accordance with the higher costs resulting from the rises in the prices of fuels and metals like aluminum and copper. These increases were offset by a rate reduction in May (-2.8 percent) as a result of the elimination of the generation charge levied for the transportation of natural gas.

Water rates: Water rates increased 4.5 percent. This increase was associated with the implementation of SEDAPAL’s new rate structure in May, in the frame of the process established by SUNASS, the regulating entity, to set the water rates for the period 2010-2015.

Telephone rates: These rates declined 3.8 percent as a result of the implementation of the quarterly Productivity Factor adjustment decreed by OSIPTEL for fixed telephony rates. Rate reductions included residential telephone services (7.2 percent), international long distance calls (1.8 percent), and telephone cards for calls to fixed telephones (5.0 percent).

The Productivity Factor is one of the main components applied in the regulation scheme. In September, OSIPTEL established a new factor that will be effective until August 2013.

TABLE 63
PUBLIC UTILITIES RATES
(% change)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Average 2001-2010
Public utilities	- 2.7	2.0	- 2.0	6.2	- 1.7	- 3.2	0.2	7.5	- 2.3	0.0	0.3
Electricity	- 6.3	7.9	- 4.6	12.0	- 2.5	- 7.3	1.9	6.3	- 4.6	1.4	0.2
Telephone	1.1	- 8.3	0.3	- 2.0	- 7.0	- 6.2	- 7.2	- 4.2	- 1.4	- 3.8	- 3.9
Water	0.0	2.3	0.9	3.0	5.2	8.5	3.2	18.9	0.0	4.5	4.5

Source: INEI.

Imported inflation

The imported component of the CPI increased mainly due to the 12.2 percent rise recorded in the prices of fuels and due to the rise registered in food prices (the latter increased from -3.1 percent to 0.8 percent). This was offset by the appreciation of the exchange rate.

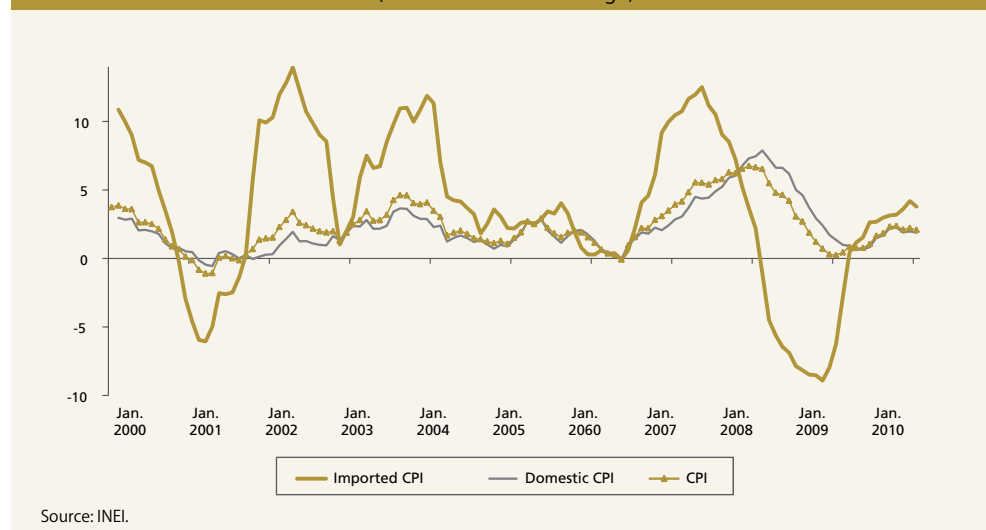
TABLE 64
DOMESTIC AND IMPORTED INFLATION
(Acummulated % change)

	Peso	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Average 2001-2010
I. IMPORTED CPI	10.8	-4.61	10.30	3.03	11.33	2.18	0.27	10.46	2.20	-6.25	3.78	3.11
Food	3.0	-1.18	9.98	-0.10	10.90	-1.49	2.08	18.83	4.75	-3.07	0.76	3.94
Fuels	2.8	-13.14	15.60	8.94	17.77	6.89	-1.50	6.45	-0.04	-12.66	12.21	3.53
Domestic appliances	1.3	-0.19	3.42	-1.91	-2.83	-1.23	-1.29	-1.50	-0.06	-2.39	-0.58	-0.87
Other	3.7	4.99	3.39	1.40	3.23	2.27	0.64	0.47	0.46	-0.34	1.20	1.76
II. DOMESTIC CPI	89.2	0.47	0.30	2.40	2.28	1.38	1.28	2.84	7.44	1.35	1.87	2.14
III. CPI	100.0	-0.13	1.52	2.48	3.48	1.49	1.14	3.93	6.65	0.25	2.08	2.27
Exchange rate		-2.40	2.29	-1.23	-5.48	4.36	-6.40	-7.00	4.47	-7.59	-2.15	-2.21

Source: INEI and BCRP.

In 2010, inflation's pace of growth was buffered by the fact that the cost increases associated with the recovery of international prices during the year did not originate increases with the same magnitude in domestic prices given that the drop in international prices in 2009 was not completely reflected in final prices.

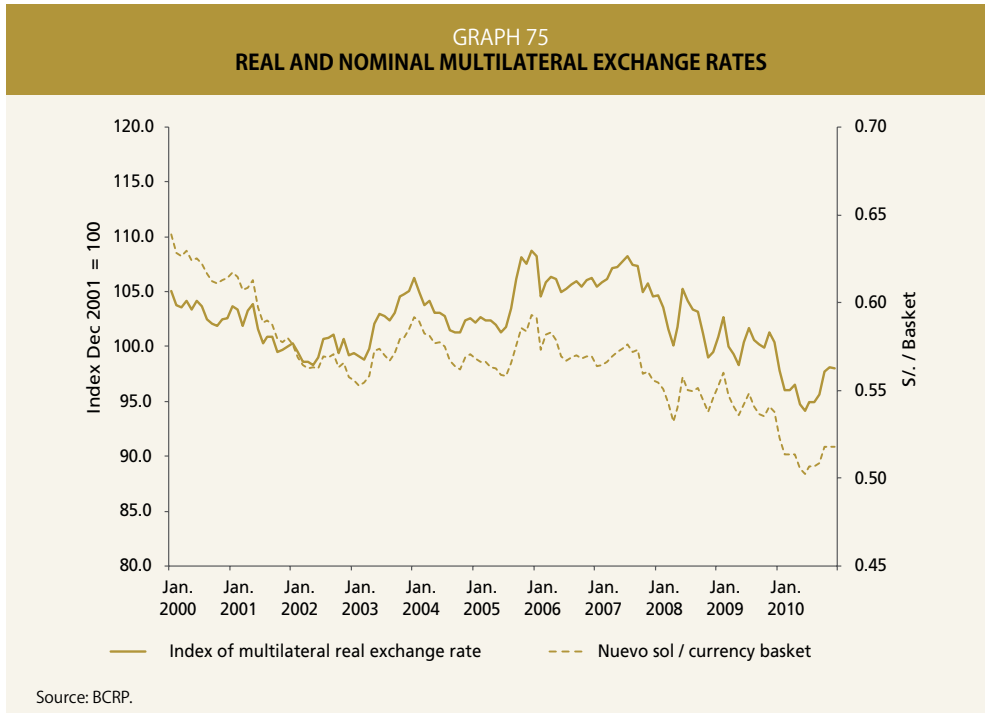
GRAPH 74
DOMESTIC AND IMPORTED COMPONENTS OF INFLATION
(Last 12 months % change)





Exchange rate

In addition to this, in 2010 the sol appreciated 2.1 percent against the US dollar, with the sol/US dollar exchange rate declining from S/. 2.88 in December 2009 to S/. 2.82 in December 2010. Moreover, the sol appreciated 3.7 percent against the currency basket of our 20 main trading partners, from S/. 0.537 in December 2009 to S/. 0.518 in December 2010. In real terms, the multilateral exchange rate index appreciated 2.3 percent, from a level of 100 in December 2009 to a level of 98 in December 2010.



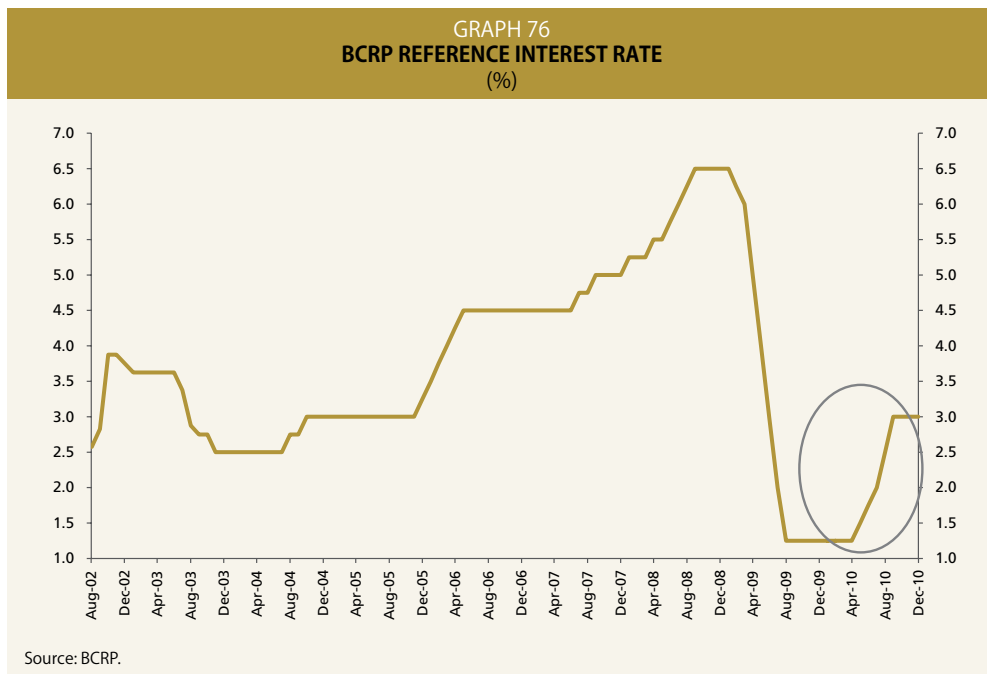
Liquidity and credit

The rise in the reference interest rate was coupled by rises in the rates of reserve requirements in both domestic currency and foreign currency due to the significant portfolio capital inflows observed.

1. Monetary Policy

In a context of rapid recovery of domestic economic activity coupled by a resurgence of capital inflows, monetary policy actions in 2010 were aimed at gradually withdrawing the monetary stimulus implemented in 2009.

In this context, the Central Bank initiated a cycle of adjustments in the reference rate, raising it from a historical minimum rate of 1.25 percent to 3.0 percent in December. These adjustments were mainly preventive since no inflationary pressures were observed and inflation expectations were within the target range.





The rise in the reference rate was coupled by rises in the rates of reserve requirements in both domestic currency and foreign currency given the significant inflows of portfolio capitals to an economy with high levels of financial dollarization. Thus, the following measures were adopted in terms of reserve requirements during 2010:

- a. The rate of minimum legal reserves was raised from 6.0 to 9.0 percent, with an exemption of S/. 50 million or 5.6 percent of total liabilities subject to reserve requirements, the lower amount.
- b. Banks' minimum requirement in current account was raised from 1.0 to 3.0 percent.
- c. The rate of marginal reserves in domestic currency was set at 12 percent in August and raised to 25 percent in October 2010.
- d. The rate of marginal reserves in foreign currency was raised from 30 to 55 percent.
- e. The rate of mean reserves in foreign currency was raised by 0.5 percentage points relative to the implicit rate of reserves during July 1-31, 2010.
- f. The rate of reserves for non resident financial entities was raised from 35 to 120 percent.
- g. The rate of reserves of short term liabilities was raised from 35 to 75 percent.

TABLE 65
RESERVE REQUIREMENTS POLICIES

	Legal minimum reserve requirement	Domestic Currency			Foreign currency			
		Marginal reserve requirement for deposits	Increase in the average reserve requirement	Reserve requirement for non-residents	General regime		Foreign liabilities	
					Marginal reserve requirement on deposits	Increase in the average reserve requirement	Short-term	Long-term
May-06	6%				30%		30%	30%
Sep-07	6%				30%		30%	0%
Mar-08	8%	15%		15%	40%		40%	0%
Apr-08	9%	20%		40%	45%		45%	0%
Jul-08	9%	25%		120%	49%		49%	9%
Oct-08	9%			120%	35%		0%	0%
Dec-08	7.5%			35%	30%		0%	0%
Mar-09	6%			35%	30%		0%	0%
Feb-10	6%			35%	30%		35%	0%
Jul-10	7%			40%	35%		40%	0%
Aug-10	8%	12%		50%	45%	0.1%	50%	0%
Sep-10	8.5%	15%		120%	50%	0.2%	65%	0%
Oct-10	9%	25%		120%	55%	0.2%	75%	0%
Nov-10	9%	25%		120%	55%		75%	0%
Dec-10	9%	25%		120%	55%		75%	0%

Source: BCRP.

The rise in the reference rate passed through to the rest of interest rates, especially to the rates with shorter terms and lower credit risks, contributing in this way to generate appropriate monetary and credit conditions that allowed an evolution of domestic demand compatible with maintaining inflation within the target range.

BOX 6

ASYMMETRY IN THE MONETARY POLICY INTEREST RATE PASS-THROUGH

The pass-through effect measures how changes in the monetary policy rate are transmitted to the rest of interest rates in the financial system, that is, to lending and deposits rates. The pass-through results from the combination of two effects: the first, **the long term pass-through**, refers to the effect that, for example, an increase of 100 bps in the monetary interest rate has on the commercial rate in terms of percentage points. If this effect is equal to 100 bps, then the pass-through is complete. When this effect is lower than the increase in the benchmark rate, the pass-through is incomplete.

The second is the **speed of the pass-through**, which measures how many months the monetary policy shock takes to be transmitted into commercial rates. This indicator refers to factors that affect the pass-through mechanism in the short term. The greater the speed of adjustment, the lower time it will take the long term pass-through to materialize and, in this sense, the greater the impact of the interest rates channel.

In addition to analyzing whether the pass-through is complete, it is relevant to analyze if there is evidence of asymmetry in this mechanism, that is, to analyze if the characteristics of the pass-through are the same if the policy rate is increased or if it is lowered. Findings (see table) suggest that the pass-through in the case of lending rates is faster when the reference rate increases. For example, 50 percent of the long-term effect is passed-through to the 90-day corporate rate in 6 months when the benchmark rate is reduced, while it takes only 2 months when the benchmark rate is increased.

The evidence in the case of deposit rates is mixed. The pass-through to shorter-term rates (savings and deposits up to 30 days) is faster when the policy rate declines or remains the same, and it is slower when the reference rate rises. In contrast, the pass-through to interest rates on longer-term rates (31 to 170 day-deposits and 180 to 360-day deposits) is faster when the policy rate increases than when it declines or remains the same.

ASYMMETRY IN THE INTEREST RATES PASS-THROUGH RATES AFTER CHANGES IN THE REFERENCE RATE

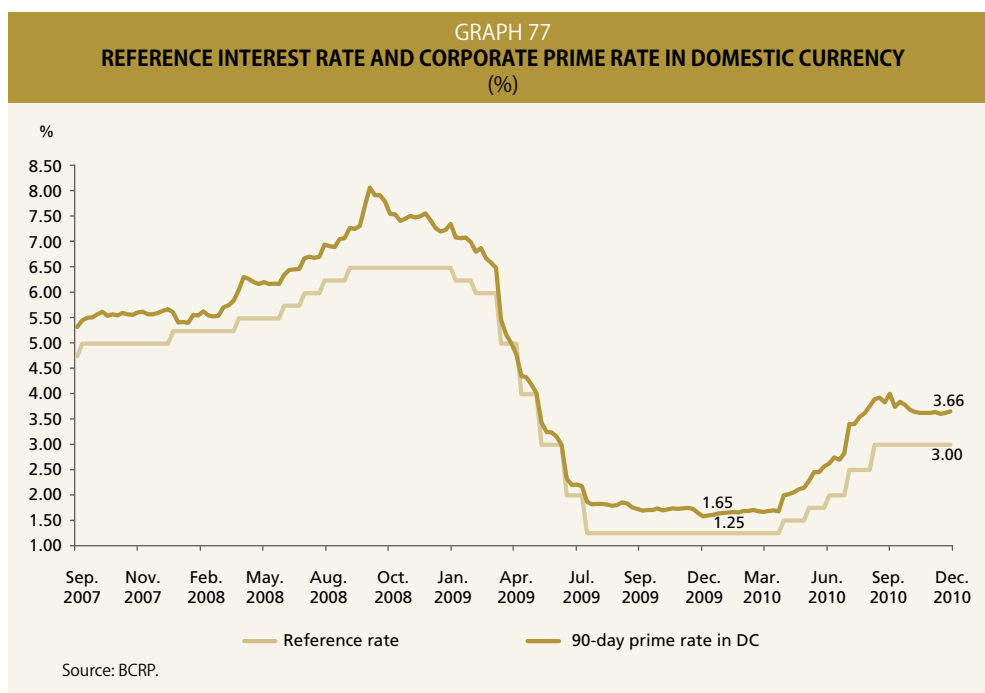
	Decrease or maintenance of the reference rate			Increase of the reference rate				
	Long term pass through	Months for the shock to be transmitted			Long term pass-through	Months for the shock to be transmitted		
		50%	75%	90%		50%	75%	90%
Lending rates								
30-days corporate Prime rate	1.04	6.1	12.2	20.2	1.04	2.4	4.8	8.0
360-days loans	0.68	6.0	11.9	19.8	0.68	5.1	10.2	16.9
Borrowing rates								
Savings	0.46	4.0	7.9	13.2	0.46	8.9	17.8	29.5
30-day deposits	0.86	1.6	3.2	5.4	0.86	1.9	3.8	6.2
180-day deposits	0.81	1.2	7.3	12.1	0.81	2.0	4.0	6.6
360-day deposits	0.70	4.7	9.3	15.5	0.70	4.0	8.1	13.4

Source: BCRP.



2. Interest rates

The interest rates on corporate loans in nuevos soles increased from 2.08 in May to 3.66 percent in December, while the interest rates on corporate loans in dollars increased from 1.61 to 2.14 percent in the same period.



The average rate on loans in domestic currency (FTAMN) increased from 20.1 percent in May to 22.8 percent in December. Deposit rates also increased: the interest rate on 30-day deposits increased by 100 bps, from 1.2 percent to 2.2 percent, while the interest rate on over 180-day deposits increased from 3.6 percent to 3.8 percent¹³.

The higher rate of mean reserve requirements in domestic currency, which increased from 5.9 to 11.7 percent between February and December, was another factor that contributed to increase interest rates, particularly in the case of savings and loans in domestic currency.

TABLE 66
INTEREST RATES ON OPERATIONS IN NUEVOS SOLES
(%)

	2008	2009	2010
1. Interbank rate	6.5	1.2	3.0
2. Deposits up to 30 days	6.5	1.2	2.2
3. 181-day to 360-day term deposits	6.3	3.6	3.8
4. Corporate prime rate	7.5	1.7	3.6
5. FTAMN 1/	22.5	19.3	22.8

1/ The FTAMN is the average market lending rate of the operations carried out in the last 30 business days.
Source: BCRP and SBS.

¹³ The liabilities of local banks' external branches operating in the domestic market were included as part of total liabilities subject to reserve requirements since January 2011 (Circular No. 048 -2010-BCRP).

TABLE 67
EVOLUTION OF AVERAGE RESERVE REQUIREMENT

	National currency 1/	Foreign currency 2/
May 2006	6.0%	29.2%
September 2007	6.0%	29.1%
March 2008	8.8%	24.8%
April 2008	12.7%	26.2%
July 2008	12.7%	26.7%
October 2008	1.5%	27.8%
December 2008	8.9%	27.3%
March 2009	6.4%	27.3%
February 2010	5.9%	27.0%
July 2010	7.0%	27.2%
August 2010	8.4%	27.5%
September 2010,3/	9.0%	27.4%
October 2010	11.0%	26.1%
November 2010	11.5%	24.7%
December 2010	11.7%	24.6%

1/ Includes obligations under the special regime.

2/ Consider the total bank obligations.

3/ Reserve requirement on short-term external liabilities rose to 75% as from September 12.

Source: BCRP.

As a result of the increase of the rate of reserve requirements, the interest rates in domestic currency have also increased. The lending rate on corporate loans in dollars increased by one percentage point between end 2009 and end 2010 (from 1.2 to 2.1 percent). Likewise, the deposit rate for 30-day deposits rose from 0.4 to 0.9 percent. In the case of the average lending rates, the FTAMEX rose from 7.2 to 7.9 percent between May and December, after having reached a maximum level of 8.6 percent in September.

TABLE 68
INTEREST RATES ON OPERATIONS IN US DOLLARS
(%)

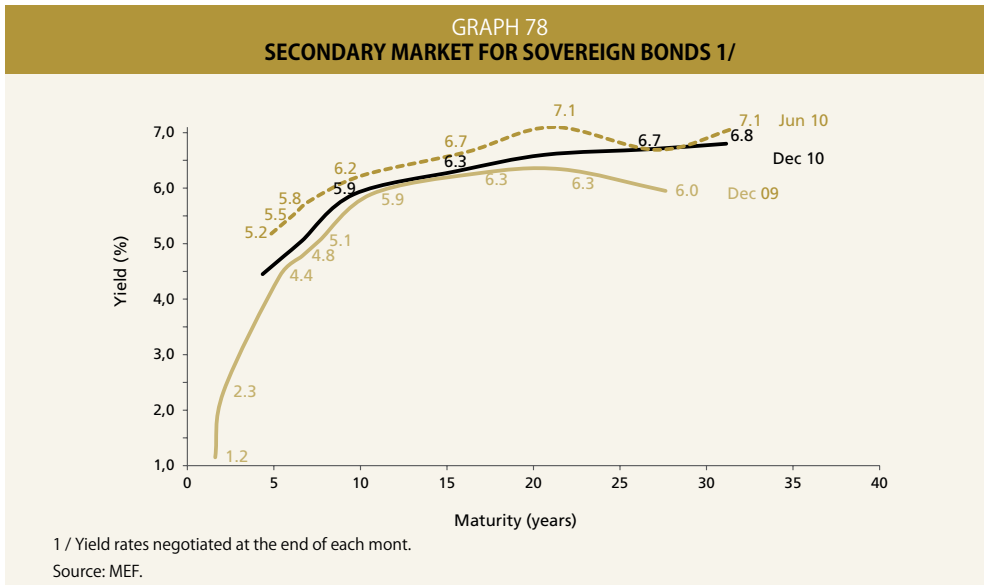
	2008	2009	2010
1. 3-month libor rate	1.8	0.3	0.3
2. Interbank rate	1.0	0.2	1.1
3. Deposits (up to 30 days)	0.9	0.4	0.9
4. 181-day to 360-day term deposits	4.5	2.4	1.7
5. Corporate prime rate	5.2	1.2	2.1
6. FTAMEX 1/	10.5	8.0	7.9

1/ FTAMEX is the average market lending rate, of the operation carried out in the last 30 business days.

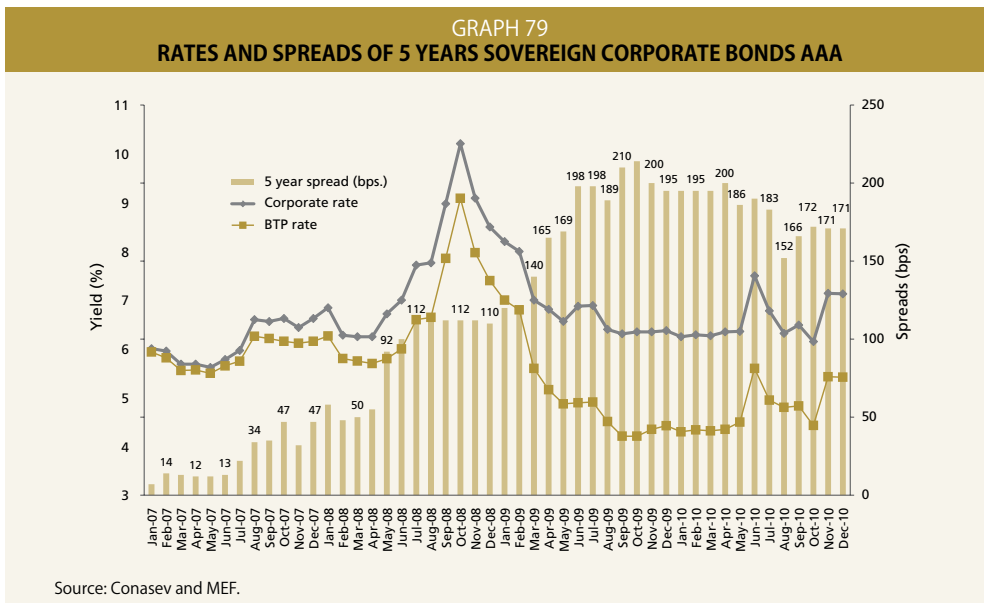
Source: BCRP and SBS

The reversal observed in the increase of rates in foreign currency is associated with the higher availability of liquidity in this currency and with banks' actions aimed at replacing their short term liabilities subject to reserve requirements by long term liabilities not subject to reserve requirements as from Q3-2010. In addition to this, some banks obtained financing through their branches abroad, since these branches were not subject to reserve requirements until end 2010.

On the other hand, the evolution of the yield curve on sovereign bonds was influenced both by the evolution of risk aversion in this market in connection with uncertainty in European countries with debt problems and by the Central Bank's monetary policy stance. These two factors generated parallel steep movements in the yield curve, the longer tranche of the curve showing the highest increase. The yield on 28 year bonds reached 6.8 percent at end 2010 (versus 6.0 percent in 2009).



The risk spreads charged for corporate bond issuances showed a downward trend during 2010.



3. Exchange rate

In 2010, the sol appreciated 2.8 percent against the dollar in nominal terms (from S/. 2.887 to S/. 2.807) and 2.1 percent in real terms. The evolution of the exchange rate was influenced by the high volatility observed in international financial markets associated with the debt problems in the Eurozone peripheral countries, by capital inflows to emerging economies, and by the Central Bank's interventions in the foreign exchange market aimed at reducing excessive exchange rate volatility.

During 2010, the domestic exchange market went through greater appreciation pressures due to the greater supply of dollars in both the spot and the forward markets. This increased dollar supply came from the AFPs and non resident investors which moved from a position demanding US\$ 746 million in 2009 to a net position offering US\$ 1,975 million in 2010.

Moreover, local economic agents increased their supply of dollars from US\$ 3,116 million in 2009 to US\$ 7,841 million in 2010. On their side, banks continued losing their exchange rate position generating an additional supply of dollars, although it was not very different from the one they generated in 2009.

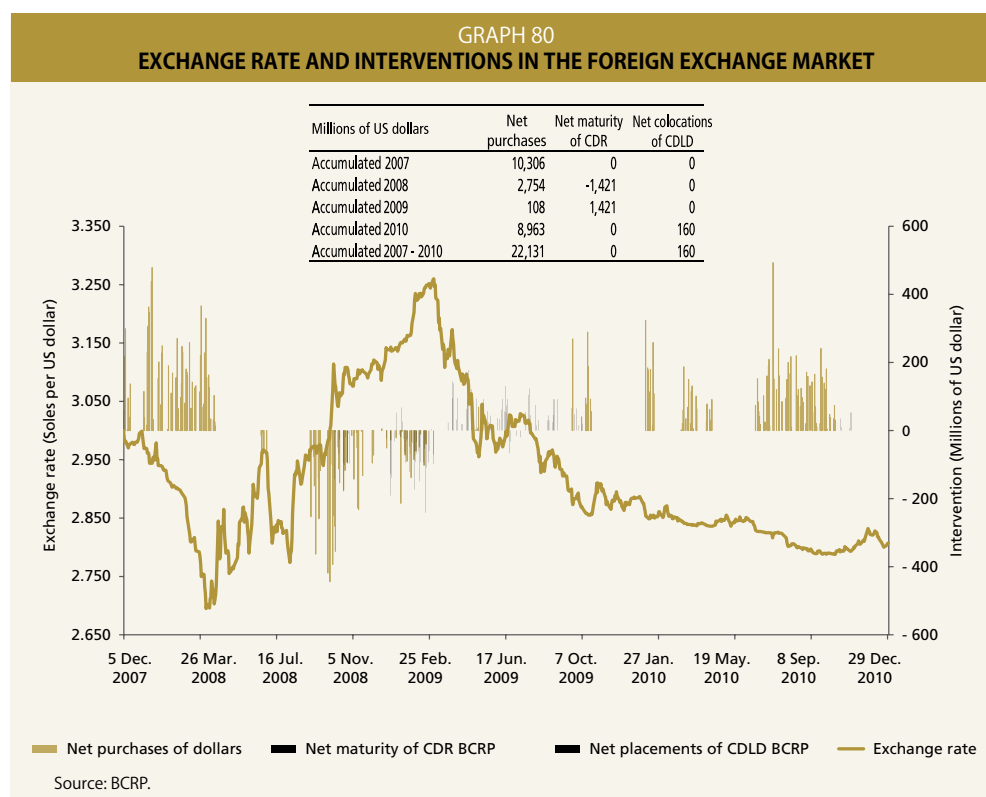
In this context, the BCRP intervened in the exchange rate market purchasing US\$ 8,963 million and placing CDLD BCRP for a total of US\$ 160 million to reduce the effects of this increased supply of dollars on the volatility of the exchange rate.

TABLE 69
FLows IN THE FOREIGN EXCHANGE MARKET
(Millions of US dollars)

	2008	2009	2010
Non residents	3,006	- 479	- 1,374
<i>Spot</i>	110	1,043	- 1,601
<i>Forward</i>	2,895	- 1,522	227
Pension funds	- 398	1,225	- 600
<i>Spot</i>	355	1,788	868
<i>Forward</i>	- 753	- 563	- 1,469
Private	- 4,208	- 3,116	- 7,841
Banco de la Nación and financial companies	- 29	1,090	1,083
Banks international position	296	- 249	- 391
BCRP intervention	1,333	1,529	9,123

1/ A positive sign indicates demand and a negative sign indicates supply.
Source: BCRP.

As a result of these operations, the Central Bank accumulated international reserves for a total of US\$ 10,970 million during 2010, reaching a record high in terms of the flow of international reserves and increasing the balance of NIRs from US\$ 33,135 million in December 2009 to US\$ 44,105 million at end 2010.





BOX 7

READJUSTMENT IN VALUATION: ARTICLE 89 OF THE BCRP ORGANIC LAW

Financial statements are useful tools for analysis when they reflect the administration’s management. A misregistration can distort the assessment of the status of an entity and the fulfillment of its objectives.

The primary objective of the Banco Central de Reserva del Peru (BCRP) in terms of monetary policy is to maintain price stability. To do so, the Central Bank uses a broad set of instruments, such as purchases and sales of foreign currency, placements of CD-BCRP, and auctions of deposits. The BCRP also administers the country’s international reserves based on the criteria of safety, liquidity and profitability.

Because of the BCRP’ macroeconomic objectives, the criterion of recording the fluctuations in the value its assets in the income statement could distort the proper assessment of the bank’s performance. To avoid such distortions in the financial statements, the BCRP accounting isolates the impact of temporary fluctuations in the value of currencies on the main financial statements.

Article 89 of the BCRP’s Organic Law establishes that readjustments in the value in local currency of the Bank’s assets and liabilities must be recorded in a special account and that these adjustments must not be considered as gains or losses. In accordance with the recommendations of accounting principles, the Central Bank has decided to record these adjustments in valuation in a special account in “equity”.

The following simple example illustrates the accounting procedure used to record fluctuations in the value of the currencies of reserves in the “Organic Law Article 89” account. Let’s suppose that the BCRP has assets and liabilities in soles and US dollars, and that the balance is valued at an exchange rate of S/. 1.0 per US dollar. Let’s also suppose that the Central Bank has assets for a total of US\$ 100, liabilities for a total of S/. 80, and an equity of S/. 20 (S/. 10 in capital and S/. 10 in profits).

Exchange rate: S/. 1.0			
Assets:	S/. 100	Liabilities:	S/. 80
In US Dollar	US\$ 100		
		Equity:	S/. 20
		- Capital	S/. 10
		- Earnings	S/. 10
		- L.O. Art. 89	S/. 0

If the exchange rate rose to S/.1.5 per US dollar, the assets denominated in soles would increase their value by S/. 50, ceteris paribus, even though their value in the original currency has not changed because it is still US\$ 100. According to the rule, this difference in the value of the bank’s assets should be recorded in a special account in “equity”, because in this way the increase recorded in assets is matched by the same increase in equity. The profits of the BCRP are not increased by an increase in the value of assets.

If we do the same exercise with an exchange that declines to S/. 0.5 per US dollar, ceteris paribus, the difference in the value of assets is now negative by S/. 50, and the special account becomes negative. In this case, profits are not affected by the reduction in the exchange rate.

Despite its simplicity, the example above illustrates two points: a) the logic of isolating the income statement from differences resulting from temporary fluctuations in the value of currencies of reserve assets and the logic of recording them in the special account (Organic Law – Article 89), and b) how volatile this account can be, since it can go from a positive balance of S/. 50 to a negative balance of S/. 50 when the exchange rate fluctuates between S/. 0.5 and S/.1.5, respectively.

It is worth pointing out that although the effect of fluctuations in the value of currencies does not affect the balance of the BCRP, the gains or losses of these reserve assets associated with their definitive sale are recorded in the balance and, therefore, affect the BCRP's profit and loss account.

In sum, the Organic Law - Article 89 account allows isolating the profit and loss statement of the Central Bank from temporary fluctuations in the value of currencies. This accounting recording procedure is compatible with the objectives of monetary policy management.

4. Monetary and credit aggregates

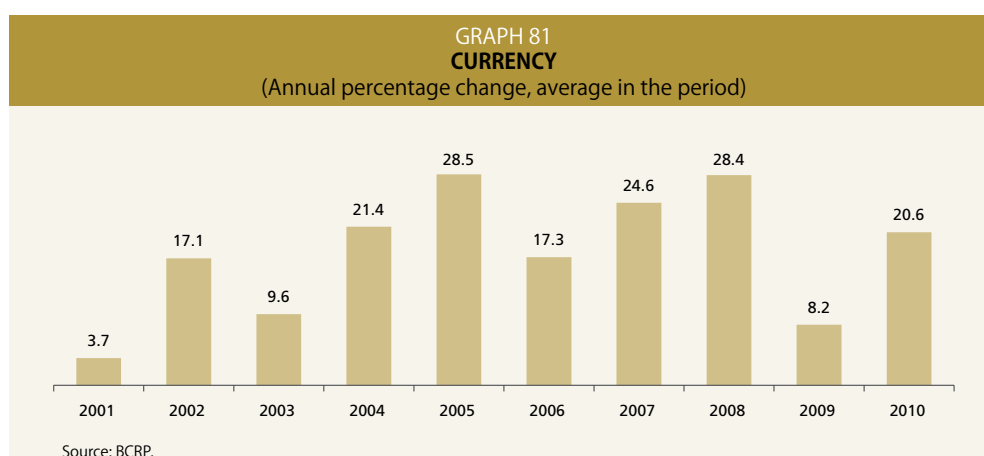
After showing a slight slowdown in 2009 due to the impact of the international crisis, monetary and credit aggregates continued growing in 2010 as a result of the recovery of economic activity.

Total liquidity grew at a rate of 22.7 percent. Liquidity in domestic currency grew at a higher rate (30.5 percent) than liquidity in dollars (11.8 percent), as a result of which the dollarization ratio of this aggregate decreased from 42.1 percent in December 2009 to 37.8 percent in December 2010.

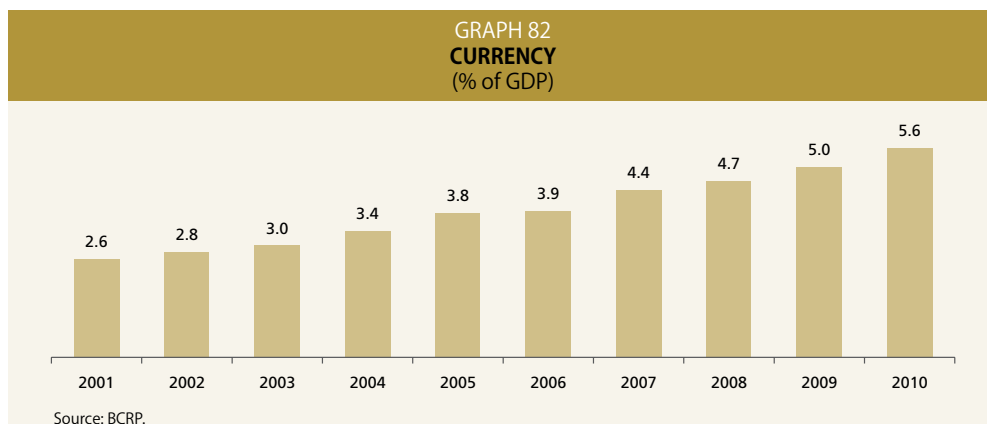
Credit to the private sector increased by 21.0 percent in the same period, showing a similar growth in both currencies: 21.2 percent in soles and 20.8 percent in dollars. The dollarization ratio of credit to the private sector fell from 47.6 percent at end 2009 to 46.8 percent at end 2010.

4.1 Currency in circulation

Currency recorded an average daily balance of S/. 19,956 million, which represents a growth of 20.6 percent compared with the average balance in the previous year, recovering the dynamism this aggregate showed before 2009. In GDP terms, currency increased from 5.0 percent in 2009 to 5.6 percent of GDP. In a context of growth of economic activity without significant inflationary pressures and with a lower degree of dedollarization in terms of deposits and credit, the demand for currency continued growing more rapidly than the product.



According to data at year end, currency grew by S/. 4,890 million in 2010. The main sources of expansion were the Central Bank operations in the foreign exchange market (S/. 25,362 million or US\$ 9,010 million), which were partially sterilized by open market operations (S/. 10,343 million) and higher public sector deposits (S/. 5,720 million). In addition to this, there were higher reserve requirements deposits (S/. 5,770 million) after the rate of reserve requirements was increased as part of the measures oriented to gradually withdrawing monetary stimulus.



Total operations in the foreign exchange market allowed the Central Bank to record a net increase of US\$ 9,010 million in US currency, mainly as a result of BCRP purchases of foreign currency (US\$ 8,963 million) in a context of exchange rate volatility due to persistent short term capital inflows.

TABLE 70
OPERATIONS OF THE BCRP
(Millions of nuevos soles)

	2008	2009	2010
I. Foreign exchange operation	311	-562	25,362
(Millions of US\$)	488	- 48	9,010
1. Over the counter trading	2,754	108	8,963
2. Public sector	- 2,316	- 261	- 50
3. Others	50	105	96
II. NET DOMESTIC ASSETS	2,167	2,467	- 20,472
1. Public sector deposits	- 6,644	2,561	- 5,720
2. Repos	5,412	- 5,412	0
3. CD-BCRP	13,737	- 6,399	14,091
4. CDR-BCRP	- 4,425	4,425	0
5. CDBCPR-NR	- 6,483	6,483	0
6. CDLD-BCRP	0	0	- 450
7. CDV-BCRP	0	0	- 3,196
8. Term deposits	0	0	- 20,788
9. Overnight deposits	- 3	- 819	163
10. Reserve requirements in domestic currency	- 2,053	668	- 5,770
11. Other assets	2,626	961	1,198
III. CURRENCY	2,478	1,905	4,890
Memo: Balance at end of period			
- CD BCRP	7,721	14,121	30
- CDR BCRP	4,465	0	0
- CD BCRP with restricted negotiation	6,483	0	0
- CDLD BCRP	0	0	450
- CDV BCRP 1/	0	0	3,207
- Term deposits (DP BCRP)	0	0	20,788
- Public sector deposits	23,568	21,006	26,726

1/ Includes adjustment of balance due to changes in the BCRP reference rate.
Memo:
CD BCRP: Certificates of deposit.
CDR BCRP: Certificates of deposit indexed to the exchange rate.
CDLD BCRP: Certificates of deposit payable in US dollars
CDV BCRP: Certificates of deposit indexed to the reference rate.
Source: BCRP.

The largest BCRP interventions in the foreign exchange market were carried out in Q1 and Q3 when the Central Bank purchased dollars for a total of US\$ 2,340 million and US\$ 5,556 million, respectively. The balance of BCRP certificates of deposit (CD BCRP) doubled during the first nine months of 2010 due to the need to sterilize banks' excess liquidity after the Central Bank's purchases of foreign currency increased from S/. 14,121 million at end 2009 to S/. 29,768 million at end September. Moreover, since October, the Central Bank started using its new sterilization mechanisms: first, the placements of CD BCRP were replaced by auctions of term deposits (DP BCRP), with placements of these deposits reaching a total of S/. 20,788 million in Q4.

The BCRP also started placing variable rate certificates of deposit (CDV BCRP), whose yield varies according to the Central Bank's reference rate. The placements of CDV BCRP with 3 to 6 month maturity terms amounted to S/. 3,196 million in Q4. Finally, another sterilization mechanism used was the auction of certificates of deposit payable in dollars (CDLD BCRP), which is a mechanism that can in part reduce the need for purchases of dollars in situations of exchange volatility. The BCRP placed CDLD BCRP for a total of S/. 450 million between October and December 2010.

4.2 Liquidity

As a result of the recovery of economic activity and the higher levels of external financing, liquidity in 2010 recorded a growth rate of 22.7 percent (11.4 percent in 2009). As a percentage of GDP, liquidity grew 31.5 percent, nearly two percentage points higher than in 2009 (29.5 percent).



The average balance of liquidity in soles grew 26.0 percent. This was associated with the 13.7 percent growth of GDP in nominal terms, the 9.8 percent drop in the speed of circulation, and a 0.4 percent reduction in the multiplier.

The preference for domestic currency is reflected in the continuous reduction observed in the circulation velocity, following the trend that began in 2001. The 0.4 percent reduction in the average multiplier was mainly the result of the increase in the average rate of reserve requirements –from 9.9 percent in 2009 to 11.6 percent in 2010– after reserve requirements measures were implemented. This effect was partially offset by the decline in the preference for currency (down from 28.8 percent in 2009 to 27.6 percent in 2010).

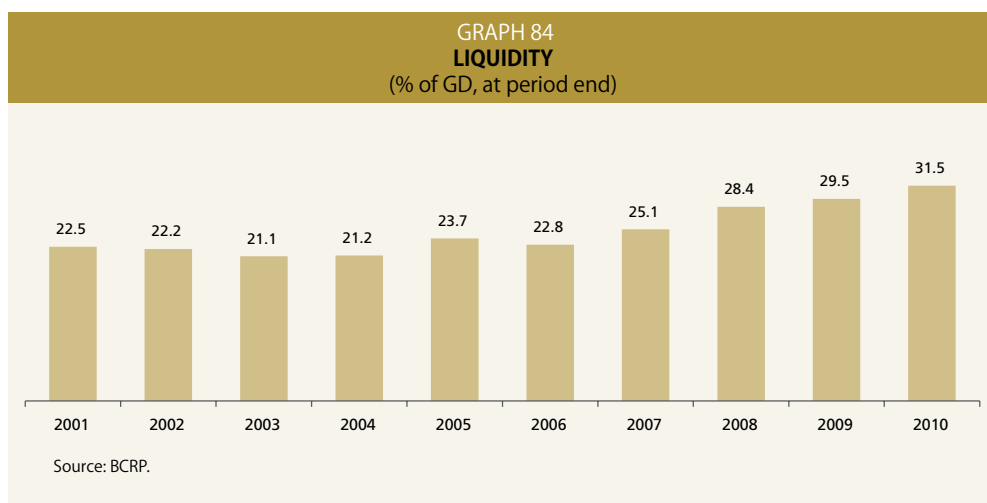


TABLE 71
MAIN MONETARY AGGREGATES
(Data at period end)

	Balance in millions of nuevos soles			% Change	
	2008	2009	2010	2009	2010
Currency	17,336	19,241	24,131	11.0	25.4
Money	28,852	33,048	42,583	14.5	28.8
Total deposits 1/	81,700	91,164	111,851	11.6	22.7
In nuevos soles	38,690	45,297	60,313	17.1	33.2
In dollars (Millions of US\$)	15,306	16,322	18,341	6.6	12.4
Liquidity 1/	100,117	111,509	136,843	11.4	22.7
In nuevos soles	56,742	65,282	85,171	15.0	30.5
In dollars (Millions of US\$)	15,436	16,451	18,388	6.6	11.8

1/ The balance of broad money in dollars is valued at the constant exchange rate in December 2010.
Source: BCRP.

By type of depositor, the deposits of legal entities grew more than the deposits of natural persons (30.8 percent vs. 13.1 percent), as in the previous year.

TABLE 72
DEPOSITS BY TYPE OF DEPOSITOR

	Balance in Millions of nuevos soles			Growth rates (%)	
	2008	2009	2010	2009	2010
Individuals	52,036	51,612	58,398	-0.8	13.1
Legal entities	34,715	40,857	53,453	17.7	30.8
TOTAL	86,751	92,469	111,851	6.6	21.0

1/ Balances valued at current exchange rate.
Source: SBS and corporate balances.

Liquidity in nuevos soles increased in all its forms. Currency in circulation grew 25.4 percent and deposits grew 33.2 percent. As regards the three types of deposits, term deposits in soles grew the most (34.7 percent), followed closely by demand deposits (33.6 percent).

TABLE 73
LIQUIDITY IN DOMESTIC CURRENCY IN THE PRIVATE SECTOR

	Balance in millions of nuevos soles			Growth rates (%)	
	2008	2009	2010	2009	2010
Currency	17,336	19,241	24,131	11.0	25.4
Deposits	38,690	45,297	60,313	17.1	33.2
Demand deposits	11,516	13,807	18,452	19.9	33.6
Savings deposits	11,667	13,824	18,069	18.5	30.7
Term Deposits	15,506	17,666	23,792	13.9	34.7
Securities and other instruments	717	744	727	3.8	-2.2
TOTAL	56,742	65,282	85,171	15.0	30.5

Source: BCRP.

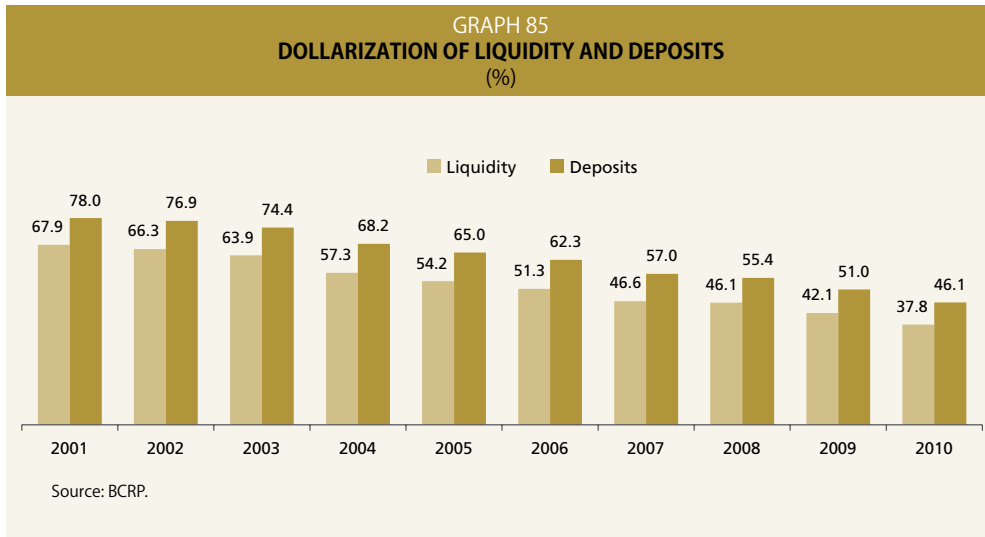
Liquidity in dollars, on the other hand, grew mainly due to the growth of demand deposits used by individuals and companies for transaction purposes (24.0 percent), while term deposits –assets in dollars– grew at much lower rate (5.3 percent).

TABLE 74
LIQUIDITY IN FOREIGN CURRENCY IN THE PRIVATE SECTOR

	Balance in Millions of US dollars			Growth rates (%)	
	2008	2009	2010	2009	2010
Deposits	15,306	16,322	18,341	6.6	12.4
Demand deposits	4,042	4,589	5,691	13.5	24.0
Savings deposits	3,365	4,052	4,559	20.4	12.5
Term Deposits	7,899	7,681	8,091	-2.8	5.3
Securities and other instruments	130	128	47	-1.0	-63.3
TOTAL	15,436	16,451	18,388	6.6	11.8

Source: BCRP.

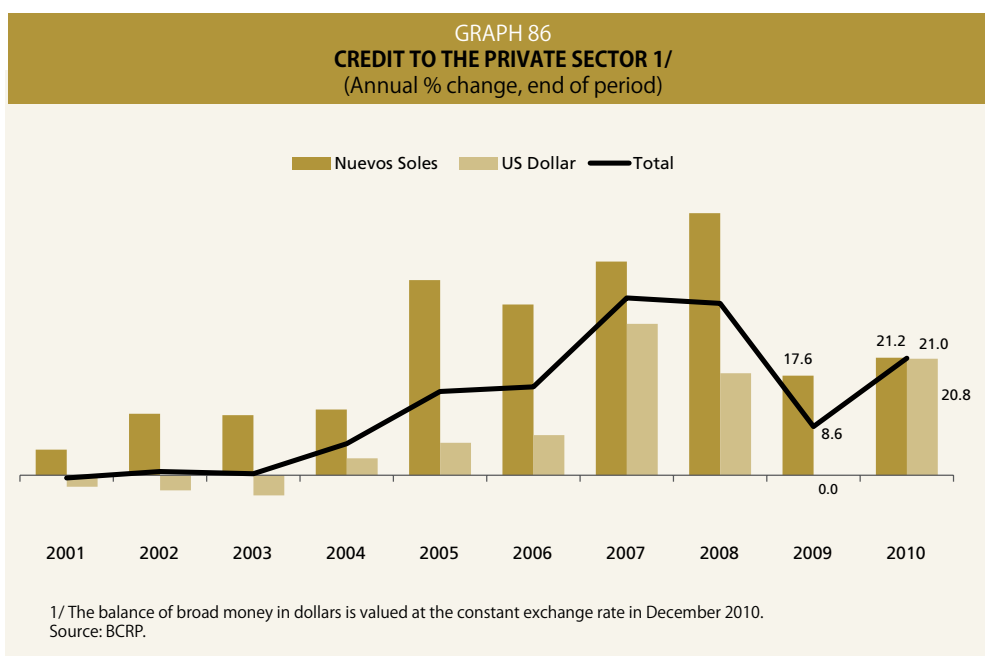
Following the trend observed during the last decade, the dollarization ratio of liquidity declined from a level of 42.1 percent in December 2009 to 37.8 percent in December 2010. Moreover, the dollarization ratio of deposits –a concept that excludes currency in circulation– declined from 51.0 percent in 2009 to 46.1 percent in 2010.

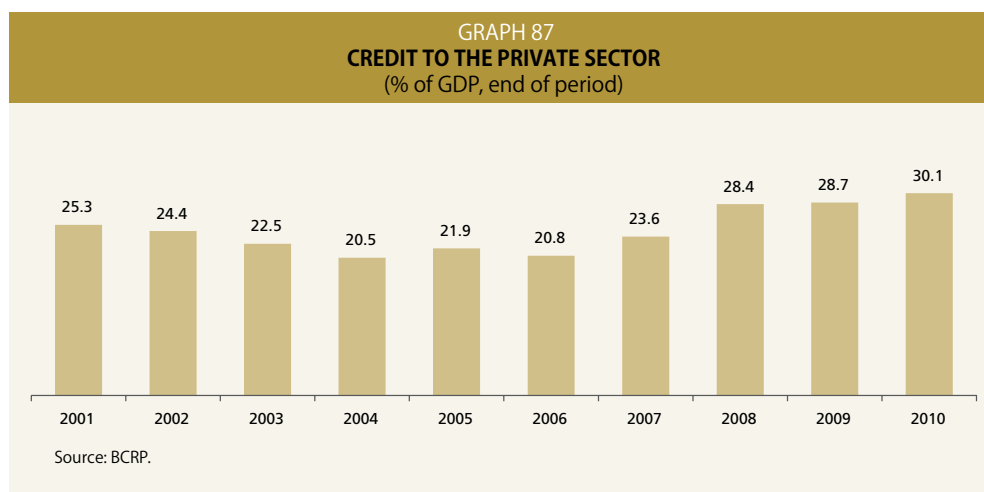


4.3 Credit to the private sector

Total credit to the private grew 21.0 percent, showing a higher rate than the one observed in 2009 (8.6 percent). These figures include the loans transferred by local banks to their branches abroad, which are registered as credits to branches in banks' accounts.

Most of the growth of credit to the private sector during the year was associated with increased domestic economic activity and with the improvement of international financial conditions, which allowed banks to obtain a greater flow of external credits. The growth rate of credit to the private sector in soles was 21.2 percent (17.6 percent in 2009), a rate quite similar to the one recorded by credit to the private sector in dollars (20.8 percent). The dollarization ratio of credit to the private sector fell from 47.6 to 46.8 percent between December 2009 and December 2010 due to the appreciation of the sol.





By type of borrower, credit to firms grew 21.9 percent during the year (vs. 7.3 percent in 2009). Credit to individuals grew 19.2 percent (11.5 percent in 2009), with mortgage loans being the segment that showed the highest expansion (23.3 percent).

TABLE 75
TOTAL CREDIT TO THE PRIVATE SECTOR 1/

	Balance in Millions of nuevos soles			Growth rates (%)	
	2008	2009	2010	2009	2010
Corporate loans	67,520	72,436	88,317	7.3	21.9
Consumer loans	32,051	35,731	42,584	11.5	19.2
Consumption	20,780	22,670	26,486	9.1	16.8
Mortgage	11,271	13,061	16,098	15.9	23.3
TOTAL	99,572	108,167	130,901	8.6	21.0

1/ The balance of broad money in dollars is valued at the constant exchange rate in December 2010.
Source: BCRP.

By economic sector, the highest growth of business credit was observed in three sectors: commerce (annual growth of S/. 4,099 million), real estate activities (annual growth of S/. 4,043 million), and manufacturing (annual growth of S/. 3,564 million). These three sectors, which concentrated 74 percent of the demand for business credits during 2010.



TABLE 76
DEPOSITORY INSTITUTIONS: TOTAL CREDIT BY ECONOMIC SECTOR 1/
(Millions of nuevos soles)

	Balance			Flows		
	2008	2009	2010	2008	2009	2010
Agriculture and Livestock	2,645	3,159	3,715	916	514	556
Fishing	1,186	1,348	1,392	- 93	162	44
Mining	3,996	3,776	4,183	1,195	- 220	407
Manufacturing Industry	17,016	16,854	20,418	2,655	- 162	3,564
Electricity, Gas and Water	3,016	3,886	4,586	749	870	700
Construction	1,954	1,813	2,301	594	- 141	488
Commerce	15,891	16,338	20,437	5,094	447	4,099
Hotels and Restaurants	1,150	1,577	1,821	320	427	244
Transportation, Storage and Communications	5,844	6,331	8,463	2,324	487	2,132
Real Estate, Business and rental	4,995	5,279	9,322	1,300	284	4,043
Rest	9,827	12,074	11,679	1,563	2,247	- 395
TOTAL	67,520	72,436	88,317	16,617	4,916	15,881

1/ The balance of broad money in dollars is valued at the constant exchange rate in December 2010.
Source : SBS.

The growth of credit to the private sector in domestic currency (21.2 percent) was mainly associated with household needs. Thus, credit in soles to individuals grew 22.7 percent (vs. 17.0 percent in 2009), while credit to businesses grew 19.8 percent (18.2 percent in 2009). The growth of mortgage loans in soles (37.9 percent) was noteworthy among the types of credits to individuals.

TABLE 77
CREDIT TO THE PRIVATE SECTOR IN DOMESTIC CURRENCY

	Balance in Millions of nuevos soles			Growth rates	
	2008	2009	2010	2009	2010
Corporate loans	26,998	31,902	38,214	18.2	19.8
Consumer loans	21,834	25,543	31,351	17.0	22.7
Consumption	17,935	19,968	23,664	11.3	18.5
Mortgages	3,899	5,575	7,687	43.0	37.9
TOTAL	48,832	57,445	69,565	17.6	21.2

Source: BCRP.

TABLE 78
DOLLARIZATION OF MORTGAGES
(%)

2001	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
94.0	94.0	94.2	94.8	95.1	95.1	88.1	79.4	67.9	58.0	52.3

Source: BCRP.

Credit to the private sector in foreign currency, which remained stagnant in 2009, grew 20.8 percent in 2010, driven by low international interest rates and expectations of appreciation of the sol. This recovery of credit in dollars was much more pronounced in the business segment, where credit in foreign currency grew 23.5 percent (including the loans of local banks' branches abroad). On the other hand, credit in dollars to individuals grew 10.2 percent, mainly due to the growth of credit in the segment of mortgage loans (12.3 percent), which had shown a very moderate growth in previous years.

TABLE 79
CREDIT TO THE PRIVATE SECTOR IN FOREIGN CURRENCY

	Balance in Millions of US dollars			Growth rate	
	2008	2009	2010	2009	2010
Corporate loans	14,421	14,425	17,808	0.0	23.5
Consumer loans	3,636	3,626	3,997	-0.3	10.2
Consumption	1,013	961	1,004	-5.1	4.5
Mortgage	2,624	2,664	2,993	1.5	12.3
TOTAL	18,057	18,051	21,806	0.0	20.8

Source: BCRP.

Like in the case of liquidity, the levels of dollarization of credit to the private sector continued declining in 2010. Compared to December 2009, the dollarization ratio of credit to the private sector fell from 47.6 percent to 46.8 percent (0.8 percentage points). Credit to businesses (including the placements of local banks' branches abroad) maintained its level of dollarization at 56.8 percent (56.6 percent in 2009), while credit to individuals showed a lower level of dollarization (the dollarization ratio fell from 29.1 percent in 2009 to 26.5 percent in December 2010).

GRAPH 88
DOLLARIZATION OF CREDIT TO THE PRIVATE SECTOR
(%)



Source: BCRP.

5. Financial indicators

Once the main effects of the 2008 international crisis had been overcome, commercial banks' financial indicators showed a slight improvement in 2010. The ratio of non performing loans declined from 1.6 percent in December 2009 to 1.5 percent in December 2010 and the level of coverage of non-performing loans rose from 139.4 to 141.9 percent in the same period. Return on equity (ROE) fell from 24.5 percent in 2009 to 24.2 percent in 2010, while return on assets (ROA) increased from 2.3 to 2.4 percent.



TABLE 80
INDICATORS ON COMMERCIAL BANKS
(%)

	2008	2009	2010
Due loans / gross placements	1.3	1.6	1.5
High risk portfolio / gross placements	2.2	2.7	2.6
Provision for loan / portfolio of high-risk	151.4	139.4	141.9
Ratio on equity (ROE)	31.1	24.5	24.2

1 / Credits due for collection and judicial.

2 / The portfolio of high-risk portfolio is equal to the most backward refinanced and restructured portfolio.

Source: SBS.

Moreover, the ratio of delinquency in non-bank financial entities registered a slight increase, although the ratios of provisions remained above 100 percent. The ratio of non performing loans in municipal credit banks rose from 5.0 to 5.1 percent, while in country credit banks it increased from 4.0 to 4.6 percent and in edpymes from 4.5 to 5.1 percent. In contrast, this ratio declined from 4.5 percent to 3.8 percent in financial entities.

TABLE 81
FINANCIAL INDICATORS OF NON-BANK COMPANIES 1/
(%)

	2008	2009	2010
Due loans / gross placements			
Financial Firms	2.3	4.5	3.8
Municipal savings banks	3.9	5.0	5.1
Rural savings banks	3.8	4.0	4.6
Edpymes	3.6	4.5	5.1
Provision for loans / high-risk portfolio			
Financial Firms	151.1	124.9	132.8
Municipal savings banks	119.2	105.1	108.2
Rural savings banks	104.0	91.3	96.7
Edpymes	129.6	106.7	105.7

1 / Overdue loans and loans under judicial collection.

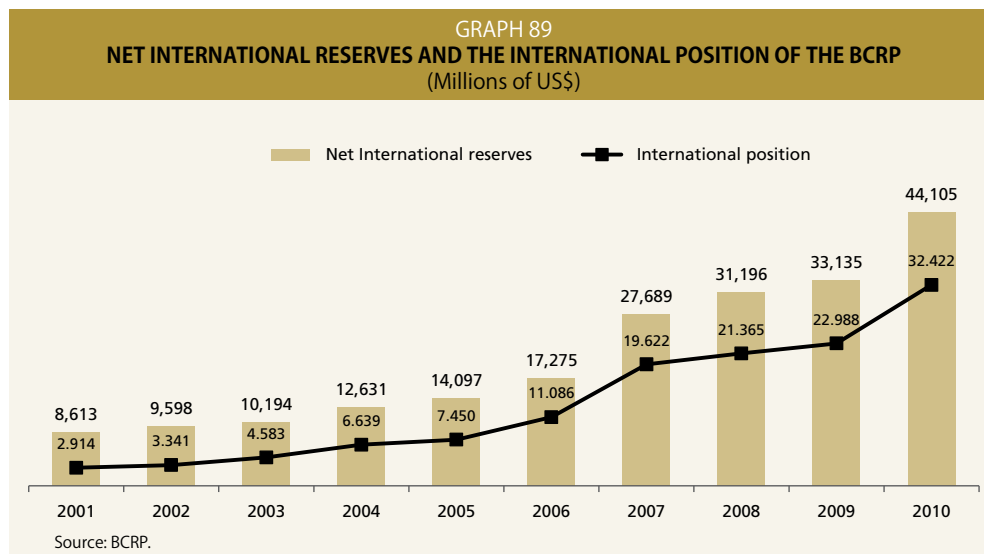
2 / The high-risk portfolio is equal to the non performing loans plus the refinanced and restructured portfolio.

Source: SBS.

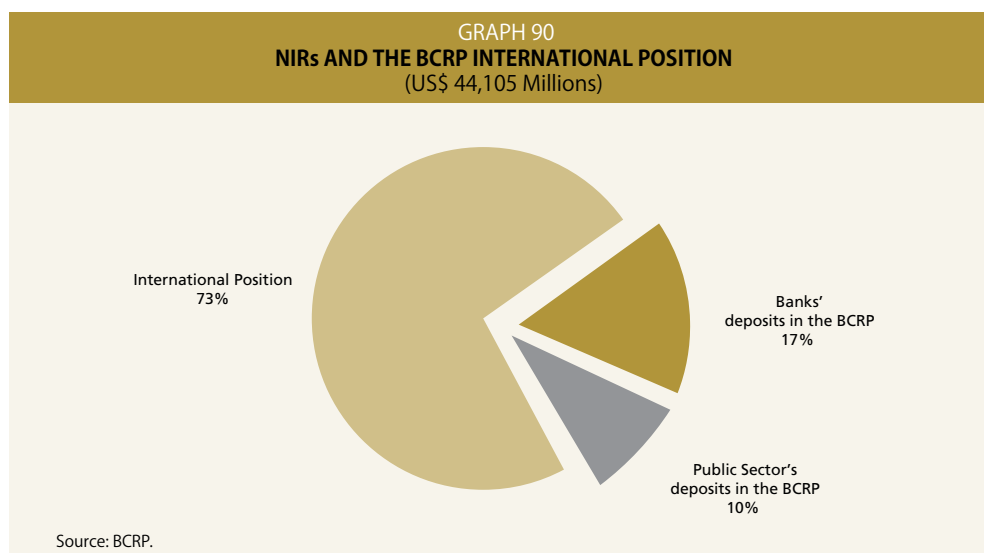
6. International reserves

The Central Bank's net international reserves (NIRs) increased by US\$ 10,970 million during 2010 and reached a balance of US\$ 44,105 million at year end. This accumulation of reserves resulted mainly from exchange rate operations (US\$ 9,010 million), the net yield on international reserves investment portfolio (US\$ 670 million), and banks' higher deposits at the BCRP (US\$ 1,473 million) in a context of the higher rates of reserve requirements in dollars that were established.

The flow of exchange rate operations in 2010 (US\$ 9,010 million) is explained by net purchases of dollars at the Central Bank's front office (US\$ 8,963 million) and by the purchases of dollars associated with placements of certificates of deposits payable in dollars or CDLD BCRP (US\$ 161 million). These flows were higher than the maturities of temporary purchases of foreign currency or swaps effective at end 2009 (US\$ 102 million) and sales of foreign currency to the public sector (US\$ 50 million).



The Central Bank's foreign exchange position increased by US\$ 9,434 million during the year and reached a balance of US\$ 32,422 million at end 2010. The share of the foreign exchange position relative to NIRs increased by five percentage points –from 69 percent to 74 percent– between 2009 and 2010. Other funding sources that explain the composition of NIRs were banks' deposits in dollars at the BCRP (17 percent) and public sector's deposits in dollars at the BCRP (13 percent).



6.1. Management of International Reserves

Gross international reserves –also called international reserve assets– amounted to US\$ 44,150 million in 2010 (a sum higher by US\$ 10,975 million than the one recorded in 2009).

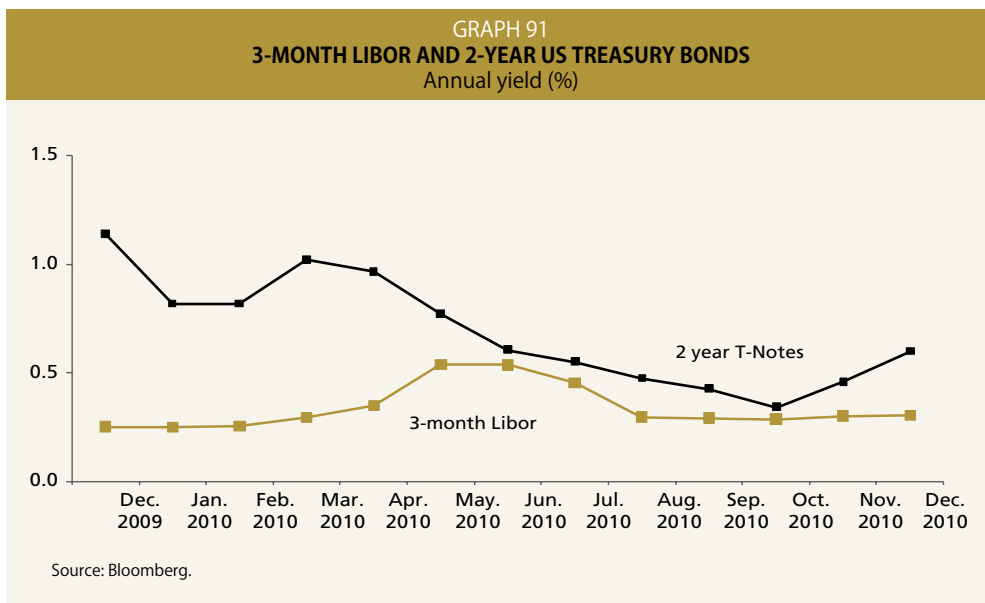
This growth of international reserves allowed indicators of international liquidity to maintain similar levels to the ones observed in the previous year. Thus, at end 2010, NIRs were equivalent to 18.4 months of imports, 5.6 times short term external liabilities, and 3.7 times the balance of the monetary base.



TABLE 82 HIGH LEVEL OF INTERNATIONAL RESERVES STRENGTHENS PERU'S INTERNATIONAL LIQUIDITY POSITION	
NIRs in US\$ 44.1 billion	<ul style="list-style-type: none"> - 5.6 times one-year debt liabilities (short term external liabilities plus amortization of long-term debt) - 3.7 times the monetary base - 18.4 months of importss

Economic activity recovered in the United States and in the Eurozone in 2010, although without reaching the levels observed prior to the crisis. A relative recovery and improvement was observed in credit conditions in the United States, even though labor and housing markets remained depressed.

The US Federal Reserve deemed prudent to maintain its benchmark rate between 0 percent and 0.25 percent and to complement this monetary expansion policy with a second stage of purchases of financial assets –Quantitative Easing or QE2–, which contributed to maintain the Libor rate at low levels. On the other hand, the yields on US Treasury bonds declined since the beginning of the year due mainly to the increased demand for these bonds as hedge assets.



In the Eurozone, the debt crisis of European peripheral countries intensified, which generated doubts about their capacity to meet their credit obligations. The European Central Bank decided to maintain its policy rate unchanged at 1 percent.

In this context, the BCRP considered that it was necessary to continue implementing a conservative management policy, characterized by strict criteria for placements of deposits in foreign banks, diversified investments in securities with the highest credit ratings, and a neutral position regarding the terms of the benchmark portfolio, although some tactical deviations were adopted when conditions were propitious to improve the portfolio's yield.

It should be pointed out that two priorities of the BCRP reserve management policy are to preserve the capital and guarantee the liquidity of international reserves. After these conditions have been met, the Central Bank seeks to maximize the yield of its international assets. In general, the BCRP's management of international assets is closely associated with the characteristics of the sources of these resources in terms of value, currency, maturity, and volatility. In this way, the Central Bank minimizes the market risks that could affect the value and availability of the resources it manages.

6.2 Composition of International Reserve Assets

At end 2010, 69 percent of Peru's international reserve assets were invested in highly credit rated liquid securities, 24 percent in first-class international banks and 7 percent in gold and other assets. The securities portfolio includes debt bonds issued by sovereign issuers, supranational organizations or foreign government agencies with long term credit ratings of AA- or higher ratings.

In 2010, Peru's international reserve assets generated a yield of S/. 1,976 million. This yield was lower than the one obtained in the previous year due to the lower interest rates registered for investments as a result of the evolution of financial markets.

TABLE 83
INTERNATIONAL RESERVE ASSETS
(Millions of US\$)

ITEM	December of 2009		December of 2010	
	Amount	%	Amount	%
Deposits abroad	5,795	17.5	10,777	24.4
Securities	24,750	74.6	30,392	68.8
Gold	1,218	3.7	1,565	3.5
Others assets 1 /	1,412	4.3	1,417	3.2
TOTAL	33,175	100.0	44,150	100.0

1/ Includes contribution to the FLAR and balance of assets associated with international agreements
Source: BCRP.

Liquid international reserves¹⁴ at end 2010 amounted to US\$ 42,766 million. As regards their composition in terms of currencies, the share of currencies other than the US dollar declined. Moreover, 76 percent of these assets are deposited in entities with a long term credit rating of **AAA** and the rest in entities with credit ratings of **AA+** and **AA-**. The average maturity of the investment portfolio in 2010 was 1.19 years.

¹⁴ Readily marketable securities. This does not include capital contributions to international organizations such as FLAR, contributions and trust funds with the IMF, credit balances associated with international conventions, and gold holdings at the BCRP vaults.



TABLE 84
COMPOSITION OF LIQUID INTERNATIONAL ASSETS
(% structure)

	December of 2009	December of 2010
1) By currencies and gold	100	100
US\$	80	82
Other currencies	18	16
Gold	2	2
2) By maturity term	100	100
0-3 months	37	43
3-12 months	19	9
> 1 year	44	48
3) By long-term rating	100	100
AAA	86	76
AA+/AA/AA-	11	17
A+	3	7

Source: BCRP.

7. Financial savings and capital market

Financial savings are the total assets of companies and households that are held in the financial system in the form of savings deposits, time deposits, securities, mutual funds, life insurances, and contributions to private pension funds.

Recording a higher growth rate than the one registered in 2009 (8.2 percent), financial savings in 2010 increased 17.4 percent on average. As a percentage of GDP, financial savings increased to 40.0 percent. This higher growth in financial savings was associated with the recovery of economic activity after the 2008 crisis, during which the levels of deposits and the value of the assets of private pension funds were affected. However, both recovered the levels observed in 2008 after the effects of the crisis subsided.

By currencies, financial savings in soles grew 26.4 percent (vs. 3.5 percent in 2009) and recorded a rate of 26.6 percent in GDP terms, while financial savings in dollars (which consist mostly of deposits in this currency) grew 2.9 percent (vs. 16.8 percent in 2009) and registered a rate of 13.3 percent in GDP terms.

TABLE 85
FINANCIAL SAVINGS
(Average balance, in the period, as % of GDP)

	Domestic currency	Foreign currency	Total
2001	9.1	17.5	26.6
2002	10.6	16.8	27.4
2003	12.1	16.3	28.4
2004	13.4	14.7	28.1
2005	15.4	13.6	29.0
2006	17.2	13.4	30.5
2007	23.1	13.6	36.7
2008	23.8	13.0	36.8
2009	23.9	14.7	38.7
2010	26.6	13.3	40.0

Source: BCRP.

7.1 Fixed Income market

The balance of securities issued by companies in the private sector at end 2010 increased 0.2 percent.¹⁵ Excluding financial companies, the number of private sector issuers with existing securities increased from 46 to 48.¹⁶ The amount of placements valued at the constant exchange rate was S/. 2,145 million. This amount was lower than in 2009 (S/. 3,351 million) because two companies issued securities for over US\$ 372 million in November 2009, increasing the annual flow by over S/.1 billion as a result of these specific issuances.

As regards the economic sector of the issuer, the annual flow of issuances of non-financial firms was S/. 456 million (vs. S/. 1,830 million in 2009), which represented an increase of 3.1 percent in the balance compared to the previous year.¹⁷ On the other hand, the annual flow of issuances of financial entities was negative by S/. 135 million (vs. a positive flow of S/. 591 million in 2009), which reduced their balance by 2.3 percent. The share of non financial firms in terms of total issued securities increased from 70.8 percent to 71.9 percent.

By currencies, 51.2 percent of outstanding balances at December 2010 were instruments in soles (vs. 52.0 percent in December, 2009). The share of fixed rate instruments in soles was 42.1 percent (42.9 percent in December 2009), while the share of bonds in indexed soles (VAC) was 9.1 percent (9.2 percent in December 2009).

TABLE 86
OUTSTANDING PRIVATE SECTOR FIXED INCOME SECURITIES AT THE END OF PERIOD
(Millions of nuevos soles)

	Saldos			Variación (%)		Flujos	
	2008	2009	2010	2009	2010	2009	2010
Amounts by type of issuer	18,057	20,479	20,800	13.4	1.6	2,421	321
Financial 1/	5,385	5,976	5,842	11.0	- 2.3	591	- 135
Non financial	12,673	14,502	14,958	14.4	3.1	1,830	456
Composition by currency (%)	100.0	100.0	100.0				
Soles	40.3	42.9	42.1				
VAC	10.0	9.2	9.1				
Dollars	49.7	48.0	48.8				
Balance as % of GDP	4.9	5.4	4.8				

1/ Securities issued or originated by a financial organization.
Source: BCRP.

Interest rates were influenced by monetary policy and by the international financial situation. Short term rates (1 year-bonds in soles) increased slightly since May when the Central Bank began raising the monetary policy interest rate. A bond issuance with a AA risk rating which showed an average rate of 3.1 percent in Q1 was placed at 4.0 percent in December. In contrast, the long-term rates declined in the second half of the year after the initial effects of the Greek crisis subsided. The rate of a AAA bond, which stood at 7.1 percent in the first semester, fell to 6.5 percent in Q3.

The largest bond issuances were placed by Transportadora de Gas del Perú (S/. 422 million), Pluspetrol (S/. 350 million) and Telefónica Móviles (S/. 255 million).

15 This includes short term bonds and instruments placed in the domestic market through public offers. The effect of exchange rate changes is isolated for comparison purposes.

16 Securitized bonds originated by a financial entity are not included.

17 The economic sector in which the originator operates is considered in the case of securitized bonds.

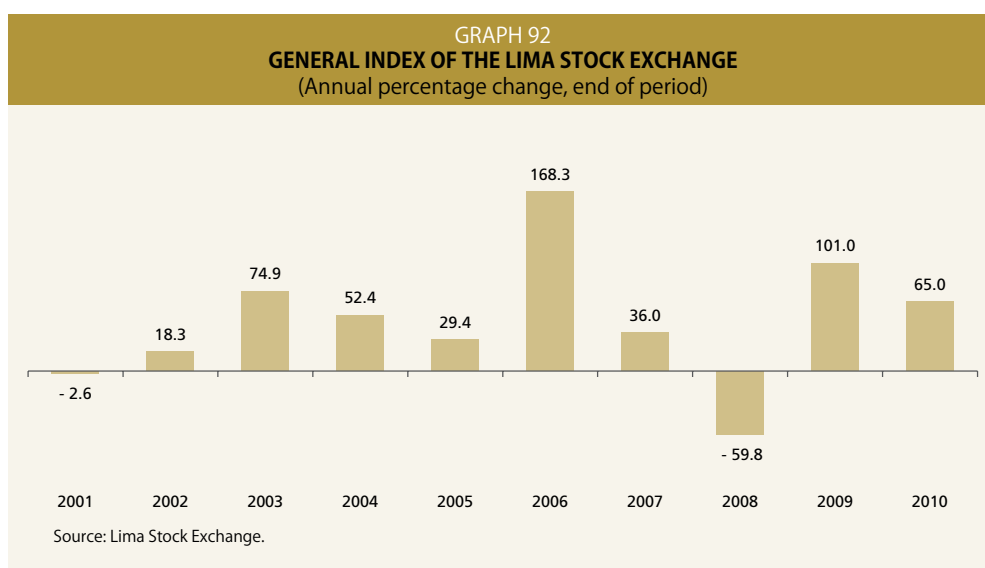


7.2 Stock market

After the steep drop they recorded in 2008 due to the international crisis that unfolded in September of that year, the stock market indices had positive returns for the second consecutive year in 2010: the general index of the Lima Stock Exchange (LSE) recorded a return of 65.0 percent in 2010 and a return of 101.0 percent in 2009.

The indices of the LSE declined slightly in the first half of the year, affected by the impact of the financial crisis in Greece that started in February. This impact intensified significantly in April and May as a result of fears about the possibility that the crisis could spread to countries like Spain and Portugal. However, the indices of the LSE showed a strong recovery in the second half of the year due to Peru's sound economic fundamentals and to the favorable evolution of commodity prices in international markets.

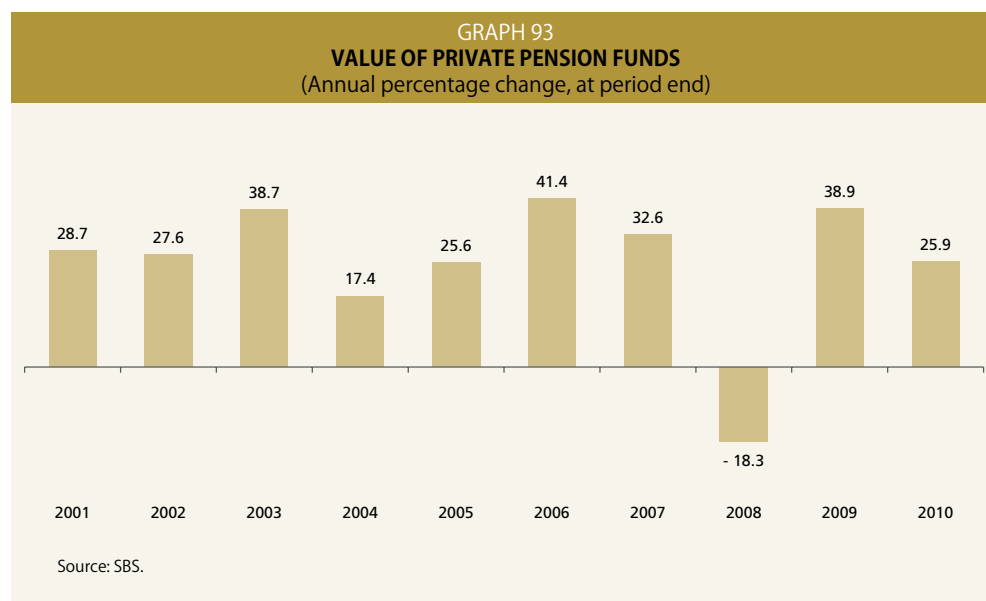
By economic sector, the highest growth was observed in agriculture stocks (78.6 percent) and mining stocks (69.5 percent), both of which benefited from the rising prices of commodities in international markets. The volume traded increased by 12.2 percent compared to 2009, but the increase was greater in the segment of shares (23.1 percent). The capitalization value (total value of companies listed at the LSE) at year end was S/. 451,796 million, a sum equivalent to 104 of GDP (81.1 percent of GDP in 2009).



7.3 Private pension system

The assets of private pension funds increased 25.9 percent in 2010, recovering for the second consecutive year of the losses registered during the 2008 crisis. At December, the assets of private pension funds amounted to S/. 86,391 million (20.0 percent of GDP). The number of affiliates increased 4.3 percent to a total of over 4.6 million.

Following the trend of stock market indices, the return of private pension funds was positive, although lower than the one observed in 2009. Type 2 pension funds, which represent 70 percent of these funds total value, recorded a real profitability of 16.0 percent at year end (32.9 percent in the previous year), while type 3 pension funds, which has higher investments in shares, registered a real annual profitability of 31.2 percent (52.1 percent in 2009). The real annual profitability of type 1 pension funds, which does not make investments in shares, was 5.7 percent, lower than in 2009 (16.1 percent). However, this fund represents only 8 percent of the funds total value.



AFPs investments abroad, which increased their share in terms of total assets from 21.0 percent in December 2009 to 26.4 percent in December 2010, stand out in terms of the portfolio instruments. The legal limit for such investments increased from 22 to 30 percent in this period. As regards domestic assets, the share of investments in bonds and fixed income instruments declined from 37.9 to 29.3 percent, while the share of deposits increased from 2.6 to 6.3 percent.

AFPs' portfolio investments abroad, which increased from S/.14,528 million to S/. 23,001 million, concentrated mainly on variable income securities (S/. 9,508 million), participation quotas in mutual funds (S/. 6,478 million), debt bonds issued by firms (S/. 3,923 million), and debt bonds of other governments (S/. 2,157 million).

This growth was associated with a process of AFPs' increased diversification of investments and with the Central Bank's increase of the operational limit of these investments which today represents 30 percent of the value of pension funds.

TABLE 87
COMPOSITION OF THE PRIVATE PENSION SYSTEM PORTFOLIO 1/
(%)

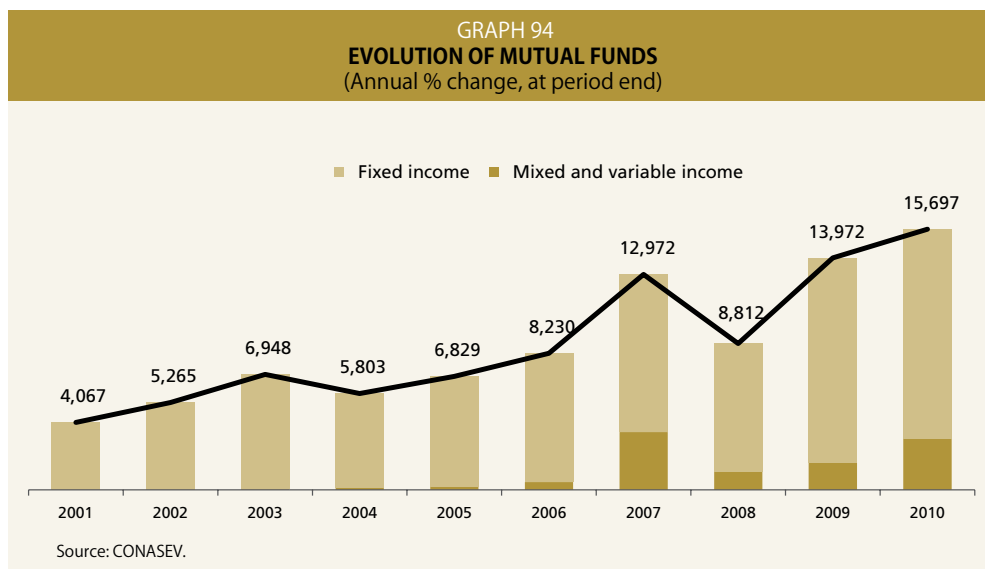
	Dec. 2008	Dec. 2009	Dec. 2010
I. DOMESTIC INVESTMENTS	88.4	78.2	73.5
Deposits	8.0	2.6	6.3
In nuevo soles	4.3	1.9	5.1
In US dollars	3.7	0.8	1.2
Bonds and fixed income	48.1	37.9	29.3
Central Bank securities	0.9	0.5	-
Sovereign bonds	24.3	19.5	16.2
Values issued by the private sector	22.9	17.9	13.1
Stocks and variable income	32.2	37.6	37.9
Shares	25.3	31.2	31.8
Investment funds	6.9	6.4	6.1
II. FOREIGN INVESTMENTS	12.4	21.0	26.4
III. IN TRANSIT	-0.8	0.9	0.1
IV. TOTAL (I+II+III)	100.0	100.0	100.0
Millions of nuevos soles	49,924	69,329	87,097
% of GDP	13.5	18.1	20.0

1/ Includes the legal reserves established by the administrators of pension funds own resources.
Source: SBS.



7.4 Investment mutual funds

After being affected by the 2008 international crisis, investment mutual funds grew 12.3 percent in 2010 and closed the year with assets amounting to S/. 15,697 million (3.5 percent of GDP). The number of transactors increased 13.4 percent to 279 thousand, a figure close to the historical maximum number of participants recorded in July 2009 (292 thousand transactors), prior to the crisis. The mutual funds that showed the highest growth were mixed income and variable income mutual funds (90.8 percent compared to 2009).



As regards the investment portfolio of these funds, the share of bonds and fixed income securities declined (from 44.5 percent to 32.9 percent), while the share of deposits increased (from 45.5 to 52.7 percent). Moreover, the participation of shares increased slightly, from 5.3 to 6.3 percent.

TABLE 88
COMPOSITION OF MUTUAL FUND INVESTMENT
(%)

	Dec. 2008	Dec. 2009	Dec. 2010
I. DOMESTIC INVESTMENT	97.3	95.3	96.5
Deposits	39.0	45.5	57.2
In nuevo soles	13.5	14.1	29.6
In US dollars	25.5	31.4	27.6
Bonds and fixed income	53.6	44.5	32.9
Central Bank securities	10.7	8.4	2.7
Sovereign bonds	5.0	12.9	9.9
Securities issued by the private sector	37.9	23.3	20.4
Stocks and variable income	4.8	5.3	6.3
II. INVESTMENT ABROAD	1.9	4.5	3.1
III. OTHERS	0.7	0.2	0.4
IV. TOTAL (I+II+III)	100.0	100.0	100.0
Millions of nuevos soles	8,865	13,939	15,301
% of GDP	2.4	3.6	3.5

Source: CONASEV.

8. Payments systems

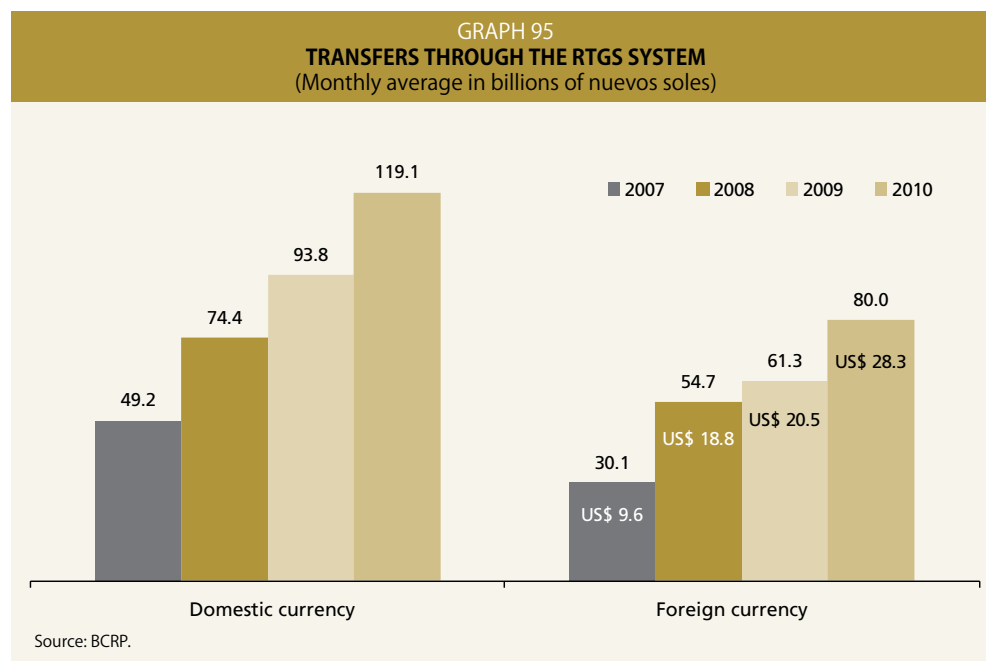
According to Law No. 29440, Law of Payment and Securities Settlement Systems, systemically important payments systems include the Real Time Gross Settlement System (RTGS), the clearing and settlement systems used for checks and other payment instruments administered by the Automated Clearing House (Cámara de Compensación Electrónica - CEC) and the Multi-bank Securities Settlement System.

In 2010, the growth of payment systems paralleled the growth of economic activity. The value of transactions grew by 28 percent in annual terms, and the rotation of payments in GDP terms rose from 5 times in 2009 to 6 times.

8.1 Real Time Gross Settlement System (RTGS)

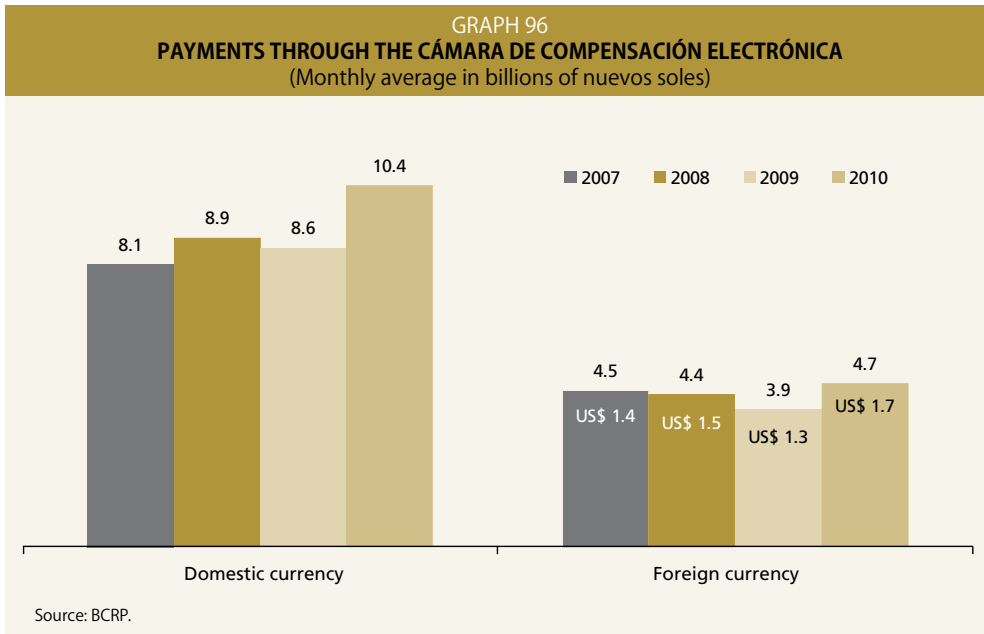
In 2010, the amount of transfers channeled through the RTGS system grew 28 percent, while the number of transactions dropped 3 percent due to the lower number of interbank transactions carried out through this system. The value of payments in local currency and in foreign currency increased 27 percent and 38 percent, respectively, as a result of which the RTGS system accounted for 92 percent of the total value transferred through payment systems. Its share in terms of volume was low (5 percent), as is appropriate in the case of high value systems.

The first stage of technological modernization of the RTGS system, aimed at strengthening the system's continuous operation and efficiency, was completed in July 2010 when the RTGS's new core system started operating.

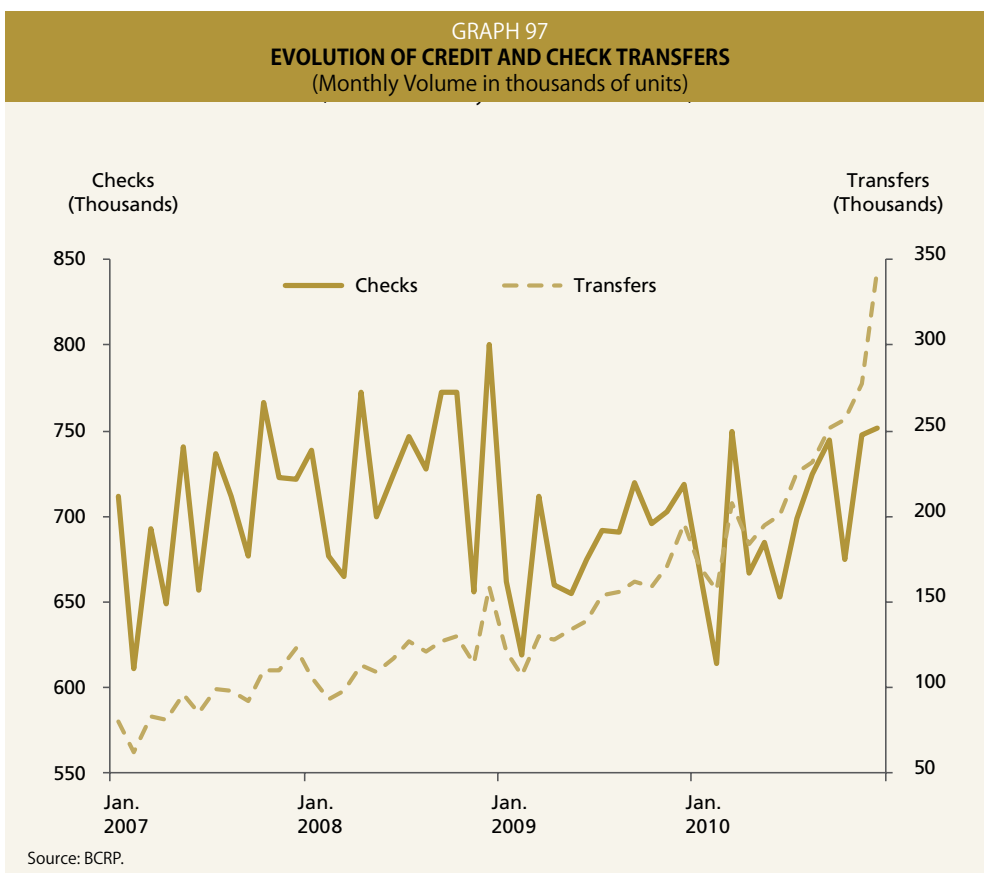


8.2 Electronic Clearing House

The value of transactions processed in the Cámara de Compensación Electrónica (CCE) increased 20 percent in the year. The value of credit transfers increased by 77 percent and the value of check transfers increased by 14 percent. Furthermore, the number of transactions processed through the CCE grew 11 percent, with credit transfers accounting for 53 percent of this growth. As a result of this, credit transfers increased their share in terms of total transactions carried out through the CCE to 24 percent, which reflects the growing trend observed in terms of the use of electronic payment instruments.



This favorable evolution of credit transfers is closely associated with the increased use of this mechanism to make transfers and payments to regular suppliers, which account for 43 percent and 31 percent of total transactions, respectively. It is worth pointing out that several savings banks started participating in the CEE in 2010: Trujillo Savings Bank (March), Sullana Savings Bank (March), Arequipa Savings Bank (April) and Caja Metropolitana (November), increasing in this way users' access to interbank transaction services.



The maximum amount of credit transfers in domestic currency was increased to S/. 310 thousand and the maximum amount of credit transfers in foreign currency was increased to US\$ 60 thousand in September 2010 (Circular No. 028-2010-BCRP).

8.3 Multibank Securities Settlement System (MSSS)

The value of payments in the MSS system grew 17 percent, while the volume of payments declined 13 percent. Payments for stock exchange operations grew 14 percent in value and fell 13 percent in volume, while settlements of transactions of government securities grew 23 percent in value and in 17 percent in volume.

8.4 Integrated Latin American Stock Exchange – integration process

Actions were taken in 2010 to begin Stage I¹⁸ of the process of integration of Peru, Chile and Colombia's stock exchanges, which will benefit participants with a broader and more diversified stock market.

8.5 Regulations

In 2010, the Central Bank issued the General Regulation of Payment Systems (Circular No. 012-2010-BCRP) and the Regulations for Securities Clearing and Settlement Operators (Circular No. 013-2010-BCRP), which complement the legal framework established by the Law of Payment Systems and Securities Settlement Systems (Law No. 29440). The Central Bank's oversight role of Payment Systems and Securities Settlement Systems is an important element established in the law.

The Central Bank revised in October 2010 (Circular No.038-2010-BCRP) the regulations relating to ALADI's Reciprocal Payments and Credits Agreement applicable to Peru to include operating specifications and facilities that will contribute to a more efficient implementation of these Agreement.

¹⁸ The aim of this Stage is to facilitate foreign intermediaries' technological access to the local stock market through a local intermediary, which will be responsible for stock trading, clearing and settlement.

***INSTITUTIONAL
ACTIVITIES***



Institutional Activities

1. Board of directors

In 2010 the Board of Directors of the Central Reserve Bank of Peru was chaired by Governor Julio Velarde and integrated by Carlos Raffo Dasso (Vice President), Beatriz Boza Dibos, José Chlimper Ackerman, Alfonso López Chau Nava, Martha Rodríguez Salas, and Abel Salinas Izaguirre. The Board held 63 meetings in 2010.

It is worth pointing out that the Emerging Markets newspaper of the Euromoney Institutional Investor group, one of the largest and most respected financial information companies in the world, selected Doctor Julio Velarde as Latin America's Central Bank Governor of the Year for 2010 during the annual meetings of the World Bank group and the International Monetary Fund (IMF), held in Washington in October 2010.

2. Transparency and social responsibility activities

Transparency in all of its actions is a central characteristic of the management of the Central Bank. Under the inflation targeting framework, the BCRP informs the public about its monetary decisions and explains the reasons why the measures are adopted through different media to reinforce the effectiveness of these measures.

2.1 Transparency

Each month the Board of the BCRP informs the public about monetary policy decisions through communiqués or **Informative Notes on the Monetary Program**, which provide information on the reference interest rate, as well as on the interest rates on rediscount operations and overnight deposits. These communiqués are published on the BCRP website (www.bcrp.gob.pe), disseminated through press releases, and also emailed to subscribers. Teleconferences are also held with the media.

In 2010 the **Inflation Report** was published in March, June, September, and December. This report discusses monetary policy actions and economic developments, explains the evolution of inflation and the main macroeconomic variables, and provides economic forecasts. It is disseminated through meetings and conferences with representatives of the financial system, the academia, the media, business, economic analysts and authorities in both Lima and the provinces, as well as through the BCRP website.

Governor Velarde **met on several occasions with Congress representatives** in 2010. In March he spoke twice before the "Multi-Party Commission in Charge of Monitoring the International Financial Crisis and its Impact on the Country" and its Consulting Experts group about the Central Bank's monetary policy response to the international financial crisis.



On September 7 he met with the members of the Commission of Economy and discussed the economic outlook and macroeconomic forecasts in his presentation entitled “Situation and Prospects for the Peruvian Economy” and on September 14 he appeared before the Budget Commission to explain the macroeconomic assumptions of the 2011 Budget and also to discuss the outlook for the Peruvian economy.

Moreover, in September 2010 the Peruvian Congress passed the bill on Covered Mortgage Bonds that the Central Bank has been promoting since 2009 with the aim of increasing long term loans for house construction and diversifying the capital market. The bill was enacted by the Executive on December 24.

Moreover, indicators on the Bank’s administrative and budget management, as well as the Financial Statements of the BCRP –audited by internationally prestigious firms– are published in the Transparency section of the Bank’s webpage (www.bcrp.gob.pe).

In 2010, in accordance with the Transparency and Access to Public Information Law, the BCRP answered 34 requests for information submitted.

2.2 Dissemination of Economic Information

In compliance with its constitutional mandate and its Organic Law, in 2010 the BCRP continued periodically informing the public about the state of national finances through the publication and dissemination of macroeconomic reports and statistical data. Printed publications, which are also published on the Bank’s website, include the Inflation Report, the Weekly Economic Report, the Annual Report, the Financial Stability Report, *Revista de Estudios Económicos*, and *Revista Moneda*. The Weekly Economic Report, *Notas de Estudio*, the Working Papers, and the Reports of the Regional Branches are also disseminated in electronic version. Informative Notes on the evolution of the main economic variables and the main institutional events were also sent to the media.

Additionally, the BCRP also organized seminars, lectures, institutional talks and events to discuss several topics of economic interest, both in Lima and in other cities of the country. Talks on the mission and roles of the bank and on the security features of banknotes and coins were also offered. A total of 5,086 university students participated in the 76 lectures and talks offered by the Central Bank in 2010 (the number of participants in these activities was 18.6 percent higher than in 2009).

2.3 Social Responsibility Activities

As in previous years, in 2010 the BCRP continued contributing to education and culture in our country through several activities, including courses and contests, as well as through the free access to its museums and library, among other activities and services.

2.3.1 Courses

- **University Extension Course for Economists.** Thirty-five economists and students of economics from 15 public and private universities of Lima and other cities of the country participated in the 57th Extension Course offered by the BCRP. The aim of this course is to disseminate new knowledge in the field of economics and improve the professional level of participants. The course is also the channel through which the best students are recruited to integrate the Bank’s technical staff.
- **Third Extension Course of Advanced Finances.** Twenty-five professionals interested in finances were selected from the total number of applicants from different educational backgrounds and different universities who applied to participate in this course. The best participants were also invited to integrate the BCRP staff.
- **Updating Course** for economics students from province universities. Participants updated their knowledge on macroeconomics, microeconomics, econometrics, and mathematics. The best students were invited to participate in the 58th Extension Course in 2011.

- **Course for university professors.** The aim of this course, which is mainly oriented to faculty members of province universities, is to improve the standards of economic education in the universities of the country located in cities other than Lima. Twenty professors from different universities participated in this course in 2010.

2.3.2 Contests

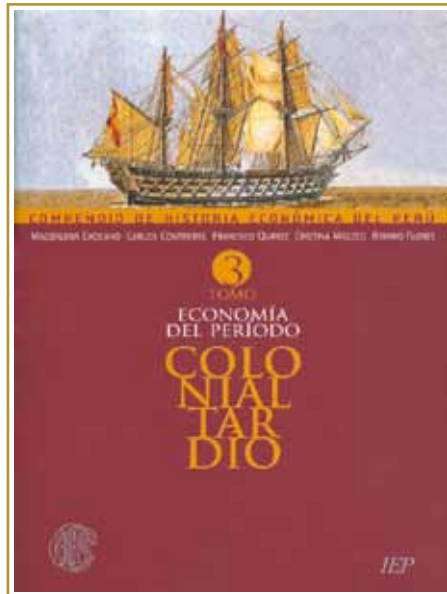
- **Contest for Junior Economists.** This contest, organized every year since 1998, seeks to promote economic research. The winner of the 2009-2010 “Luis Felipe de las Casas Grieve” Research Contest for Juner Economists” was Daniel Alonso Morales Vásquez for his paper “Presiones Cambiarias en el Perú: Un enfoque no lineal”. The second prize was awarded to Denisse Calmet and Juan Miguel Capurro for their paper “El tiempo es dinero” and the third prize was awarded to economist Walter Bazán Palomino for his essay entitled “Son los estados de la economía peruana lo que determina el comportamiento asimétrico del crédito privado”.
- **BCRP Fifth Contest for School Students.** A total of 400 essays written by students from schools all over the country participated in the 2010 edition of this contest. The topics covered by the essays were the role of the Central Bank in the Peruvian economy; the economic role of households, firms and the State; and how the globalization of the economy reflects in the balance of payments.

The first prize was awarded to the students of school San Luis Borja, located in the district of Independencia, Lima, for the essay entitled “BCRP y el control de la inflación: Base para el bienestar de todos”, which analyzes the role of the Central Bank as the organization responsible for maintaining monetary stability, a key aspect for economic growth. The second prize was awarded to the students of school Eliseo Alcides Bernal La Serna, of Piura, for their essay “Para crecer, el valor del dinero debemos proteger” and the third prize was awarded to the students of school Peruano de Ciencias, La Molina, Lima, for their paper “Perú, país con mayor interdependencia y sensibilidad económica”.

- **“Julio Ramón Ribeyro” Short Novel Contest.** “Sonata para Kamikaze” by Giancarlo Poma Linares was selected as the winning novel among the 65 short novels that participated in the 2010 edition of this contest. The jury was chaired by recently deceased renowned linguist Luis Jaime Cisneros and integrated by Abelardo Oquendo, Alonso Cueto, Mirko Lauer, and Marcel Velásquez. In addition to S/. 20,000, the prize also includes a diploma and the publication of the winning novel.
- The winner of the **Second National Painting Contest 2010** was Lima’s artist Ana Teresa Barboza Gubo with her untitled painting. The second prize was awarded to Claudia Martínez Garay for “Después de 186 años, aún se sigue luchando”. Honorable mentions were also awarded to Andrés Chávez Alcorta Rosas for his painting “Luca el Sapaso” (diptych) and to Christian Maud Flores Saavedra for “De la lista de casos no resueltos 27 de May del 2009” due to the exceptional quality of their work. All the pieces of art selected by the jury were exhibited in the new art gallery of the Museum of the Central Bank. The jury was integrated by Gustavo Buntinx, Natalia Majluf, Ricardo Wiese, Luis Eduardo Wufarden, and Moico Yaker.

2.3.3 Book presentations

The Central Bank presented the following books in 2010: Volume III of Compendio de la Historia Económica del Perú: Época Colonial Tardía, by Ramiro Flores, Magdalena Chocano, Francisco Quiroz, Cristina Mazzeo, Carlos Contreras, co-published by the BCRP and IEP; Sonata para Kamikazes (BCRP Short Novel Prize) by Giancarlo Poma Linares; Guerra, Finanzas y Regiones en la Historia Económica del Perú by Carlos Contreras, Cristina Mazzeo, and Francisco Quiroz, co-published by the BCRP and IEP; and the second edition of Tomo I de la Historia Económica del Perú: Epoca prehispánica by Luis Guillermo Lumbreras, Peter Kaulicke, Julián Santillana, and Waldemar Espinoza.



2.3.4 Museum

As a result of the cooperation agreements established between the Bank and several public and private institutions with the purpose of promoting the Bank's valuable heritage collections, visits to the Museum increased by 39.4 percent compared to 2009. A total of 136,262 people visited the Museum of the BCRP in 2010.



The BCRP Museum participated in exhibitions in Peru and in other countries in 2010. The former included “La orfebrería en el antiguo Perú”, at Salón Túpac Amaru of the Palace of Government from December 21, 2009 to January 30, 2010; the exhibition “Aproximación y rescate” with the art works of Antonino Espinoza Saldaña at Centro Cultural Peruano Británico in April and May; the III International Art Print Biennial at the new art gallery of the Museum in March and April); the exhibition of the winning and finalist art pieces of the II National Painting Contest from August 19 to September 20 at Museum’s new exhibition hall; the exhibition “Los funerales de Atahualpa” at the MALI Museum from October 2010 to April 2011, and the traveling exhibition of painting reproductions at the Liceo Naval Contralmirante Montero of Callao in November 2 - 9.

Exhibitions in other countries included “Precursores del Imperio Inca: Sicán – ciudad dorada”, organized by Tokio Broadcasting System and in display in several museums and cities of Japan between July 14, 2009 and June 12, 2011, and “La gran maravilla y misterio de la civilización de Perú: Inca”, co-sponsored by the National Museum of Korea and the Peruvian Embassy in Korea from December 1, 2009 to March 28, 2010.

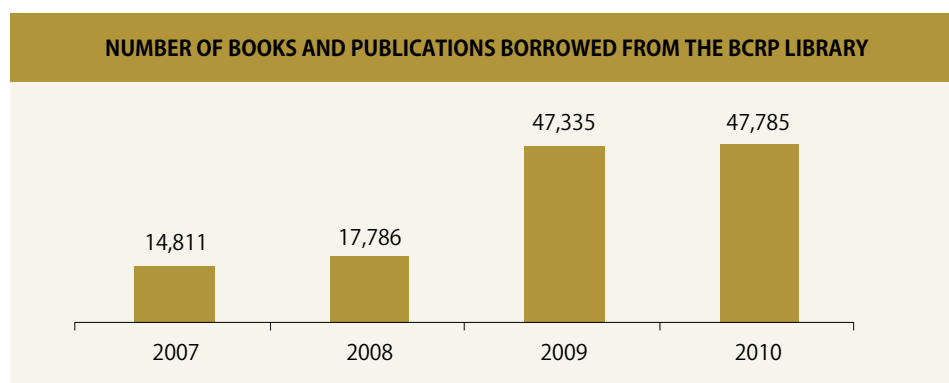
The Museum also participated in the VIII Fair “Los Museos a tu alcance” at Parque Universitario on May 14-15; the fair “Redescubriendo Lima” at Parque de la Muralla on July 24-25; the XV Feria Internacional del Libro 2010 at Parque de los Próceres from July 21 to August 5; the II Feria Internacional del Libro in Arequipa in the last week of September, and in the XXXI Feria del Libro de Lima at Parque Kennedy, Miraflores, from October 22 to November 1, 2010.

Moreover, the IV Seminar of Numismatics: “El Sistema Monetario privado en el Perú: La Ficha, siglos XIX y XX” was held at the Museum on October 20.

Other activities organized by the Museum included 21 theater plays and 59 films at the Museum’s theater, as well as 21 social responsibility activities carried out with school children who live in conditions of extreme poverty in the districts of Comas, Magdalena, El Agustino, La Victoria, Ventanilla, Rímac, and urban settlements in Rímac, Huachipa, and Ate. Finally, other activities included several craft workshops organized by the BCRP Museum: six of these workshops were carried out between January 18 and 23 to celebrate the 28th anniversary of the BCRP Museum; four workshops were held to celebrate the Artisan Day on March 16-19; eight workshops were developed in the frame of the International Month of Museums on May 12-27; four workshops were organized as part of the cycle Celebrando Nuestra Identidad on June 22-25; six workshops were carried out between July 19 and 24 to celebrate Peru’s Independence Day, and ten Christmas workshops were held on December 13-18.

2.3.5 BCRP Library

In 2010, the Library of the BCRP, which specializes in economic and financial publications, increased its collection of books and periodical publications by 11,160 volumes, of which 1,654 are books and 9,506 are periodical publications. The Bank’s Library managed 8,754 reading requests, lent a total of 47,785 books and periodical publications, and subscribed to other 11 digital publications.



3. Main events

In 2010 the Bank’s highest authorities and officers participated in several international and national meetings, including the following:

3.1 International meetings

- Annual Meeting of Deputy Governors of Central Banks from Emerging Market Economies, organized by the Bank for International Settlements (BIS) and held in Basel, Switzerland, January 28 - 29.



- I Meeting of Ministers of Finance and Governors of Central Banks of UNASUR member countries, organized by Unión de Naciones Suramericanas (UNASUR) and held in Quito, Ecuador, on February 10.
- LIX Ordinary Meeting of the Board of the Fondo Latinoamericano de Reservas (FLAR), organized by the FLAR, and held in Bogota, Colombia, on March 15.
- LI Meeting of IDB Governors and XXV Meeting of the Board of Governors of the Inter American Investment Corporation, organized by the Inter American Development Bank and the Inter American Investment Corporation, and held Benito Juárez, Cancun, Mexico, March 19 -23.
- VI Meeting of Monetary Policy Advisors, organized by the Center for Latin American Monetary Studies (CEMLA), and held in Bogotá, Colombia, April 8 -9.
- XIX Meeting of Central Bank Governors of country members of Mercosur, Bolivia, Chile, Peru, and Venezuela, organized by the Central Bank of Argentina, held in Buenos Aires, Argentina, April 8 - 9.
- V Meeting of Open Market Operators, organized by the Center for Latin American Monetary Studies (CEMLA) and the Central Bank of Argentina, held in Buenos Aires, Argentina, April 15 -16.
- Spring Meeting of the International Monetary Fund (IMF), the World Bank (WB) and the G-24 Group and XXXI Meeting of the IDB's Latin American Network of Central Banks and Finance Ministries, organized by the IMF, the World Bank and the IDB, held in Washington D.C., USA, April 20 -26.
- VII Meeting of UNASUR's Group on Financial Integration, organized by UNASUR and the Argentine Ministry of Foreign Affairs, held in Buenos Aires, Argentina, May 6 - 7.
- LX Extraordinary Meeting of the Board of the FLAR, organized by FLAR and held in Montevideo, Uruguay, on May 12.
- XIV Latin American Congress of Internal Audit and Risk Evaluation, organized by the Latin American Banking Federation (FELABAN) and Panama Banking Association, held in Panama City, May 12 -14.
- XLVII Meeting of Governors of Central Banks of the Americas and LXXXIX Meeting of Governors of Central Banks of Latin America and Spain, organized by CEMLA and the Central Bank of Argentina, held in Buenos Aires, Argentina, May 13 - 15.
- Forum "Perú y México: Inversión y Desarrollo", organized by the Peruvian Ministry of Foreign Trade and Tourism in the frame of Expo-Perú, held in México D.F., May 25 -26.
- LXI Extraordinary Meeting of the FLAR, organized by the Fondo Latinoamericano de Reservas (FLAR), held in Bogotá, Colombia, on June 19.
- 80 General Annual Meeting of the Bank for International Settlements, held in Basel, Switzerland, June 26 - 28.
- V International Conference of Economic Studies of the FLAR, organized by the FLAR in Cartagena, Colombia, August 9 - 10.
- LXII Extraordinary Meeting of the Board of the FLAR, organized the FLAR and held in Bogotá, Colombia, and V International Conference of Economic Studies of the FLAR, held in Cartagena, Colombia, August 8 -10.
- LI Meeting of ALADI Council for Financial and Monetary Affairs, organized by Asociación Latinoamericana de Integración (ALADI) in Montevideo, Uruguay, August 9 - 13.

- XX Meeting of Central Bank Governors of country members of MERCOSUR, Bolivia, Chile, Peru, and Venezuela, organized by the Central Bank of Uruguay, held in Asunción, Paraguay, August 13.
- 5th Conference of the Irving Fischer Committee on Central Banks Statistics IFC, organized by the Bank for International Settlements, held in Basel, Switzerland, August 24 -26.
- Annual Meeting on Economic Policy “Macroeconomic Challenges: The Decade Ahead”, organized by the Federal Reserve Bank of Kansas City, held in Jackson Hole, Wyoming, USA, August 26 - 28.
- LXIII Ordinary Meeting of the FLAR, organized by the FLAR, held in Bogotá, Colombia, September 20.
- Presentation of the VIII Ibero American Series of Commemorative Coins, organized by la Real Casa de la Moneda de Nicaragua, held in Managua, Nicaragua, September 20 - 24
- III Seminar on Strategic Planning for Central Banks, organized by CEMLA in Santiago, Chile, September 22 - 24.
- X Meeting of Central Bank Treasurers and Meeting of Experts on Money Counterfeiting, organized by CEMLA and held in México D.F., September 26 – October 1.
- Working Party on Monetary Policy in Latin America, organized by the Bank for International Settlements and the Central Bank of Brazil, held in Rio de Janeiro, September 30 – October 1.
- Meetings of CEMLA’s Board of Governors and Assembly; XLVI Meeting of IMF-World Bank Central Bank Governors of Latin America, Spain and the Philippines; V Meeting of Central Bank Governors of Asia, Latin America and the Caribbean; XXXII IDB Annual Meeting of Central Banks and Ministers of Finance of Latin America; Meetings of the LAC/G20 Initiative and of the G-24; XXII Meeting of the IMF International Financial Committee and LXXXII Meeting of the IMF Development Committee; and IMF-World Bank General Assembly, held in Washington D.C.; and Peru Country Presentation, organized by the Peruvian Embassy in Italy and the Italian Ministry of Foreign Affairs, held in Rome, October 6 -14.
- III Meeting of Internal Auditors of Central Banks of the Americas, organized by the Bank for International Settlements, held in México D.F., October 14 - 15.
- Global Payments Week 2010, organized by the World Bank and CEMLA, held in Amsterdam, Holland, October 19 -22.
- XV Meeting of the CEMLA Network, organized by CEMLA, held in La Paz, Bolivia, November 3 - 5.
- Meeting of the International Monetary Law Committee, organized by the International Monetary Law Committee, held in Castries, Santa Lucia Island, on November 12 - 13.
- Third Latin American Forum of Representatives of Finance Ministries and Central Banks, organized by the World Bank and the Central Bank of Argentina, carried out in Santo Domingo, Dominican Republic, November 17 - 19.
- XII Meeting on Central Banking Accounting Issues, organized by CEMLA and the Bank of Guatemala, held in Guatemala City, November 23 - 26.

3.2 National meetings

- Course on Estimation, Solution and Policy Analysis using Equilibrium Monetary Models, offered by professor Lawrence Christiano, Columbia University, co-organized with CEMLA



- Presentation of OECD publication *Perspectivas Económicas de América Latina 2010: Migración y Desarrollo*, co-organized with the OECD and the Ministry of Foreign Affairs.
- Seminar “Acuerdos Comerciales con China y la Unión Europea”, offered by Eduardo Ferreyros, Vice Minister of Foreign Trade.
- Inauguration of Exhibition Hall Roberto Letts Colmenares at the BCRP Museum.
- Course on Nonparametric Econometrics, offered by professor David Jacho-Chávez, University of Indiana.
- International Seminar Capital Movements: Old and New Debates, co-organized with the Reinventing Bretton Woods Committee and the G-24.
- IV Numismatics Seminar: “El sistema monetario privado en el Perú: La Ficha siglos XIX y XX”.
- XIV Meeting on Central Banking Communication, co-organized with CEMLA.
- Seminar on Recent Developments in the Main Legal Aspects of International Reserves Investments.
- Conference: “La Guerra Internacional de las Divisas: ¿Cuáles son los riesgos para América Latina y cuál debería ser el rol de los Bancos Centrales?” offered by Liliana Rojas-Suárez and Guillermo Calvo to present the conclusions of the annual report of the Latin American Shadow Financial Regulatory Committee (CLAAF).
- XXVIII Meeting of Economists, presentations by BCRP analysts and academics of prestigious national and international universities.
- Award ceremony of Central Banking Award Rodrigo Gómez, 2010. BCRP officers Paul Castillo and Jorge Salas received the award from Governor Julio Velarde, BCRP, and Lic. Javier Guzmán, Director General of CEMLA.
- Seminar on Inflation Measurement: Policy Issues and concerns, co-organized with the Bank for International Settlements and CEMLA.

4. Branch offices

The BCRP decentralized branch offices located in the cities of Arequipa, Cusco, Huancayo, Iquitos, Piura, Puno and Trujillo provide services to 23 of the country’s regions. The BCRP branches are in charge of elaborating and disseminating studies and reports on the regions’ economic and financial developments, as well as of supplying the appropriate amount of currency required in the country.

“Síntesis Económica”, a report analyzing the main economic and financial developments in the 23 regions, with the exception of Lima and Callao, is elaborated by the BCRP branches and published on the BCRP web site on a monthly basis. This document is also delivered directly to the main organizations, institutions and professional associations in each region.

In 2010 the Bank programmed a series of presentations of the Inflation Report in the branch offices for dissemination purposes and carried out the Regional Meeting of Economists in the city of Ica. In Piura, BCRP staff members also participated in the XIX National Congress of Economists that was held in this city and lectured on “Canales de Transmisión de la Crisis Financiera Internacional” and “Un modelo de desarrollo basado en recursos naturales: Caso Piura”. Moreover, lectures on the topic “Situación y Perspectivas de la Economía Peruana” were offered in Arequipa, Piura and Puno, and another lecture on “Desarrollo de la Economía Mundial y sus repercusiones” was also offered in the city of Puno. In addition to this, the participation of the BCRP Branch Office of Arequipa in the “Segunda Feria Internacional del Libro” and the “Cuarta Feria Internacional del Ahorro” are worth pointing out.

Training on the security features of banknotes and coins was provided to the personnel of financial, commercial, industrial and service companies, and to the general public through the 479 talks offered by the BCRP branch offices on the subject. A total of 12,647 people participated in these talks.

Furthermore, national and foreign visitors to the museums of the BCRP Branches in the cities of Trujillo, Arequipa and Piura amounted to 30,871 people in 2010. It is worth highlighting that 21,086 people (68 percent of the total number of visitors) visited the museum of Trujillo, attracted by the historical value of its collections.

During 2010, currency for a total of S/. 2,870 million –a sum 40 percent higher than in 2009– was delivered to the BCRP regional branches to meet the requirements of the financial system, as well as to meet the public’s needs of currency. In order to maintain the quality of circulating banknotes, deteriorated banknotes for a total amount of S/. 2,902 million were withdrawn from circulation and sent to the BCRP main office for destruction. The amount of deteriorated banknotes removed from circulation was 11 percent lower than in 2009.

5. Currency management

With the aim of promoting our country’s important cultural heritage and fostering a numismatic culture, in 2010 the Central Bank issued the Numismatic Series named “Wealth and Pride of Peru”. Ten million units of each of the following new 1 sol coins: “Tumi de Oro”, “Sarcófagos de Karajía” and “Estela de Raimondi” were issued in March, July, and December, respectively. It is worth pointing out that these coins are legal tender and circulate simultaneously with the other S/. 1.00 coins



New bimetal S/. 2.00 and S/. 5.00 coins, with innovative fine detail designs, were also put into circulation in October. These legal tender coins circulate simultaneously with the previously existing coins of 2 and 5 nuevos soles.





Moreover, silver coins of the VIII Ibero-American Series called Ibero-American Historical Coins were also put into circulation. The Central Banks of Argentina, Cuba, Spain, Guatemala, Mexico, Nicaragua, Paraguay, Peru and Portugal participate in this Series. These coins are legal tender and their sale price is adjusted according to cost changes.



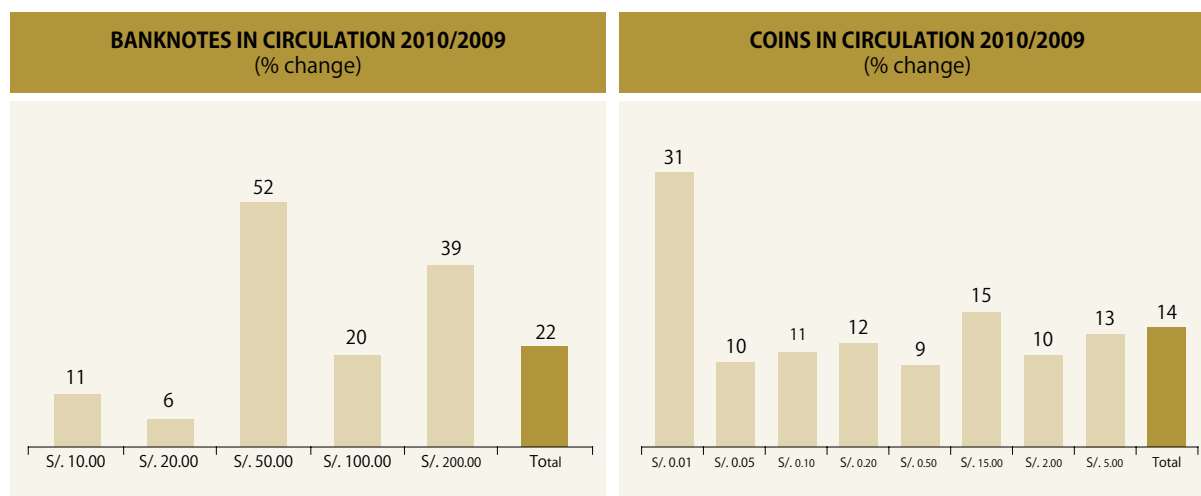
The Central Bank also increased the number of S/. 50 and S/. 200 banknotes delivered to banks to improve the composition of banknote denominations in circulation.

5.1 Banknotes and coins in circulation

In 2010, the amount of banknotes and coins in circulation was higher than in 2009 both in terms of value and units due to the growth of the economy in this year.

Banknotes in circulation amounted to S/. 26,836 million in December 2010 (25.2 percent higher than in December 2009), while coins in circulation amounted to S/. 1,239 million (12.6 percent higher than in December 2009).

In terms of units of coins and banknotes, the balance of banknote units in circulation at end 2010 was 456 million units (22 percent higher than the balance at end 2009), while the balance of coin units at end 2010 was 2,429 million units (14 percent higher than in the previous year).



5.2 Destruction of Banknotes and Coin Melting

A total of 259.9 million banknotes with a value equivalent to S/. 9,312.3 million were destroyed in 2010.

Moreover, 11.4 million units of S/. 0.10 denominated coins were melted.

DESTRUCTION OF BANKNOTES		
Denomination	Quantity (Millions of units)	Monetary value (Millions of nuevos soles)
S/. 10.00	106.0	1,060.3
S/. 20.00	65.5	1,310.9
S/. 50.00	40.2	2,008.7
S/. 100.00	47.0	4,696.6
S/. 200.00	1.2	235.7
TOTAL	259.9	9,312.2

Source: BCRP.

5.3 Coin Minting

The National Mint produced 253.4 million coins in 2010. This production was 6.2 percent higher than in 2009 due to the expansion of the economy in 2010.

The greater volumes of coins produced were the coins with denominations of S/. 0.10 and S/. 0.01.

PRODUCTION OF COINS			
Denomination	Alloy	Quantity (Millions of units)	Monetary value (Millions of nuevos soles)
S/. 0.01	Aluminum	73.0	0.73
S/. 0.05	Aluminum	24.0	1.20
S/. 0.10	Brass	82.0	8.20
S/. 0.20	Brass	25.0	5.00
S/. 0.50	Nickel-silver	5.2	2.59
S/. 1.00	Nickel-silver	32.0	32.00
S/. 2.00	Bi-metal	6.2	12.47
S/. 5.00	Bi-metal	6.0	30.00
TOTAL		253.4	92.19

Source: BCRP.

6. Circulars

The BCRP issued 48 Circulars during 2010: seven circulars referred to the regulations of monetary instruments, sixteen to reserve requirement regulations, four to the investment limit for private administrators of pension funds, three to the payments system, one to first-class banks, five to banknotes and coins, and twelve to the monthly announcement of the Daily Adjustment Index established in article 240 of Law 26702, General Law for the Financial System and Insurance System and Organic Law of the Superintendence of Banks and Insurance Companies. The circulars issued during 2010 were the following:



Monetary Instruments

Circulars 035-2010-BCRP (05/10/2010), 036-2010-BCRP (05/10/2010), 037-2010-BCRP (05/10/2010), 039-2010-BCRP (28/10/2010), 040-2010-BCRP (28/10/2010).

Reserve Requirements Regulations

Circulars 002-2010-BCRP (22/01/2010), 003-2010-BCRP (22/01/2010), 007-2010-BCRP (14/03/2010), 008-2010-BCRP (14/03/2010), 016-2010-BCRP (21/06/2010), 017-2010-BCRP (21/06/2010), 020-2010-BCRP (16/07/2010), 021-2010-BCRP (16/07/2010), 024-2010-BCRP (06/08/2010), 025-2010-BCRP (06/08/2010), 026-2010-BCRP (26/08/2010), 029-2010-BCRP (10/09/2010), 031-2010-BCRP (29/09/2010), 032-2010-BCRP (29/09/2010), 047-2010-BCRP (30/12/2010), 048-2010-BCRP (30/12/2010).

Investment Limits for Private Administrators of Pension Funds

Circulars N° 004-2010-BCRP (26/01/2010), 015-2010-BCRP (15/06/2010), 019-2010-BCRP (15/07/2010), 030-2010-BCRP (14/09/2010).

Statistics on Payments Systems

Circulars N° 012-2010-BCRP (03/05/2010), 013-2010-BCRP (03/05/2010), 028-2010-BCRP (07/09/2010), 046-2010-BCRP (23/12/2010).

First Class Banks

Circular N° 042-2010-BCRP (04/11/2010).

Banknotes and Coins

Circulars N° 009-2010-BCRP (24/03/2010), 022-2010-BCRP (21/07/2010), 034-2010-BCRP (04/10/2010), 043-2010-BCRP (04/11/2010), 045-2010-BCRP (09/12/2010).

ALADI

Circular N° 038-2010-BCRP (12/10/2010).

Daily Adjustment Index

Index of Daily Readjustment referred to in Article 240 of the General Law of the Financial and Insurance Systems and the Organic Law of the Superintendency of Banking and Insurance, was published in the following circulars:

001-2010-BCRP (04/01/2010), 005-2010-BCRP (01/02/2010), 006-2010-BCRP (01/03/2010), 010-2010-BCRP (05/04/2010), 011-2010-BCRP (03/05/2010), 014-2010-BCRP (01/06/2010), 018-2010-BCRP (01/07/2010), 023-2010-BCRP (02/08/2010), 027-2010-BCRP (01/09/2010), 033-2010-BCRP (01/10/2010), 041-2010-BCRP (02/11/2010), 044-2010-BCRP (01/12/2010).

***FINANCIAL
STATEMENTS***



INDEPENDENT AUDITORS' REPORT

To the Directors of
Banco Central de Reserva del Perú

1. We have audited the accompanying financial statements of Banco Central de Reserva del Perú (the "Central Bank"), which comprise the balance sheet as of December 31, 2010 and 2009, and the statement of income, the statement of changes in net equity, and the statement of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

2. Management is responsible for the preparation and fair presentation of these financial statements in accordance with Article 88 of the Bank's Organic Law, which requires that these statements be prepared in accordance with generally accepted accounting principles as applicable to the Central Bank and the standards set forth to that purpose by the Superintendencia de Banca, Seguros y Administradoras Privadas de Fondos de Pensiones (hereinafter the "accounting policies and principles of the Central Bank"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Peru. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, the above referred financial statements present fairly, in all material respects, the financial position of Banco Central de Reserva del Perú as of December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended, in accordance with accounting policies and principles applied by the Central Bank as described in Note 2.

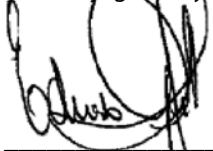
Emphasis of matter

7. As described in Notes 2 (a-2) and 17 (d) to the accompanying financial statements, the Board, on its session of December 30, 2010, agreed to approve the reclassification of the "Readjustment in valuation Organic Law Article 89" account, presenting it in net equity of Balance Sheet of Central Bank. As a result of the previous matter, the accumulated balance maintained from readjustment in the valuation of its assets and liabilities in foreign currency as of December 31, 2010 and 2009 (in thousands) S/.1,791,632 and S/.91,836, respectively, was reclassified from Other Assets to an equity account. For comparative purposes, the 2009 financial statements previously reported have been restated to reflect such change as if this presentation had always been applied.

The accompanying financial statements have been translated into English for the convenience of the readers.

Beltrán, Gonzalo Andrés S.-Civil de R.d.

Countersigned by:



(Partner)

Eduardo Gris Percovich
CPC Registration No. 12159

February 4, 2011

**BALANCE SHEETS
AS OF DECEMBER 31, 2010 AND 2009**

ASSETS	Notes	2010	2009
		S/.000	S/.000
GROSS INTERNATIONAL RESERVES:			
Cash in foreign currency		175	29,154
Deposits in foreign banks	5	30,262,374	16,737,163
Securities from international institutions	6	85,339,924	71,479,286
Gold	7	4,394,212	3,516,800
Contributions to the International Monetary Fund	8 (b)	527,577	550,345
Contributions to Latin American Reserve Fund	8 (a)	1,082,356	1,076,386
Other available assets		<u>2,367,581</u>	<u>2,421,265</u>
		<u>123,974,199</u>	<u>95,810,399</u>
OTHER ASSETS ABROAD:			
Contributions in local currency to the International Monetary Fund	8 (b)	2,233,129	2,327,070
Other assets abroad		<u>67,766</u>	<u>71,962</u>
		<u>2,300,895</u>	<u>2,399,032</u>
DOMESTIC CREDIT			
		<u>9</u>	<u>9</u>
PROPERTY, FURNITURE AND EQUIPMENT, NET			
	9	<u>138,282</u>	<u>133,322</u>
OTHER ASSETS			
	10	<u>432,069</u>	<u>513,588</u>
TOTAL ASSETS		<u>126,845,454</u>	<u>98,856,350</u>
MEMORANDUM ACCOUNTS		21 <u>13,784,033</u>	<u>28,391,485</u>

The accompanying notes are an integral part of these financial statements.

L IABILITIES AND EQUITY	Notes	2010 S/.000	2009 S/.000
RESERVE LIABILITIES		127,183	116,487
OTHER FOREIGN LIABILITIES:			
Equivalent of the contribution in local currency to the International Monetary Fund	11 (a)	2,233,129	2,327,070
Other foreign liabilities	11 (b)	2,694,499	2,806,928
		<u>4,927,628</u>	<u>5,133,998</u>
STERILIZED STOCK:			
Outstanding securities issued	12	3,684,583	14,071,252
Deposits in local currency	13	48,888,911	22,202,398
		<u>52,573,494</u>	<u>36,273,650</u>
MONETARY BASE	14	34,207,967	23,548,063
DEPOSITS IN FOREIGN CURRENCY	15	32,755,094	29,332,667
OTHER LIABILITIES	16	636,517	516,271
TOTAL LIABILITIES		<u>125,227,883</u>	<u>94,921,136</u>
EQUITY:	17		
Capital		1,182,750	591,375
Legal reserve		1,182,750	591,375
Special statutory reserve		410,107	-
Fair value reserve		18,473	793,688
Retained earnings		615,123	2,050,612
A. Capital, reserves and retained earnings		3,409,203	4,027,050
B. Readjustment for valuation Article 89 Organic Law		(1,791,632)	(91,836)
TOTAL EQUITY		<u>1,617,571</u>	<u>3,935,214</u>
CONTINGENCIES	20		
TOTAL LIABILITIES AND EQUITY		<u>126,845,454</u>	<u>98,856,350</u>
MEMORANDUM ACCOUNTS	21	<u>13,784,033</u>	<u>28,391,485</u>

**STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	Notes	2010	2009
		S/.000	S/.000
FINANCIAL INCOME:			
Interest on deposits in foreign banks	5	55,567	25,623
Net yield on securities	6	1,876,473	2,748,760
Interest on international agreements and deposits at IMF		8,185	4,047
Dividends received from FLAR		36,118	9,807
		<hr/>	<hr/>
Yield on gross international reserves		1,976,343	2,788,237
Interest on domestic credit operations		1	129,504
Other financial income		7,936	641,497
		<hr/>	<hr/>
TOTAL FINANCIAL INCOME		1,984,280	3,559,238
		<hr/>	<hr/>
NON-FINANCIAL INCOME		4,332	7,131
		<hr/>	<hr/>
FINANCIAL EXPENSES:			
Interest on other foreign liabilities	11 (b)	(7,700)	(3,802)
Interest on outstanding securities issued	12	(313,553)	(433,892)
Interest on local currency deposits	13	(702,625)	(876,038)
Interest on foreign currency deposits	15	(44,379)	(57,458)
Other financial expenses		(5,236)	(88,338)
		<hr/>	<hr/>
TOTAL FINANCIAL EXPENSES		(1,073,493)	(1,459,528)
		<hr/>	<hr/>
OPERATING EXPENSES:			
Remunerations and social benefits		(135,876)	(135,235)
Administrative expenses		(56,017)	(57,963)
Depreciation and amortization		(7,012)	(8,249)
Other expenses	18	(12,237)	(7,240)
		<hr/>	<hr/>
TOTAL OPERATING EXPENSES		(211,142)	(208,687)
		<hr/>	<hr/>
ISSUANCE EXPENSES AND COSTS:			
Expenses for printing of notes bills issued		(47,980)	(36,867)
Cost of production of coins issued		(36,894)	(27,810)
Expenses for transport notes bills and coins		(3,980)	(2,457)
		<hr/>	<hr/>
TOTAL ISSUANCE EXPENSES AND COSTS		(88,854)	(67,134)
		<hr/>	<hr/>
NET INCOME		615,123	1,831,020
		<hr/>	<hr/>

The accompanying notes are an integral part of these financial statements.

**STATEMENTS OF CHANGES IN NET EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	Capital	Reserves	Special statutory reserve	Fair value reserve	Retained earnings	Readjustment for valuation Article 89 Organic Law	Net Equity
	S/.000 (Note 17(a))	S/.000 (Note 17(b))	S/.000 (Note 17(b))	S/.000 (Note 6)	S/.000 (Note 17(c))	S/.000 (Note 17 (d))	S/.000 (Note 17)
Balance as of January 1, 2009	591,375	591,375	-	2,103,918	233,294	3,630,411	7,150,373
Net changes in fair value of available-for-sale investments	-	-	-	(1,310,230)	-	-	(1,310,230)
Transfer of earnings to the Public Treasury	-	-	-	-	(13,702)	-	(13,702)
Readjustment for valuation Article 89 Organic Law	-	-	-	-	-	(3,722,247)	(3,722,247)
Net income	-	-	-	-	1,831,020	-	1,831,020
Balance as December 31, 2009	591,375	591,375	-	793,688	2,050,612	(91,836)	3,935,214
Reserve capitalization - Supreme Decree N° 124-2010-EF	591,375	(591,375)	-	-	-	-	-
Transfer	-	-	1,592,857	-	(1,592,857)	-	-
Constitution of reserves	-	1,182,750	(1,182,750)	-	-	-	-
Net changes in fair value of available-for-sale investments	-	-	-	(775,215)	-	-	(775,215)
Transfer of earnings to the Public Treasury	-	-	-	-	(457,755)	-	(457,755)
Readjustment for valuation Article 89 Organic Law	-	-	-	-	-	(1,699,796)	(1,699,796)
Net income	-	-	-	-	615,123	-	615,123
Balance as December 31, 2010	1,182,750	1,182,750	410,107	18,473	615,123	(1,791,632)	1,617,571

The accompanying notes are an integral part of these financial statements.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>Notes</u>	<u>2010</u>	<u>2009</u>
		<u>S/.000</u>	<u>S/.000</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income		615,123	1,831,020
Adjustments to reconcile net income to net cash and cash equivalents provided by (used in) operating activities:			
Depreciation of property, furniture and equipment		6,778	7,161
Provision for impairment of property, net recoveries		1,320	1,098
Disposal of property, furniture and equipment, net		(635)	463
Fair value reserve		(775,215)	(1,310,230)
Decrease (increase) in assets:			
Other foreign assets		98,136	765,743
Domestic credit		-	5,393,361
Other assets		80,200	75,229
Increase (decrease) in liabilities:			
Reserve liabilities		10,695	1,388
Other liabilities abroad		(206,369)	1,544,713
Securities issued		(10,386,668)	(4,273,736)
Deposits in local currency		26,686,512	(1,926,791)
Deposits in banks, financial institutions and other		5,122,210	(843,985)
Deposits in foreign currency		3,422,427	(1,582,653)
Other liabilities		120,246	(190,688)
Readjustment in valuation, Organic Law Article 89		(1,699,796)	(3,722,247)
Cash and net cash equivalents provided by (used in) operating activities		<u>23,094,964</u>	<u>(4,230,154)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Sale of property, furniture and equipment		1,027	991
Additions to property, furniture and equipment		(12,131)	(4,857)
Transfer of earnings to the Public Treasury		<u>(457,755)</u>	<u>(13,702)</u>
Cash and net cash equivalents used in investing activities		<u>(468,859)</u>	<u>(17,568)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		22,626,105	(4,247,722)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR		<u>73,270,950</u>	<u>77,518,672</u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	2 (o)	<u>95,897,055</u>	<u>73,270,950</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

1. BANK'S IDENTIFICATION AND ECONOMIC ACTIVITY

Banco Central de Reserva del Perú (hereinafter the "Bank or Central Bank") is an autonomous legal entity of public law incorporated on March 9, 1922, intended to preserve monetary stability in Peru. Its activities are currently governed by Article 84 of the Peruvian Constitution, dated December 29, 1993, and by its Organic Law approved by Decree-Law N° 26123 of December 24, 1992 (hereinafter Organic Law). The Organic Law establishes that the Bank's functions are to regulate the amount of money, administrate international reserves, issue of bills and coins, and report on the finances of Peru.

The Bank has its legal address and headquarters in Lima, and has branches in seven cities in Peru. As of December 31, 2010 and 2009, the number of employees was 997 and 991, respectively.

The financial statements for the year ended December 31, 2010 have been authorized for issuance by the Bank's Management and will be submitted to the Board of Directors for its approval. The financial statements for the year ended December 31, 2009 were approved by the Board of Directors at meeting held on March 4, 2010.

The Bank represents Peru for the purposes set forth in the Articles of the agreements of the International Monetary Fund (IMF) and the Fondo Latinoamericano de Reservas (FLAR) and is responsible for all official transactions, operations and relations with these institutions.

The Bank may also act as a Peruvian Government Agent in its relations with multilateral credit organizations and financial agencies of foreign governments.

As established in its Organic Law, the Bank is not allowed to:

- Grant funding to the Public Treasury, except in the form of acquisitions of securities issued by the Public Treasury in the secondary market in which case the holding of such securities, valued at their acquisition cost, may not exceed at any moment five per cent (5%) of the balance of the monetary base at the end of the previous year.
- Issue guarantees, letters of guarantee or any other guarantees, or use any form of indirect funding, or grant insurance of any type. It should be mentioned that the operations conducted by the Bank in implementing payment and reciprocal credit agreements are not subject to the aforementioned prohibition.
- Allocate resources for the creation of special funds aimed at granting credits or making investments to promote nonfinancial economic activities.
- Issue securities, bonds or contribution certificates of mandatory acquisition.
- Impose sector or regional coefficients in the composition of the loan portfolio of financial institutions.
- Establish multiple exchange rate regimes.
- Purchase shares, except those issued by international financial agencies or those needed to be acquired to rehabilitate banks or financial entities; participate, directly or indirectly, in the capital of commercial, industrial or any other companies.



2. SIGNIFICANT ACCOUNTING POLICIES AND PRINCIPLES OF THE CENTRAL BANK

The significant accounting policies and principles used by the Central Bank to prepare and present its financial statements are the following:

(a-1) Basis for the preparation and presentation and change in accounting policy

The financial statements are prepared and presented as established in Article 88 of the Bank's Organic Law, in accordance with generally accepted accounting principles (GAAP) as applicable to the Central Bank, and the related standards established by Superintendency of Banks, Insurance Companies and Administrators of Private Pension Funds (hereinafter SBS, for its Spanish acronym).

The GAAP in Peru comprise the Standards and Interpretations issued or adopted by International Accounting Standards Board (IASB), which include the International Financial Reporting Standards (IFRS), the International Accounting Standards (IAS), and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or by the former Standing Interpretation Committee (SIC) adopted by IASB and rendered official by the National Accounting Council (CNC for its Spanish acronym) for their application in Peru .

The standards rendered official in Peru by the National Accounting Council as of December 31, 2010 are the international versions effective on the date of approval of the CNC, which include IFRS 1 to 8, IAS 1 to 41, IFRIC 1 to 14, and SIC 1 to 32 (except for those superside).

In the preparation and presentation financial statements of 2010 and 2009, the Bank has complied with the aforementioned applicable Standards and Interpretations.

New standards and modifications to the standards and interpretations approved by the CNC to be adopted in Perú as from 2011

By Resolution N° 044-2010-EF/94, the CNC approved to formalize the 2009 revised versions of IAS, IFRS, IFRIC and SIC for their application in Peru as from January 1, 2011, recommending its early application, as well as to formalize the changes implemented as of May 2010 of IAS, IFRS, IFRIC, all of which have been adopted by the IASB internationally. The new standards and amendments approved by the CNC effective as from 2011 in Peru, in accordance with this Resolution are:

IFRS 1	"First-time adoption of IFRS" (revised May 2010)
IFRS 2	"Share-based payments" (revised June 2009)
IFRS 3	"Business Combination" (revised May 2010)
IFRS 5	"Non-current Assets Held for Sale and Discontinued Operations" (revised April 2009)
IFRS 7	"Financial instruments – Disclosures" (revised May 2010)
IFRS 8	"Operating Segments" (revised April 2009)
IAS 1	"Presentation of financial statements" (revised May 2010)
IAS 7	"Statement of Cash Flows" (revised April 2009)
IAS 16	"Property, plant and equipment" (revised May 2008)
IAS 17	"Leases" (revised April 2009)
IAS 18	"Revenues from ordinary activities" (revised April 2009)
IAS 19	"Employee benefits" (revised May 2008)
IAS 20	"Accounting for Government Grants and Disclosure of Government Assistance" (revised May 2008)
IAS 23	"Borrowing Cost" (revised May 2008)
IAS 24	"Related party disclosures" (revised November 2009)
IAS 27	"Consolidated and separate financial statements" (revised May 2010)
IAS 28	"Investments in associates" (revised May 2008)

IAS 29	"Financial Reporting in Hyperinflationary Economies" (revised May 2008)
IAS 31	"Interests in joint ventures" (revised May 2008)
IAS 32	"Financial Instruments: Presentation" (revised October 2009)
IAS 34	"Interim financial reporting" (revised May 2010)
IAS 36	"Impairment of Assets" (revised April 2009)
IAS 38	"Intangible Assets" (revised April 2009)
IAS 39	"Financial instruments: recognition and measurement" (revised April 2009)
IAS 40	"Investment property" (revised May 2008)
IAS 41	"Agriculture" (revised May 2008)
IFRIC 8	"Scope of IFRS 2" (revised June 2009)
IFRIC 9	"Reassessment of embedded derivatives" (revised April 2009)
IFRIC 11	"IFRS 2" – Group and Treasury Share Transactions" (revised June 2009)
IFRIC 13	"Customer Loyalty Programs" (revised May 2010)
IFRIC 14	"IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding, Requirements and their Interaction" (revised November 2009)
IFRIC 15	"Agreements for the construction of real estate" (issued July 2008)
IFRIC 16	"Hedges of a Net Investment in a Foreign Operation" (revised April 2009)
IFRIC 17	"Distributions of Non-cash Assets to Owners" (issued November 2008)
IFRIC 19	"Extinguishing financial liabilities with equity instruments" (issued November 2009)

The Bank's management is evaluating the impact of these standards on the financial statements from 2011 onwards.

New Accounting Pronouncements (not yet approved by the CNC or internationally approved after May 2010)

Conceptual framework (revised September 2010)

IFRS 1	"First-time adoption of IFRS" (revised December 2010)
IFRS 7	"Financial instruments – Disclosures" (revised October 2010)
IFRS 9	"Financial instruments – Classification and Measurement" (issued November 2009)
IAS 12	"Income Tax" (revised December 2010)
IFRIC 18	"Transfer of assets from customers" (revised January 2009)

The Bank's Management is analyzing how these standards, not yet approved by the CNC, may affect the preparation and presentation of its 2011 financial statements and so on.

In the preparation of its financial statements, the Bank includes some accounting practices included in the Bank Organic Law. The SBS has set forth no specific accounting standards for the Bank. The accounting principles generally accepted as applicable to the Central Bank (hereinafter referred to as principles and practices of the Central Bank) are summarized in the following sections of this note.

(a-2) Change in accounting policy

As agreed on its meeting of December 30, 2010, the Board approved the change of the recording of the accounting effect resulting from valuation of assets and liabilities in foreign currency, in accordance with article 89 of the Organic Law, the balance of which, previously recorded as assets or liabilities, shall be presented in equity under "Readjustment in valuation Organic Law Article 89". Likewise, for comparative purposes, the 2009 financial statements previously reported have been restated to reflect such change as if this presentation had always been applied.



(b) Functional and presentation currency

The Bank prepares and presents its financial statements in nuevos soles, which is the functional currency. The functional currency is the currency of the main economic environment in which the entity operates.

(c) Use of estimates

The preparation of the financial statements requires Management to make estimates and assumptions for determining assets and liabilities balances and the amounts of income and expenses, and disclosing contingent assets and liabilities, to date of financial statements. Should any changes subsequently occur to the estimates or assumptions due to variations in the circumstances they were based on, the effect of change should be included in the determination of the net gain or loss for the year of the change, and future periods if applicable. The significant estimates related to the financial statements correspond to: the determination of the fair value for available-for-sale financial assets when the information of active market price is not available, provision for fluctuation in values for available-for-sale assets, the provision for costs of transforming coined gold, useful life of property, furniture and equipment, provision for impairment of the value of property, provision for severance indemnities, useful life of intangibles, provision for foreclosed assets, and actuarial provisions for supplemental retirement, widowhood, health care and burial benefits.

(d) Financial instruments

• **Primary**

A primary financial instrument (not derivative) is any contract that simultaneously gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity. In the case of the Bank, financial instruments correspond to primary instruments included in: (i) gross international reserves, (ii) other assets abroad, (iii) domestic credit, (iv) other assets, and (v) liabilities in general.

Primary financial instruments are classified as financial assets, financial liabilities, or equity instruments according to the substance of the contract. Interest and other gains and losses generated by a financial instrument classified as asset or liability are recorded as income or expense in the statement of income, except for gains or losses arising from the variation in fair value of securities held by international entities consider as available-for-sale, which are directly recognized in equity, and the exchange differences for valuation of balances which are recorded in equity. The financial instruments are offset when the Bank has the legal right to offset them, and Management has the intention of paying them on a net basis or negotiating the asset and paying the liability simultaneously.

According to the Bank Management's opinion, the balances in: (i) Gross international reserves, (ii) other assets abroad; (iii) domestic credit; (iv) other assets; and (v) liabilities in general, do not differ significantly from their fair value. The recognition and valuation criteria of these items are disclosed herein in the corresponding notes.

• **Derivatives**

The derivatives refer to financial instruments characterized by: (i) changes in value (directly or inversely) as a result of modifications occurring in a determined variable (underlying) which is not specific to one of the parties; (ii) not requiring an initial investment or requiring a small initial disbursement related to the income or loss that they might generate and (iii) having a maturity date.

The derivative instruments used by the external administrator are valued using the quotations of the closing period that it provides.

(e) Securities in international entities

The securities from international entities held by the Bank are classified as follows: a portion as available-for-sale financial assets and other portion as held-to-maturity financial assets. These securities are initially recorded at acquisition cost.

Subsequently to their initial recognition, the valuation of the available-for-sale financial assets is carried out at their fair value, which is determined on a market price basis. The higher or lower value of the available-for-sale financial assets which results from comparing the carrying value and their fair value is recorded in equity until investments are sold or realized. The interests generated while holding these assets are earned and charged to earnings using the effective interest rate.

After their initial recognition, the held-to-maturity financial assets are valued at their amortized cost using the effective interest method affecting the results.

When there is objective evidence of impairment of the accounting value, this loss will be recognized via the corresponding provision for fluctuation of securities charged to results of the period.

(f) Precious metals

As established by Article 72 of the Bank's Organic Law, gold and silver holdings are recorded at the value established by the Board of Directors, without exceeding the price prevailing in the international market.

Under Board of Directors' agreements of December 20, 2007, from December 31, 2007, the Bank's gold and silver holdings are valued at their listed price in the New York market daily provided by Bloomberg and Reuters between 15:00 to 15:30, local time.

The price of gold per troy ounce was US\$1,404.30 and US\$1,092.90 as of December 31, 2010 and 2009, respectively. While the price of silver per troy ounce was US\$ 30.465 and US\$ 16.830 on the same dates.

(g) Property, furniture and equipment

Property, furniture and equipment are recorded at cost and are presented net of accumulated depreciation and provision for impairment of value, if any. Renewals and improvement expenses are capitalized as an additional cost of property, furniture and equipment, only when they can be reliably estimated and when it is likely that such disbursements will contribute to the generation of future economic benefits from the use of real estate, furniture and equipment, beyond their original normal performance evaluation; maintenance and repair expenses are charged to results as incurred.

Annual depreciation is recognized as expense and calculated based on the straight-line method considering the following estimated useful life:

	<u>Years</u>
Buildings	100
Furniture and office equipment, and miscellaneous equipment	10
Computers	3
Transportation units	5

The useful life estimate and the depreciation method are periodically reviewed by the Central Bank's Management based on the economic results expected for the items comprising property, furniture and equipment.

The cost and accumulated depreciation of property, furniture and equipment disposed of or sold are eliminated from their respective accounts, and any resulting gain or loss is included in the results of the fiscal period in which they are incurred.



(h) Foreclosed assets

Foreclosed assets mainly include real estate received as payments of loans granted to banks under liquidation process and are recorded at the cost of adjudication which does not exceed their estimated realizable value, net of the corresponding provision. As of December 31, 2010 and 2009, foreclosed assets are fully amortized.

As established in Article 85 of the Organic Law, the Central Bank may not be the owner of more real estate than those intended for its normal activities and those transferred to the Bank as settlement of debts. The latter must be sold over a term not exceeding a year from the date of transfer. As of December 31, 2010 and 2009, all the foreclosed assets are aged over a year and the Central Bank has made the arrangements established by law in order to formalize their sale, which implied coordination with Superintendencia Nacional de Bienes Estatales (SBN, for its Spanish acronym).

(i) Impairment losses

When there are events or economic circumstances that indicate that the value of an asset might not be recoverable, the Bank reviews the book value of these assets. If after this analysis the book value of the asset exceeds its recoverable amount, the Bank recognizes an impairment loss in the statement of income.

The recoverable amount of long-lived asset is the higher between its net cost of sale and its value in use. The fair value less costs to sell of a long-lived asset is the amount that can be obtained by selling it in a transaction carried out in conditions of mutual independence between well informed parties, less related costs of disposal. Value in use is the present value of estimated future cash flows expected to arise from an asset.

In accordance with established procedure, the valuation of real estate of the Bank is performed, at least every 5 years, for which an appraiser is hired. The last appraisal was conducted in 2008.

(j) Sterilized capital

Sterilized capital inflows is a Central Bank's liability in local currency comprised by outstanding securities issued and deposits in local currency from the governmental sector and financial entities, which are not part of the reserve requirements. The sterilized capital inflows is the result from monetary operations to take out liquidity from the financial system, and for deposits from the said entities, which in case of reversal, would imply an increase in the primary issuance.

(k) Bills and coins issued

This includes bills and coins in legal tender issued by the Bank which are held by the public; and are recorded as a liability on the balance sheet at their nominal value under primary issuance. Bills and coins not in circulation are kept in the Bank's vaults and recorded in Memorandum Accounts at their nominal value.

(l) Employees' severance indemnities

Employees' severance indemnities are determined according to current legal regulations, and are recorded in the accounting books as other liabilities and charged to results and credited to the corresponding provision account as accrued. The payments made, which are considered definitive, are deposited in financial institutions selected by the employees.

(m) Employee benefits

As established in Article 58 of its By-laws, the Central Bank transfers financial resources to the Fund for Disease, Insurance and Pensions of the Central Bank's employees

(hereinafter the Fund) with the funds necessary for supplementing the expenses required for its operations.

The Fund is a legal entity of private law established under Decree-Law N° 7137 and is intended to provide assistance to the Bank's active and retired employees, as well as their spouses, children and parents, as established in its regulations. Such assistance is additional to social security benefits and other social benefits granted by Law (National Health Security – ESSALUD, Spanish acronym; National Pension System - Decree Law N° 19990, and The Private Pensions System). According to IAS 19 – Retirement Pension Costs, this regulation considers the benefits for employees under a defined benefit plan.

- **Supplemental pensions subvention, widowhood pensions and burial subsidy**

For a plan of defined benefits, the expenses related to supplemental pensions are determined under the method of benefits per year of services, under which the cost of providing supplementary pensions is recorded in the results for the year so as to distribute the cost over the employees' years of services. The value of the supplemental pension is determined by an actuary on a periodic basis and is measured at the present value of all future pension payments using an annual technical interest rate of 6%. In determining this obligation, the Bank has used parameters established in the Fund's Regulations, and the methodology for calculating the actuarial reserve for supplemental subvention pensions, widowhood pensions, burial subvention, and health-care services (Note 16 (b)).

- **Other supplemental benefits to retirement**

The general balancing equation between health-care benefits and contributions (Kaan equation) was used to calculate the ongoing risks reserve of health care services.

As of December 31, 2010, to determine the amount of provision for actuarial reserve, the present value of obligations for the defined benefits has been considered, as well as the fair value of the Fund's assets, in accordance with IAS 19 Employee Benefits. The Fund's net assets considered to be deducted from the amount of actuarial reserve are composed by the present value of deposits and loans, net of their obligations.

The supplemental pension subvention to retirement and widowhood pensions, burial subsidy, and other supplemental retirement benefits, deducted from present value of the Fund's net assets are recorded under other liabilities.

(n) Interests and commissions

Interest income and expenses are recognized in the results for the year when accrued and the commissions when paid.

When there are reasonable doubts regarding the collection of any financial instrument, interests are recognized as income to the extent that there is a reasonable certainty of its collection.

(o) Operating expenses and issuance costs of bills and coins

Operating expenses for transporting of bills and coins are recognized in results for the year when accrued.

Printing expenses for bills and manufacturing cost of coins are recognized in results for the year in which they are issued.

The cost of manufacturing coins and coin blanks until November 2009 includes the cost of raw materials. From December 2009, the cost of labor and manufacturing overhead costs have also been considered.



(p) Cash and cash equivalents

Cash and cash equivalents comprise gross international reserves, net of bills and coins issued and in circulation included in the account of the monetary base.

The difference between gross international reserves and reserve liabilities (comprising the obligations with international entities) represents net international reserves. These reserves show the international liquidity of the country and its financial capacity compared to other countries; they are the resources the Bank possesses to settle its obligations in foreign currency.

(q) Transactions and balances in foreign currency and treatment of exchange differences

Transactions in foreign currency are those carried out in a different currency other than the functional currency. Foreign currency transactions are converted into the functional currency using the exchange rates on the dates of transactions. The Bank records income or loss on foreign currency sale in the results for the year.

The result from foreign currency sale is obtained by subtracting the equivalent in local currency obtained by multiplying the amount of foreign currency sold by the accounting exchange rate at the end of day from the equivalent in local currency of the amount obtained from foreign currency sales on that day. If the equivalent in local currency resulting from this sale is higher than the amount calculated, this is recorded as an income; otherwise, it is recorded as a loss.

Article 89 of the Bank's Organic Law establishes that differences recorded as a result of the readjustments in the valuation in local currency of the Bank's assets and obligations in gold, silver, foreign currency, Special Drawing Rights (hereinafter SDR) or other monetary units of international use are credited in a special account and are not considered to be gains or losses.

This valuation is made on a daily basis, using the balances of assets and liabilities in foreign currency and precious metals in dollars and converting the latter to nuevos soles (see note 4), thus obtaining balances in local currency which are compared with the accounting balances before valuation.

The amount obtained as a result of said prices and exchange rate valuation is debited or credited in a special equity account denominated "Readjustment in Valuation, Article 89 Organic Law". As indicated in Note 2 (a-2), the Board approved to modify the presentation of the valuation result of the position of assets and liabilities in foreign currency so that it be presented in equity.

(r) Provisions

Provisions are recognized only when the Bank has a present obligation (legal or constructive) assumed as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when its amount can be reliably estimated. Provisions are reviewed and adjusted in each period to reflect the best estimate as of balance sheet date.

When the effect of the value of money over time is significant, the amount of the provision is the present value of the expenditure expected to be incurred to settle the provision.

(s) Contingent liabilities and assets

Contingent liabilities are not recognized in the financial statements, they are only disclosed in a note to financial statements unless the possibility of an outflow of resources is remote.

Contingent assets are not recognized in the financial statements, they are only disclosed in a note to the financial statement when it is probable that an inflow of resources will take place.

Items previously treated as contingent assets or liabilities will be recognized in the financial statements of the period in which the change in probabilities occurs; that is, when in the case of liabilities it is determined as probable, or virtually certain in the case of assets, that an outflow or inflow of resources will take place, respectively.

(t) Reclassifications

Certain amounts of the financial statements as of December 31, 2009 have been reclassified so that they may be compared with the financial statements of the current year. The reclassifications carried out are summarized below:

- In 2010, as a result of the decisions approved by the Board (Note 2 (a-2)), the Bank reclassified the accumulated balance maintained for "Readjustment in valuation article 89 of the Organic Law" of its assets and liabilities in foreign currency as of December 31, 2010 and 2009 –(in thousands) S/.1,792,632 and S/.91,836, respectively– from Other Assets to Equity.
- In 2009, certain personnel expenses amounting to (in thousands) S/.10,136 were included as part of "Administrative expenses". In the financial statements as of December 31, 2010 and 2009, this has been included in "Remunerations and social benefits".
- In 2009, "Expenses for the transportation of banknotes and coins", which amounted to (in thousands) S/.2,457, were included in "Expenses for transportation and printing of banknotes". In the financial statements as of December 31, 2010 and 2009, this expense constitutes a separate entry.

3. MAIN DIFFERENCES BETWEEN THE ACCOUNTING PRINCIPLES AND PRACTICES OF THE CENTRAL BANK AND GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN PERU

The main differences between the accounting principles and practices applied by the Central Bank in conformity with the Organic Law described in Note 2 above, and the GAAP in Peru are as follows:

- The Bank records in a balance sheet special account, as per accounting practice from Organic Law Article 89, the readjustment of price valuation and exchange rates in local currency, corresponding to the assets and obligations in gold, silver, foreign currency, SDR or other monetary units of international use. In accordance with IAS 21 - The Effects of Changes in Foreign Exchange Rates (GAAP in Peru), the results in the above valuations should be included in the results of the Bank in the period when generated, and the income for foreign currency sale should be recorded as income or loss for the period as incurred. As of December 31, 2010 and 2009 this readjustment amounted to (in thousands) S/.1,791,632 and S/.91,836, respectively (Notes 2 (a-2) and 17 (d)).
- The preparation of the statement of cash flows is carried out by the Bank considering as cash and cash equivalents the captions included in Note 2 (p). This accounting practice differs from what IAS 7- Statement of Cash Flows (GAAP in Peru) - establishes.



4. BALANCES IN FOREIGN CURRENCY

Balances in U.S. dollars as of December 31, 2010 and 2009 have been stated in nuevos soles at the purchase exchange rate established by the Superintendency of Banking, Insurance, and Private Pension Fund Administrators as of those dates of S/.2.808 and S/.2.888 per US\$1, respectively. Balances in other currencies have been stated in U.S. dollars at the exchange rate at the closing of the New York market as mentioned in caption (b) of this note.

(a) The balances in foreign currency and in precious metals as of December 31, 2010 and 2009 expressed in dollars, are summarized as follows:

	<u>2010</u> US\$000	<u>2009</u> US\$000
Assets:		
U.S. dollars	35,522,008	26,190,782
Euro	6,176,538	4,880,647
SDR	1,005,155	1,019,264
Peso Andino	20,000	20,000
Gold	1,565,573	1,218,411
Silver	1,314	726
Other currencies	153	160
	<u>44,290,741</u>	<u>33,329,990</u>
Liabilities:		
U.S. dollars	11,832,443	10,311,642
Euro	14,227	8,915
SDR	572	387
Peso Andino	20,000	20,000
Silver	530	293
	<u>11,867,772</u>	<u>10,341,237</u>
Net assets	<u>32,422,969</u>	<u>22,988,753</u>

SDR is an international reserve asset created by the International Monetary Fund (hereinafter IMF), allocated to member countries in proportion to their quotas. The value of SDR is calculated daily by adding the U.S. dollars values (exchange rate quoted at noon in the London Market) of fixed amounts of a four-currency basket (U.S. dollar, euro, Japanese yen and pound sterling). The amounts of each currency of the SDR basket are calculated according to agreed percentages.

- (b) The quotations of foreign currency in U.S. dollars as of December 31, 2010 and 2009 are summarized as follows:

	<u>2010</u> US\$	<u>2009</u> US\$
SDR	1.540030	1.561990
Pounds sterling	1.541200	1.606600
Canadian dollars	1.000100	0.947355
Peso andino	1.000000	1.000000
Euro	1.328900	1.433000

5. DEPOSITS IN FOREIGN BANKS

This account comprises:

	<u>2010</u> S/.000	<u>2009</u> S/.000
Time deposits	30,254,216	16,725,359
Interest receivable on time deposits	<u>3,226</u>	<u>291</u>
	<u>30,257,442</u>	<u>16,725,650</u>
Call deposits	4,927	11,505
Interest receivable on call deposits	<u>1</u>	<u>3</u>
	<u>4,928</u>	<u>11,508</u>
Demand deposits	<u>4</u>	<u>5</u>
	<u>30,262,374</u>	<u>16,737,163</u>

As of December 31, 2010 and 2009, time deposits amounted to (in thousands) US\$10,774,294 and US\$5,791,329, respectively, which are deposited in first-rate banks and accrue interests at international market rates. As of December 31, 2010 and 2009, a portfolio of (in thousands) US\$297 and US\$1,410 is held by an external manager.

Deposits in foreign banks accrued an annual average interest rate of 0.25% as of December 31, 2010 (0.16% as of December 31, 2009).



6. SECURITIES FROM INTERNATIONAL INSTITUTIONS

This account comprises:

	<u>2010</u> <u>S/.000</u>	<u>2009</u> <u>S/.000</u>
Available-for-sale securities	75,125,397	65,927,598
Interests to be collected	<u>652,961</u>	<u>811,812</u>
	75,778,358	66,739,410
Held-to-maturity securities	9,545,681	4,727,696
Interests to be collected	<u>15,885</u>	<u>12,180</u>
	<u>9,561,566</u>	<u>4,739,876</u>
Total	<u>85,339,924</u>	<u>71,479,286</u>

Securities in international institutions correspond to first class and low-risk financial instruments, which bear interests at international market rates. As of December 31, 2010 and 2009, such values are represented by (in thousands) US\$30,391,710, and US\$24,750,446, respectively, which are under custody of first class foreign banks. Also includes securities of issuers of first class in external administration.

The securities classified as available for sale comprise Treasury obligations of the United States of America and countries members of the European Economic Community, the Bank for International Settlements (BIS by its acronyms in English), as well as bonds and commercial papers from international entities supported by sovereign governments and supra-national institutions.

The market price considered as fair value for securities classified as available for sale on the Bank's investment portfolio is provided daily by Bloomberg and Reuters between 15:00 and 15:30, local time, except for commercial papers, over which the Bank applies internal valuation techniques based on the information obtained in the market at closing period date.

The result of the valuation at fair value of available-for-sale investments is directly recognized in equity. For this concept, for 2010 and 2009 periods a decrease for (in thousands) S/.775,215 and S/.1,310,230, respectively, has been recorded in the account reserve for fair value in equity.

The securities classified as held to maturity comprise structured bonds in order to diversify hedging investments as established by the Board.

After their initial recognition, the financial assets held to maturity are valued at amortized cost using the effective interest rate method, the result of which is recorded in the statement of income. As of December 31, 2010 and 2009, the balance of held-to-maturity investments amounts to (in thousands) S/.9,545,681 and S/.4,727,696, respectively.

7. GOLD

This account comprises:

	<u>2010</u> <u>S/.000</u>	<u>2009</u> <u>S/.000</u>
In Peru	2,175,527	1,740,909
Abroad	<u>2,218,685</u>	<u>1,775,891</u>
Total	<u>4,394,212</u>	<u>3,516,800</u>

As of December 31, 2010 and 2009, this account consists of 552,192 troy ounces in commemorative coins and bars deposited in the Bank's vault. As of December 31, 2010 562,650 troy ounces are held in "good delivery" bars deposited in first-rate foreign banks in custody. As of December 31, 2009, 562,650 troy ounces were held in "good delivery" bars, as well as bonds from international entities, bearing interests rates of 0.45% which maturity date was on October 2010.

As of December 31, 2010 and 2009, the balance of gold in the country is presented net of a provision of (in thousands) S/.1,917 and S/.1,972, respectively. Such provision represents the estimated expense for transforming coined gold into high purity or "good delivery" bars.

8. CONTRIBUTIONS TO INTERNATIONAL AGENCIES

The Bank maintains contributions with the following international agencies:

(a) Fondo Latinoamericano de Reserva - FLAR

As of December 31, 2010 the contribution to FLAR amounts to (in thousands) US\$385,454 equivalent to (in thousands) S/.1,082,356 (US\$372,710 equivalent to S/.1,076,386, as of December 31, 2009). This contribution grants Peru access to FLAR funding facilities. Peru's participation in FLAR is 22.22% of its subscribed capital.

**(b) International Monetary Fund (IMF)**

Comprises the following:

	<u>2010</u> S/.000	<u>2009</u> S/.000
<u>Contribution in SDR</u>		
Contribution to IMF in SRG 122,000	<u>527,577</u>	<u>550,345</u>
<u>Contribution in local currency</u>		
Contribution to IMF for equivalent in local currency of SDR 516,400	2,221,629	2,354,593
Revaluation to be liquidated - contribution to IMF in local currency	<u>11,500</u>	<u>(27,523)</u>
Total contribution in local currency	<u>2,233,129</u>	<u>2,327,070</u>
Contribution to IMF	<u><u>2,760,706</u></u>	<u><u>2,877,415</u></u>

The contribution to IMF grants Peru access to IMF's funding activities. The counter item of these contributions is recorded as a liability with IMF. (Note 11 (a)). The IMF determines Peru's contribution as a participating country, which amounts to (in thousands) SDR 638,400 as of December 31, 2010 and 2009. Peru's participation in the total contributions made by IMF member countries is 0.29% as of December 31, 2010 and 2009.

Revaluations to liquidate - contribution in local currency to IMF corresponds to the revaluation (provision) for maintaining the value of contribution resulting from the difference from the variation of the exchange rates of SDR in respect to the U.S. dollar and the U.S. dollar in respect to the Peruvian nuevos soles, from April 30 to December 31 of each year. The exchange rate as of April 30, 2010 was 0.661762 SDR, and 2.847 nuevos soles per U.S. dollar, while the exchange rate as of December 31, 2010 was 0.649336 SDR and 2.808 nuevos soles per U.S. dollar. These revaluations (provisions) are settled at the end of each IMF year, which is April 30.

Within the Financial Transactions Plan of IMF framework, funding operations for US\$150 million and US\$35 million (equivalent to SDR 100 million and SDR 22 million respectively) were carried out in May and September 2009, which generated a decrease in the contribution in local currency and obligations to the IMF for S/.546 million and an increase in the contribution of SDR 122 million; Peru's contribution of SDR 638.4 million remaining unchanged.

9. PROPERTY, FURNITURE AND EQUIPMENT

During 2010 and 2009, the movement in cost, accumulated depreciation and allowance for impairment, was as follows:

2010:	Balances as of	Additions	Disposals	Adjustment	Balances as of
	01/01/2010				12/31/2010
	S/.000	S/.000	S/.000	S/.000	S/.000
Cost:					
Land	24,056	-	-	-	24,056
Buildings and other constructions	156,613	1,416	-	-	158,029
Furniture and office equipment	4,639	124	(196)	454	5,021
Vehicles	2,956	145	(205)	(423)	2,473
Miscellaneous equipment	55,964	8,289	(1,309)	(31)	62,913
Units in-transit	1,056	2,157	(335)	-	2,878
	<u>245,284</u>	<u>12,131</u>	<u>(2,045)</u>	<u>-</u>	<u>255,370</u>
Total					
Accumulated depreciation:					
Buildings and other constructions	52,162	1,933	-	-	54,095
Furniture and office equipment	4,317	72	(194)	319	4,514
Transportation equipment	2,455	194	(174)	(408)	2,067
Miscellaneous equipment	36,103	4,579	(1,284)	89	39,487
	<u>95,037</u>	<u>6,778</u>	<u>(1,652)</u>	<u>-</u>	<u>100,163</u>
Allowance for impairment	16,925				16,925
Net cost	<u>133,322</u>				<u>138,282</u>



2009:	Balances as of 01/01/2009	Additions	Retiros	Disposals	Balances as of 12/31/2009
	S/.000	S/.000	S/.000	S/.000	S/.000
Cost:					
Land	24,784	-	728	-	24,056
Buildings and other constructions	157,467	312	1,166	-	156,613
Furniture and office equipment	4,669	122	152	-	4,639
Vehicles	2,984	163	191	-	2,956
Miscellaneous equipment	54,794	3,320	2,150	-	55,964
Units in-transit	119	1,007	70	-	1,056
	<u>244,817</u>	<u>4,924</u>	<u>4,457</u>	<u>-</u>	<u>245,284</u>
Accumulated depreciation:					
Buildings and other constructions	50,974	1,588	400	-	52,162
Furniture and office equipment	4,397	71	151	-	4,317
Transportation equipment	2,440	206	191	-	2,455
Miscellaneous equipment	32,759	5,296	2,027	75	36,103
	<u>90,570</u>	<u>7,161</u>	<u>2,769</u>	<u>75</u>	<u>95,037</u>
Allowance for impairment	<u>17,166</u>	<u>-</u>	<u>241</u>	<u>-</u>	<u>16,925</u>
Net cost	<u>137,081</u>				<u>133,322</u>

- (a) The depreciation of property, furniture and equipment for the 2010 period is included in the statement of income under "Depreciation and Amortization" for (in thousands) S/.5,692 (S/.7,151 in 2009) and cost of material and production of coins for (in thousands) S/.1,086 and S/.10, respectively.
- (b) As of December 31, 2010, the Bank maintains furniture and equipment for (in thousands) S/.33,140 (S/.26,495 in 2009) fully depreciated, which is still in use.
- (c) The Bank maintains effective insurances on its main assets, in conformity with the policies established by Management.
- (d) In 2010, a general inventory of Bank's assets was carried out and its result is still in process of reconciliation.
- (e) In 2008, the appraisal value provided by independent appraisers of the real estate where the main office and the Museum of the Bank is located, resulted lower than their net book value; therefore, a allowance for impairment has been recorded with charge to results amounting to (in thousands) S/.16,397, while for other six properties where the branches operate, the appraisal value resulted higher than the net book value, for which a reversal of the existing allowance for impairment has been recorded, totally or partially, until the limit of the asset market value, resulting in an income of (in thousands) S/.3,793. In 2009, (in thousands) S/.307 were recorded in other expenses for adjustment of impairment of property.

10. OTHER ASSETS

This account comprises:

	<u>2010</u>	<u>2009</u>
	<u>S/.000</u>	<u>S/.000</u>
Contributions to international organization (Note 17 (a))	233,894	277,364
Collections	89,968	89,960
Silver	38,544	43,497
Raw material, semi-finished and finished products	37,375	20,822
CNM inventories in transit	22,634	70,921
Accounts receivable from personnel	3,691	2,097
Intangibles, net of amortization of (in thousands) S/.11,258 (S/.10,188 in 2009)	3,054	1,715
Prepaid expenses and deferred charges	1,813	708
Foreclosed assets (*)	-	-
Miscellaneous	1,096	6,504
Total	<u><u>432,069</u></u>	<u><u>513,588</u></u>

(*) Foreclosed assets as of December 31, 2010 and 2009 amount to (in thousands) S/.323 and S/.780, respectively, and they are fully amortized.

- (a) The contribution to international organizations corresponds to the pending contribution to FLAR as of December 31, 2010 of (in thousands) US\$83,296 (US\$96,040 in 2009), presented as other assets and liabilities, which will be paid with future distributions of profits of this organization, (Note 16 (a)).
- (b) Art Collections correspond to painting, archaeological pieces, sculptures, numismatic collections of coins and bills and other objects acquired by or donated to the Bank, and maintained for display.
- (c) Raw material comprises the supplies acquired by the Bank for the minting of coins valued at average cost. The value of semi-finished and finished products is comprised by the cost of the raw material, direct manpower and the indirect manufacturing expenses.
- (d) Prepaid expenses and deferred charges mainly comprise the cost of printing bills, charged to expenses as cash is issued.
- (e) Intangibles comprise licences and computer programs. Expense for amortization included in statement of income was (in thousands) S/.1,320 y S/.1,098 as of December 31, 2010 and 2009, respectively.



11. OTHER FOREIGN LIABILITIES

The Bank presents the following foreign liabilities:

(a) Equivalent of the contribution in local currency to the IMF

As of December 31, 2010, the equivalent of the contribution in local currency to the IMF amounts to (in thousands) S/.2,233,129 (S/.2,327,070 as of December 31, 2009) corresponding to (in thousands) SDR 516,400. This obligation is not subject to an interest rate and has no agreed-upon maturity date (Note 8 (b)).

(b) Other liabilities abroad

It comprises the following:

	<u>2010</u>	<u>2009</u>
	<u>S/.000</u>	<u>S/.000</u>
Allocation of SDR	2,623,851	2,780,887
Revaluations to be liquidated - SDR allocations	13,582	(32,507)
Allocation of Pesos andinos (FLAR)	56,160	57,760
Other	<u>906</u>	<u>788</u>
Total	<u><u>2,694,499</u></u>	<u><u>2,806,928</u></u>

As of 31 of December of 2010 and 2009 the balance of the SDR allocation account is equivalent to (in thousands) SDR 609,893, distributed by the IMF, which bear charges or interests under the conditions established in the agreement. The rates corresponding at December 31, 2010 and 2009 were of 0.34% and 0.23%, respectively.

Revaluations to be liquidated - SDR allocations correspond to the revaluation (provision) for maintenance of the resulting value of the difference by variation of exchange rates of SDR with respect to the U.S. dollar and the aforementioned dollar in respect to the Nuevo Sol between April 30 and December 31 each year. These revaluations (provisions) are liquidated to the closing of the financial year of the IMF, which is fixed at April 30 every year.

Allocation of Pesos andinos (FLAR) corresponds to pesos andinos provided by FLAR, related to the ALADI agreement. Such allocation generates no interest nor has a defined maturity.

12. OUTSTANDING SECURITIES ISSUED

This account comprises:

	<u>2010</u>	<u>2009</u>
	<u>S/.000</u>	<u>S/.000</u>
Banks	3,295,100	12,040,255
Banco de la Nación	-	352,500
Financial institutions	-	88,700
Other	<u>380,700</u>	<u>1,639,245</u>
Sub-total	3,675,800	14,120,700
Indexation adjustment CDV BCRP	11,488	-
Discount on sale CD BCRP, CDV BCRP and CDLD BCRP	<u>(2,705)</u>	<u>(49,448)</u>
Total	<u><u>3,684,583</u></u>	<u><u>14,071,252</u></u>

As of December 31, 2010, outstanding securities issued included certificates of deposit in local currency for a total of (in thousands) S/.30,000, certificates of variable rate deposits in local currency for a total of (in thousands) S/.450,000, and certificates of deposits payable in dollars for a total of (in thousands) S/.3,195,800, placed directly or through auctions in order to reduce surpluses of liquidity in the financial system, with maturities of up to one year. Such certificates are placed to discount and bore, as of 31 of December of 2010, an annual implicit rate between 0.7% and 3.9% (between 0.8% and 3.5% as of December 31, 2009).

In 2010, circulars N° 036-2010-BCRP and N° 037-2010-BCRP were issued. Circular N° 036-2010-BCRP approving the certificates of deposit in local currency at variable rate of the Central Bank (CDV BCRP), which are subject to a readjustment based on the reference interest rate for the monetary policy and circular N° 037-2010-BCRP approving the certificates of deposits settable in dollars from the Central Bank (CDLD BCRP), which are denominated in nuevos soles. The payment in the issuance and in the redemption thereof is made in U.S. dollars at the effective exchange rate to those dates.



13. DEPOSITS IN LOCAL CURRENCY

This account comprises:

	<u>2010</u> S/.000	<u>2009</u> S/.000
Banks	21,044,000	784,200
Governmental sector	18,132,614	12,684,197
Banco de la Nación	8,592,868	8,322,106
Financial institutions	284,000	-
Other entities and funds	835,429	411,895
Total	<u>48,888,911</u>	<u>22,202,398</u>

As of 31 of December of 2010 and 2009, the average annual interest rates applied by the Bank for time deposits from the governmental sector and Banco de la Nación were 3.00% and 1.24%, respectively; for Financial Institutions (overnight) they were 2.20% and 0.45%, respectively.

14. MONETARY BASE

This account comprises:

	<u>2010</u> S/.000	<u>2009</u> S/.000
Bills and coins issued	28,077,144	22,539,449
Deposits from banks	3,686,966	502,893
Deposits from Banco de la Nación	1,700,000	330,000
Deposits from financial institutions	117,130	39,536
Other deposits and obligations	626,727	136,185
Total	<u>34,207,967</u>	<u>23,548,063</u>

Deposits from banks, Banco de la Nación and financial entities mainly comprise the minimum reserve requirement of 9% (6% as of December 31, 2009) applicable to these institutions by their obligations in local currency, which must be deposited in the Bank. Minimum reserve requirements are non-interest-bearing.

The other deposits and obligations are mainly comprised of deposits in municipal and rural savings and loans institutions, corresponding to non-interest-bearing checking accounts in local currency.

The variation in the balance of deposits as of December 31, 2010 is related to the increase in legal cash reserve during 2010, approved by the Bank in order to regulate liquidity of the financial entities. Thus, in July 2010, the minimum legal cash reserve increased from 6% to 7% (Circular N° 016-2010-BCRP). Subsequently, in August 2010, the minimum legal cash reserve increased to 8% (Circular N° 020-2010-BCRP), in September it increased to 8.5% (Circular N° 024-2010-BCRP) and finally in October it increased to 9% (Circular N° 031-2010-BCRP).

The balances of bills and coins issued are as follows:

Nominal Value	2010		2009	
	Units	S/.000	Units	S/.000
Notes:				
10	93,186,825	931,868	83,746,835	837,468
20	78,589,425	1,571,789	74,140,942	1,482,819
50	104,667,025	5,233,351	68,742,209	3,437,110
100	168,739,228	16,873,923	140,773,910	14,077,391
200	11,127,657	<u>2,225,531</u>	8,011,660	<u>1,602,332</u>
		<u>26,836,462</u>		<u>21,437,120</u>
Coins:				
0.01	339,212,884	3,392	258,093,227	2,581
0.05	267,824,822	13,391	244,342,202	12,217
0.10	820,764,801	82,077	741,597,906	74,160
0.20	218,570,202	43,714	195,526,868	39,105
0.50	279,948,283	139,974	256,130,128	128,065
1.00	325,830,228	325,830	282,487,708	282,488
2.00	85,176,196	170,353	77,118,987	154,238
5.00	92,052,806	<u>460,264</u>	81,519,093	<u>407,595</u>
		<u>1,238,995</u>		<u>1,100,449</u>
Commemorative coins	Miscellaneous	<u>1,687</u>	Miscellaneous	<u>1,880</u>
Total		<u>28,077,144</u>		<u>22,539,449</u>



15. DEPOSITS IN FOREIGN CURRENCY

This account comprises:

	<u>2010</u>	<u>2009</u>
	<u>S/.000</u>	<u>S/.000</u>
Banks	18,687,606	15,775,577
Governmental sector	12,184,173	12,428,132
Banco de la Nación	1,529,298	871,400
Financial institutions	86,128	87,266
Other financial institutions	267,889	170,292
Total	<u>32,755,094</u>	<u>29,332,667</u>

Foreign currency deposits in checking account from entities subject to reserve requirements of the National Financial System are part of the funds intended to cover the required reserve requirements the Bank requires for obligations subject to reserve requirements in foreign currency.

The reserve requirements that may be covered with foreign currency in cash of the entity subject to reserve requirements, is divided into a minimum reserve requirements of 9% of the obligations subject to reserve requirements in foreign currency and the additional reserve (6%, as of December 31, 2009), which is the indispensable portion of reserve requirements that exceeds the minimum reserve requirements. The additional reserve requirements fluctuated between 26% and 28% as of December 31, 2010 (between 25% and 27% as of December 31, 2009).

The requested portion of the reserve requirements that corresponded to the minimum reserve requirements and the one established for the obligations subject to reserve under a special regime are non-interest bearing.

The obligations subject to reserve requirements were classified into two regimes: special and general. Reserve requirements funds corresponding to the additional reserve of the general regime, while deposited in the Central Bank, earned interests as of December 31, 2010 at an annual rate of 0.1570% equivalent to 60% of 1-month LIBOR rate (as of December 31, 2009 the rate was 0.1396% equivalent to 60% of 1-month LIBOR rate).

As of September 30, 2010, the Bank issued Circular N° 032-2010-BCRP referred to reserve requirements in foreign currency, which increase the minimum reserve requirements rate from 8.5% to 9%, increase the reserve requirements on 0.2% and increase the marginal reserve rate of obligations subject to the general system from 50% to 55%, in order to control the liquidity of the entities subjects to reserve requirements, with the purpose of preserving monetary stability.

The Bank has entered into agreements with the Dirección General del Tesoro Público del MEF and the Fondo Consolidado de Reserva Previsional (FCR) whereby conditions are established for the Bank to receive deposits from these entities. These deposits bore interest rates as of December 31, 2010 and 2009 ranging between 0.01% and 0.11%. As of December 31, 2010, the Public Treasury's resources and those of FCR deposited in the Bank amount to (in thousands) US\$4,338,251 equivalent to (in thousands) S/12,181,808 (US\$4,235,325 equivalent to S/12,231,617 as of December 31, 2009).

16. OTHER LIABILITIES

This account comprises:

	<u>2010</u>	<u>2009</u>
	S/.000	S/.000
Contributions subscribed to international organizations		
pending payment (a)	233,894	277,364
Actuarial liability (b)	118,852	117,338
Interest and commissions payable	116,700	27,879
Deposit Insurance Fund (c)	110,658	41,471
Other provisions	25,745	22,663
Funds for diseases, insurance and pension of		
BCRP employees	19,445	20,478
Accounts payable	4,774	4,019
Miscellaneous	6,449	5,059
	<hr/>	<hr/>
Total	<u>636,517</u>	<u>516,271</u>

(a) Contributions subscribed to international organizations pending payment

Under agreement N° 93 dated March 22, 2000, amended by Agreement N° 102 of April 10, 2001 of the FLAR Meeting of Representatives, FLAR member countries agreed to increase the capital to (in thousands) US\$2,109,375, through the capitalization of profits up to 2010, the Bank being responsible for contributing (in thousands) US\$468,750. As of December 31, 2010, the balance of the pending contribution amounts to (in thousands) US\$83,296 (US\$96,040 as of December 31, 2009), see Note 10.

(b) Actuarial Obligation

It includes the actuarial obligation corresponding to the subvention of supplemental pensions and other supplemental retirement benefits for the Bank's retired employees and their families.

As of December 31, 2010 and 2009, the provision for actuarial obligation corresponding to supplemental pension subvention for retirements, widowhood pensions, burial benefits and ongoing risks reserve of health care services calculated by an actuary was (in thousands) S/.153,083 and S/.151,633, respectively deducting the value of the Employees' Fund net assets amounting to (in thousands) S/.34,231 and S/.34,295, respectively; therefore, the actuarial obligation amounted to (in thousands) S/.118,852 and S/.117,338 (Note 2(m)).

The actuarial calculation as of December 31, 2010 and 2009 was determined by an independent actuary based on the following: (i) preventive SP 2005 mortality charts, (ii) CSO life charts (Commissioner Standard Ordinary) for burial benefits, and (iii) application of an annual technical interest rate of 6% in risks related to retirement, expectancy, widowhood, benefits to relatives in case of death, which corresponds to the nominal yield of issued sovereign bonds of the Peruvian Government in the long term.



The movement of the provision for actuarial obligations of retired and active employees of the Bank is as follows:

	<u>2010</u>	<u>2009</u>
	<u>S/.000</u>	<u>S/.000</u>
Balance at the beginning of year	117,338	120,533
Increase debited to results (nota 18)	12,062	6,426
Transfers to the Fund	<u>(10,548)</u>	<u>(9,621)</u>
Balance at the end of year	<u>118,852</u>	<u>117,338</u>

(c) Deposit Insurance Fund

As of December 31, 2010, it comprises balances of deposits in checking accounts in foreign currency for (in thousands) US\$39,408 equivalent to S/.110,658 (US\$14,360 equivalent to S/.41,471 in 2009). The average interest rate of such deposits in foreign currency was 0.08% and 0.14%, as of December 31, 2010 and 2009, respectively.

17. NET EQUITY

(a) Capital

As of December 31, 2010, the Bank's capital stock authorized, subscribed and paid-in by the Peruvian State in accordance with BCRP Organic Law and Supreme Decree N° 059-2000-EF, N° 108-2004-EF, N° 136-2006-EF, N° 136-2007-EF and N° 124-2010-EF amounts to (in thousands) S/.1,182,750 (S/.591,375 as of December 31, 2009). By means of Supreme Decree N° 124-2010-EF issued on June 8, 2010, the capitalization of (in thousands) S/.591,375 was approved, which corresponded to the balance of the legal reserve account Article 92 subsection (b) of the Organic Law.

Capital is not represented by shares, and its value is recorded only in the capital account in the balance sheet. Likewise, under a Supreme Decree countersigned by MEF, the Bank's authorized capital may be readjusted.

(b) Reserves

Under Articles 6 and 92, paragraph b) of the Organic Law, the Bank shall allocate a reserve through the annual transfer of 75% of its net income until reaching an amount equivalent to 100% of its capital. This reserve can be capitalized.

In the event of losses, the reserve shall be used to offset such losses; if the reserve is insufficient, the Public Treasury within 30 days after the balance sheet is approved shall issue and provide the Bank with securities of negotiable debt securities that will accrue interest.

Article 63 of the Bank's Bylaws indicates that the exceeding amount resulting from the application of article 92, subsection (b) of the Organic Law shall be for a special reserve.

At Board's session held on March 18, 2010, the transfer of retained earnings as of December 31, 2009 for (in thousands) S/.2,050,612 to the special statutory reserve of (in thousands) S/.1,592,857 was agreed. Likewise, the transfer for (in thousands) S/.1,182,750 from the special statutory reserve to the legal reserve was approved.

(c) Retained Earnings

According to Article 92 of the Organic Law, the Bank shall annually distribute its net income as follows: 25% for the Public Treasury and 75% to allocate the reserve referred to in literal (b) of this note.

At Board's session held on March 18, 2010, the transfer to the Public Treasury for (in thousands) S/.457,755 charged to retained earnings.

(d) Readjustment for valuation Organic Law Article 89

It corresponds to the differences resulting from the adjustments in the valuation in foreign currency of the assets and obligations of the Bank in gold, silver, foreign currency, SDR and other monetary units of international use, and are debited or credited in this account not considering them as gains or losses for the period, (Note 2 (q)).

As indicated in Note 2 (a-2), in Board's session held on December 30, 2010, it is established that the result of the valuation of assets and liabilities in foreign currency, recorded under "Readjustment in valuation Organic Law Article 89", shall be presented in the Bank's shareholders' equity. As a consequence of the foregoing, the Bank reclassified the balance accumulated from readjustment of valuation of its assets and liabilities in foreign currency as of December 31, 2009 for (in thousands) S/.91,836 to equity, as if this presentation had always been applied.

Net equity is presented in two parts. On the one hand, is the amount of capital, reserves and results, which amount may change as a result of Central Bank's own operations. On the other hand, separately, is recorded the cumulative result of currencies, in accordance with Article 89 of the Organic Law, which amount is not relevant for bank capitalization.

As of December 2010 and 2009, the balance comprises:

	<u>2010</u>	<u>2009</u>
	<u>S/.000</u>	<u>S/.000</u>
Balance at the beginning of year	(91,836)	3,630,411
Valuation of U.S. dollars	(1,150,548)	(2,759,636)
Valuation of other foreign currencies	(1,539,117)	(1,508,058)
Valuation of metal (gold and silver)	877,402	535,862
Valuation of IMF contribution and obligations	110,954	7,631
Valuation of foreign currency sales (*) and other	1,513	1,954
	<u>1,513</u>	<u>1,954</u>
Balance at the end of year	<u>(1,791,632)</u>	<u>(91,836)</u>

(*) Included in other financial income and expenses in the statement of income 2010 and 2009.



18. OTHER EXPENSES

In 2010 and 2009 other expenses comprises the adjustment of the actuarial provision reserve of (in thousands) S/.12,062 and S/.6,426, respectively (Note 16 (b)).

19. TAX SITUATION

In accordance with the Income Tax Law, entities of the national governmental sector are not subject to income tax. The Bank, as a withholding agent, is only subject to the fourth- and fifth-category income taxes and social contributions.

The Superintendencia Nacional de Administración Tributaria (SUNAT) is entitled to review and, if necessary, amend the taxes calculated by the Bank during the last four years, counted as from the date of filing of the related tax returns (years open to fiscal review). The tax returns for 2006 through 2010, inclusive, are open to fiscal review. Since discrepancies may arise over the interpretation by the Tax Administration of the rules applicable to the Bank, it is not possible to foresee to date of the financial statements whether any additional tax liabilities will arise as a result of eventual reviews. Any additional tax, fines and interest, if arising, will be recognized in the income (loss) for the year when the disagreement with Tax Administration is resolved. Bank's Management and the legal advisors consider no significant ultimate liabilities will arise as a result of any possible fiscal reviews.

20. CONTINGENCIES

On December 15, 2006, the Fourth Section of the Lima Superior Court of Justice declared that the appeal for constitutional protection of rights filed against the Bank by former employees who adopted a retirement program with incentives in 1992 was grounded. The Court ordered the reinstatement of the employees and that the employees be paid the equivalent to the actuarial computation of the remunerations accrued and other labor rights. Subsequently, the Bank filed an appeal for legal protection against said court order, for the breach of several constitutional rights protecting due process of law (matter settled in court, proper facts and valuation of proof), obtaining on May 24, 2007 a precautionary measure to suspend the effects of the aforementioned decision, which has been confirmed by the Supreme Court through resolution dated May 8, 2008. The defendants requested changes in such precautionary measure in order to be replaced in the Bank. This request has been declared inadmissible by the Eighth Civil Court as per Resolution dated August 4, 2008, which was executed since it has not been appealed by the defendants. Subsequently, the plaintiffs requested to override the precautionary measure, thus looking forward to be reincorporated, request which has been declared inadmissible, as per resolution dated August 13, 2010 issued by the Third Civil Court, corresponding to the Supreme Court the pronouncement in appeal filed by the ex-employees. Likewise, through resolution dated May 27, 2010, the Third Civil Court of the Supreme Court of Justice of Lima has declared justified the claim of the Bank and voids the sentence dated December 15, 2006, which accorded the reincorporation of the ex-employees and the payments of accrued interests, resolution that in appeal shall be resolved by the Supreme Court. Considering the current status of the judicial process, which supports the non applicability of the reincorporation and the payment of accrued interests to which the sentence dated December 15, 2006 refers, according to its legal counsels, Management, as of December 31, 2010, has recorded no allowance for potential losses for this judicial contingency.

21. MEMORANDUM ACCOUNTS

This account comprises:

	<u>2010</u> S/.000	<u>2009</u> S/.000
Bills and coins in stock (a)	8,956,161	23,715,061
Securities deposited in guarantee	2,299,224	1,337,631
Securities held in custody (b)	2,246,255	2,397,905
Banks under liquidation	53,529	53,706
Money in process of production - Casa Nacional de Moneda	1,437	965
Bills and coins removed from circulation to be destroyed	1,201	1,201
Miscellaneous (c)	226,226	885,016
Total	<u>13,784,033</u>	<u>28,391,485</u>

Memorandum accounts include different transactions recorded for control purposes only.

(a) Bills and coins in stock comprise:

	<u>2010</u> S/.000	<u>2009</u> S/.000
New	6,938,000	21,764,003
Available	1,379,470	1,188,195
To be classified	579,293	573,624
To be incinerated and/or melted	59,398	187,239
In transit	-	2,000
Total	<u>8,956,161</u>	<u>23,715,061</u>



The movement of the account of bills and coins in stock for the year ended December 31, 2010 and 2009 has been as follows:

	<u>2010</u>	<u>2009</u>
	S/.000	S/.000
Balance at the beginning of the year	23,715,061	26,385,198
Acquisition of bills and coins	92,193	10,182,698
Destruction of bills and coins	(9,313,398)	(10,771,309)
Removals from circulation, net of income	<u>(5,537,695)</u>	<u>(2,081,526)</u>
Balance at the end of the year	<u>8,956,161</u>	<u>23,715,061</u>

- (b) Securities held in custody include mainly promissory notes in guarantee for operations with IMF.
- (c) As of December 2010 and 2009, miscellaneous mainly include recording accounts of guarantee collaterals Plan Brady for (in thousands) S/.161,447 and S/.167,459, respectively. Likewise, in 2009, it comprised commitments of foreign currency repurchase by entities of the financial system for (in thousands) S/.294,797, futures transactions of the external administrator on the account of the international reserves for (in thousands) S/.274,360, among others.

On May 27, 2010, the Bank's Board accepted the legacy carried out by Mr. Roberto Letts Colmenares, comprised by 581 objects that constitute the Gold Collection of Hugo Cohen, which are in process of study, classification and valuation for its exposition in the Museum.

22. ANALYSIS OF MATURITIES

The structure of maturities of the Bank's financial assets and liabilities, effective December 31, 2010, as per contractual or estimated maturity, are as follows:

Class	Due in six months or less	Due from Six Months to one Year	Due from One to Five Years	Due over Five Year	Total
	S/.000	S/.000	S/.000	S/.000	S/.000
Assets:					
Cash in foreign currency	175	-	-	-	175
Deposits in foreign banks	30,262,374	-	-	-	30,262,374
Securities from international institutions	23,364,114	7,35,2187	54,623,623	-	85,339,924
Gold	4,394,212	-	-	-	4,394,212
Other available assets	2,341,012	-	26,569	-	2,367,581
Other assets abroad	881	881	9,844	56,160	67,766
Other assets	128,817	12,047	201,220	89,985	432,069
Sub-total	<u>60,491,585</u>	<u>7,365,115</u>	<u>54,861,256</u>	<u>146,145</u>	<u>122,864,101</u>
Contribution to FLAR					1,082,356
Contribution in local currency to IMF					2,233,129
Contribution in SRD to IMF					527,577
Domestic credit					9
Real estate, furniture and equipment, net					<u>138,282</u>
Total assets					<u><u>126,845,454</u></u>
Liabilities and net equity:					
Reserve liabilities	127,183	-	-	-	127,183
Other foreign liabilities	-	-	907	2,693,592	2,694,499
Monetary base	6,130,823	-	-	28,077,144	34,207,967
Deposit in local currency	48,888,911	-	-	-	48,888,911
Securities issued	3,655,308	29,275	-	-	3,684,583
Foreign currency deposits	32,755,094	-	-	-	32,755,094
Other liabilities	308,505	9,063	257,533	61,416	636,517
Sub-total	<u>91,865,824</u>	<u>38,338</u>	<u>258,440</u>	<u>30,832,152</u>	<u>122,994,754</u>
Counterpart of the contribution in local currency to IMF					2,233,129
Equity					<u>1,617,571</u>
Total liabilities and net equity					<u><u>126,845,454</u></u>



23. FINANCIAL INSTRUMENTS

The Bank's asset and liability financial instruments are subject to the usual risks involved in management, such as liquidity risk, credit risk, foreign exchange risk and interest rate risk. These risks are monitored by the Bank staff on a daily basis based on their experience and mechanisms of measurement commonly used for their administration.

The Bank's balance sheet mostly comprises financial instruments, as described in Note 2 (d). International reserves are a relevant component of such instruments and its management adheres to the security, liquidity and profitability criteria indicated in Article 71 of the Bank's Organic Law.

International reserves contribute to the country's economic and financial stability, insofar as they guarantee availability of foreign exchange in extraordinary situations, such as an eventual significant withdrawal of foreign currency deposits from the financial system or temporary external shocks which could cause imbalances in the real sector of the economy and feedback expectations. Likewise, a suitable currency availability contributes to the reduction of the risk country and to the improvement of the credit denominations of Peru, which results in better conditions for obtaining foreign credits on the part of the private and public Peruvian companies and, in addition contributes to the expansion of foreign investment in the country.

The Bank's reserve management policy prioritizes the preservation of capital and to guarantee the liquidity of reserves. Once these conditions are met, yield is to be maximized.

The management of international assets is closely related to the origin and characteristics of the Bank's liabilities in terms of amount, currency, term and volatility. Thus, the market risks are minimized, therefore affecting the value and availability of the resources managed by the Bank.

Risk Management

Benchmark portfolio: it constitutes a fundamental tool for managing international reserves. In its definition, this portfolio encompasses the combination risk-return that the Board of the Bank approves, translated into terms of liquidity, quality of credit, duration and diversification by currencies and issuers. The benchmark portfolio is neutral to market expectations and must be able to be replicable, which is particularly relevant in circumstances of extreme market volatility.

The Bank builds its own benchmark portfolio based on market indices.

With regard to the management of investments, the following risks are considered:

Liquidity risk: In order to mitigate this risk, the degree of liquidity of the rent instruments is mainly controlled by the size of the issuance and the acquired percentage of each issuance.

Likewise, it is minimized through the distribution of assets by sections defined taking into account the liabilities the Bank has and, consequently, the investments assigned to each section are realized considering the terms of these liabilities.

Credit risk: The risk refers to the possibility that a counterpart is not able to meet an obligation with the Bank on a timely basis. In order to face this risk, investments are diversified into:

- Deposits in first-rate foreign banks, according to the capital involved and to 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 organizations. These securities should be rated as long-term papers and must have been assigned one of the four highest ratings of the twenty assigned by risk rating agencies.
- Investments in private entities debt issues are not permitted.

The magnitude and concentration of the Bank's exposure to credit risk can be obtained directly from the balance sheet, which describe the size and composition of the Bank's financial assets.

Currency risk: This risk can be defined as the risk to which the Bank is exposed due to fluctuations in the value of financial assets and liabilities arising from changes in exchange rates. The magnitude of the risk depends on:

- The imbalance between the Bank's foreign currency assets and liabilities; and
- The exchange rate of foreign currency transactions pending at closing date.

The Bank assets are mostly invested in U.S. dollars, reflecting both the denomination of foreign currency liabilities (mainly bank reserve and special resident deposits) and the Bank intervention currency in the domestic foreign exchange market. The second most important currency within the composition by currencies of the international reserves is the Euro. The composition by currency of the balances in foreign currency is in Note 4.

Interest rate risk: This risk refers to unexpected movements in the market yield rates of fixed income assets in the portfolio, which could affect the market value of investments prior to their maturity. The longer the maturity period of investments, the greater the impact of changes in yield over the market value of such investments. The measure of such impact is reflected in the duration of the portfolio.

The Bank confronts this risk considering the term structure of liabilities to determine the composition of the maturities of its assets. As a result, the duration of the total portfolio is low, therefore the impact of variations in the interest rates of market is minimum on the market value of the portfolio.

Likewise, maximum terms have been established for investments, consistent with the market risk profile selected for each instrument in the portfolio.

The dimension of the risk depends on:

- The significant interest rate of financial assets and liabilities; and
- The structure of maturities of the Bank's financial instruments portfolio.

The Bank's financial assets are interest-bearing. The Bank's financial liabilities include interest-bearing and non-interest-bearing liabilities. The disclosures regarding these liabilities are described in Notes 11 through 16.

The Bank's interest-bearing assets and liabilities are based on rates established in accordance with the market economic conditions, effective as of the moment when the financial instruments are issued.

The structure of maturities of the Bank's financial assets and liabilities is disclosed in Note 22.

Comparison to the benchmark portfolio: The Bank's real portfolio consists of the investments of international reserves, which may deviate from the parameters approved for the benchmark in terms of management of investment terms, duration, total bank risk and credit risk, and diversification of issuers. These deviations are managed by trying to obtain the highest profitability from investments, maintaining the latter within the range authorized by the Bank's Board of Directors.



The real and reference portfolios are daily valued at market prices.

Operating risk: It is defined as the risk of loss as a result of risk factors that include: people, processes, external events and information technologies.

Since the risk management approach implemented by that the Bank is based on the process approach and since risk management is a self-evaluation process, the organizational units along with Risk Management perform the following:

1. Carrying out the layout of its processes, consisting on identifying the activities that support a process
2. Identifying risks and controls, which consists on identifying the risks in activities and controls applied that mitigate them
3. Valuating the risks and proposing control measures, if it is necessary to take measures to control risks.

Once the risks have been quantified and the control measures that should be applied have been evaluated, the Risk Management presents them to the Risk Committee, which is in charge of assigning the responsibilities in the implementation of such measures. Likewise, the Risk Committee decides about the importance and priority of the processes in which operating risk should be managed.

During 2010, the Bank approved a manual of Operating Continuity Plan starting the implementation of alternate operating and information processing centers. Likewise, it is developing an Information Security Plan in coordination with Information Technology Management.

International financial crisis

In 2009, developed countries were still affected by the financial crisis that started in 2008, and in order to counteract its effects, their governments implemented tax and monetary policies tending to normalize their financial markets and to recover their economies.

In 2010, the financial crisis diminished but its effects remained on the real sector of developed economies, generating a persistent increase in the unemployment rate and a high level of indebtedness which has especially affected some European countries.

The Bank has confronted the risks of this crisis strengthening its conservative policy in the matter of investments. In that context it has tried to reduce the risk of the portfolio, applying stricter criteria for placement of deposits in foreign banks and increasing the investments in issuers with the highest levels of qualification, in particular, diversifying investments among sovereign and supranational issuers.

Likewise, the European countries that were most affected by the problems resulting from high indebtedness of their economies have reduced their levels of holding debt.

During 2010, the Bank focused on gradually and preemptively appropriating the position of its monetary policy to a more neutral level in accordance with the recovery of the dynamism of private sector expenses and the preservation of monetary stability. In this regard, the Bank increased its reference rate from a historical minimum of 1.25% up to a 3.0% level in December 2010, increasing also the legal cash reserve requirements, both in local and foreign currency. Likewise, within a context of persistent capital inflows, the Bank continued with its sterilized intervention policy in the exchange market to reduce the volatility of the exchange rate and therefore reducing the risks associated to the financial dollarization.

Fair Value

The following provides information on some relevant financial instruments valued by the Bank to fair value.

Fair value is the amount for which an asset can be exchanged, a liability can be settled or an instrument of equity can be exchanged in a transaction conducted between interested parties, properly informed and in conditions of mutual independence. For its determination, it is important to refer, in the first place, to the quotation cost of the financial instrument in active markets and, if such information is not available, to valuation techniques. Such techniques include: market price of similar financial instruments; reference to the fair value of similar financial instruments; analysis of discounted cash flows; models of determination of option prices, or valuation techniques accepted by the market (as they may prove they provide reliable estimates of prices observed in market real transactions).

Considering the aforementioned terms and the scope allowing to obtain the best estimate, the Bank values the following financial instruments part of the Gross International Reserves: Available-for-sale values of international organizations and Gold. Also, it refers to prices and market quotations (fair value statement) when valuing and stating in functional currency the nominal balances in foreign currency.

24. SUBSEQUENT EVENTS

There are no subsequent events that have occurred from the date of the financial statements to the date of this report, which have not been disclosed therein or could significantly affect the financial statements.

APPENDICES



APPENDIX 1
GROSS DOMESTIC PRODUCT
(Millions of nuevos soles at 1994 prices)

YEAR	GROSS DOMESTIC PRODUCT 1/ (1)	POPULATION 2/ (thousands)(2)	GDP PER CAPITA (Nuevos soles at 1994 prices) (3)	% change			INFLATION 3/	EXPORTS OF GOODS 4/ (Millions of US\$)	IMPORTS OF GOODS 4/ (Millions of US\$)	TRADE BALANCE (Millions of US\$)
				(1)	(2)	(3)				
				1922	7,172	4,790.6				
1923	7,590	4,861.1	1,561.4	5.8	1.5	4.3	-5.3	104.5	46.8	57.8
1924	8,314	4,933.7	1,685.1	9.5	1.5	7.9	3.9	105.3	58.2	47.1
1925	8,516	5,008.4	1,700.4	2.4	1.5	0.9	7.0	93.7	58.3	35.4
1926	9,342	5,084.9	1,837.2	9.7	1.5	8.0	0.5	98.2	58.0	40.2
1927	9,553	5,163.4	1,850.1	2.3	1.5	0.7	-3.5	107.6	57.9	49.7
1928	10,100	5,244.2	1,926.0	5.7	1.6	4.1	-6.7	110.5	55.6	55.0
1929	11,170	5,327.1	2,096.7	10.6	1.6	8.9	-2.2	117.1	60.7	56.4
1930	10,030	5,412.6	1,853.1	-10.2	1.6	-11.6	-4.5	69.4	33.0	36.4
1931	9,452	5,500.4	1,718.4	-5.8	1.6	-7.3	-6.5	55.0	22.8	32.2
1932	9,245	5,590.5	1,653.7	-2.2	1.6	-3.8	-4.4	38.1	13.0	25.1
1933	10,105	5,682.9	1,778.1	9.3	1.7	7.5	-2.6	48.4	16.2	32.2
1934	11,317	5,777.9	1,958.7	12.0	1.7	10.2	2.0	70.3	31.6	38.7
1935	12,325	5,875.2	2,097.8	8.9	1.7	7.1	1.3	73.7	34.6	39.2
1936	12,949	5,975.1	2,167.2	5.1	1.7	3.3	5.3	83.5	39.9	43.6
1937	13,258	6,077.5	2,181.5	2.4	1.7	0.7	6.3	92.3	47.5	44.8
1938	13,586	6,182.2	2,197.6	2.5	1.7	0.7	-4.1	76.5	46.6	30.0
1939	13,861	6,289.3	2,203.9	2.0	1.7	0.3	4.8	71.3	38.2	33.0
1940	14,243	6,398.6	2,225.9	2.8	1.7	1.0	9.2	65.8	41.3	24.4
1941	14,435	6,509.7	2,217.5	1.3	1.7	-0.4	10.5	76.0	44.0	32.0
1942	14,136	6,622.7	2,134.5	-2.1	1.7	-3.7	8.5	76.1	41.7	34.5
1943	14,516	6,738.2	2,154.3	2.7	1.7	0.9	12.3	70.8	55.3	15.5
1944	15,704	6,856.4	2,290.4	8.2	1.8	6.3	13.2	84.2	63.3	20.9
1945	16,457	6,978.0	2,358.4	4.8	1.8	3.0	11.1	103.8	67.7	36.1
1946	17,511	7,101.9	2,465.7	6.4	1.8	4.5	12.1	151.3	98.7	52.6
1947	18,082	7,228.1	2,501.7	3.3	1.8	1.5	46.1	154.3	134.4	19.9
1948	18,774	7,357.6	2,551.6	3.8	1.8	2.0	13.6	162.4	134.2	28.2
1949	20,203	7,492.0	2,696.6	7.6	1.8	5.7	18.7	154.5	133.7	20.8
1950	21,929	7,632.5	2,873.1	8.5	1.9	6.5	9.5	198.4	149.3	49.1
1951	23,987	7,826.3	3,064.9	9.4	2.5	6.7	8.2	259.1	223.0	36.0
1952	25,231	8,025.7	3,143.8	5.2	2.5	2.6	6.4	245.7	257.2	-11.6
1953	26,470	8,232.2	3,215.4	4.9	2.6	2.3	8.6	228.3	257.5	-29.2
1954	28,086	8,447.0	3,324.9	6.1	2.6	3.4	4.8	254.3	225.4	28.9
1955	29,719	8,671.5	3,427.2	5.8	2.7	3.1	4.6	281.2	294.6	-13.4
1956	31,006	8,904.9	3,482.0	4.3	2.7	1.6	6.0	320.2	342.5	-22.3
1957	33,097	9,146.2	3,618.7	6.7	2.7	3.9	7.1	331.5	402.1	-70.7
1958	32,855	9,396.7	3,496.5	-0.7	2.7	-3.4	8.9	291.8	344.7	-52.8
1959	33,369	9,657.8	3,455.1	1.6	2.8	-1.2	16.8	322.6	280.5	42.1
1960	36,355	9,931.0	3,660.8	9.0	2.8	6.0	2.6	444.3	341.0	103.4
1961	39,413	10,217.5	3,857.4	8.4	2.9	5.4	8.7	510.2	428.6	81.5
1962	43,054	10,516.5	4,093.9	9.2	2.9	6.1	4.9	556.0	478.4	77.6
1963	45,387	10,825.8	4,192.5	5.4	2.9	2.4	8.7	555.1	517.9	37.2
1964	48,198	11,143.4	4,325.3	6.2	2.9	3.2	11.4	684.6	517.7	166.8
1965	51,406	11,467.2	4,482.8	6.7	2.9	3.6	14.6	684.6	659.7	24.9
1966	55,590	11,796.3	4,712.5	8.1	2.9	5.1	7.9	788.5	811.2	-22.7
1967	58,046	12,132.1	4,784.5	4.4	2.8	1.5	19.0	742.4	810.1	-67.7
1968	58,271	12,475.9	4,670.7	0.4	2.8	-2.4	9.8	839.8	672.9	166.9
1969	60,528	12,829.0	4,718.1	3.9	2.8	1.0	5.7	879.5	658.8	220.8
1970	64,275	13,192.7	4,872.0	6.2	2.8	3.3	5.5	1,034.3	699.6	334.6
1971	67,177	13,567.7	4,951.3	4.5	2.8	1.6	7.5	889.4	730.0	159.4
1972	69,479	13,953.2	4,979.4	3.4	2.8	0.6	4.2	945.0	812.0	133.0

APPENDIX 1
GROSS DOMESTIC PRODUCT
(Millions of nuevos soles at 1994 prices)



YEAR	GROSS DOMESTIC PRODUCT 1/ (1)	POPULATION 2/ (thousands)(2)	GDP PER CAPITA (Nuevos soles at 1994 prices) (3)	% change			INFLATION 3/ (4)	EXPORTS OF GOODS 4/ (Millions of US\$)	IMPORTS OF GOODS 4/ (Millions of US\$)	TRADE BALANCE (Millions of US\$)
				(1)	(2)	(3)				
1973	73,980	14,348.1	5,156.1	6.5	2.8	3.5	13.8	1,111.8	1,033.0	78.8
1974	80,481	14,751.1	5,455.9	8.8	2.8	5.8	19.1	1,513.3	1,908.0	- 394.7
1975	84,024	15,161.1	5,542.1	4.4	2.8	1.6	24.0	1,335.0	2,427.0	- 1,092.0
1976	85,004	15,580.8	5,455.7	1.2	2.8	- 1.6	44.6	1,344.0	2,016.0	- 672.0
1977	85,529	16,010.8	5,342.0	0.6	2.8	- 2.1	32.6	1,729.6	2,148.0	- 418.4
1978	82,296	16,447.4	5,003.6	- 3.8	2.7	- 6.3	73.9	2,038.0	1,668.0	370.0
1979	83,920	16,886.5	4,969.7	2.0	2.7	- 0.7	66.7	3,719.0	1,954.0	1,765.0
1980	90,354	17,324.2	5,215.5	7.7	2.6	4.9	60.1	3,950.6	3,089.5	861.1
1981	95,291	17,760.2	5,365.4	5.5	2.5	2.9	72.7	3,328.0	3,802.2	- 474.2
1982	94,979	18,197.2	5,219.5	- 0.3	2.5	- 2.7	72.9	3,343.4	3,720.9	- 377.5
1983	86,111	18,635.6	4,620.8	- 9.3	2.4	- 11.5	125.1	3,036.2	2,721.7	314.5
1984	89,382	19,075.9	4,685.6	3.8	2.4	1.4	111.5	3,193.4	2,166.5	1,026.9
1985	91,250	19,518.6	4,675.0	2.1	2.3	- 0.2	158.3	3,021.4	1,822.6	1,198.8
1986	102,301	19,965.8	5,123.8	12.1	2.3	9.6	62.9	2,572.7	2,649.3	- 76.7
1987	110,222	20,417.3	5,398.5	7.7	2.3	5.4	114.5	2,713.4	3,215.1	- 501.7
1988	99,839	20,869.7	4,783.9	- 9.4	2.2	- 11.4	1,722.3	2,719.9	2,865.1	- 145.2
1989	86,431	21,319.9	4,054.0	- 13.4	2.2	- 15.3	2,775.3	3,503.3	2,286.5	1,216.7
1990	82,032	21,764.5	3,769.1	- 5.1	2.1	- 7.0	7,649.6	3,279.8	2,921.9	357.9
1991	83,760	22,203.9	3,772.3	2.1	2.0	0.1	139.2	3,393.1	3,595.3	- 202.2
1992	83,401	22,640.3	3,683.7	- 0.4	2.0	- 2.3	56.7	3,578.1	4,001.4	- 423.3
1993	87,375	23,073.2	3,786.9	4.8	1.9	2.8	39.5	3,384.7	4,160.4	- 775.8
1994	98,577	23,502.0	4,194.4	12.8	1.9	10.8	15.4	4,424.1	5,499.2	- 1,075.1
1995	107,064	23,926.3	4,474.7	8.6	1.8	6.7	10.2	5,491.4	7,732.9	- 2,241.5
1996	109,760	24,348.1	4,507.9	2.5	1.8	0.7	11.8	5,877.6	7,864.2	- 1,986.6
1997	117,294	24,767.8	4,735.7	6.9	1.7	5.1	6.5	6,824.6	8,535.5	- 1,711.0
1998	116,522	25,182.3	4,627.2	- 0.7	1.7	- 2.3	6.0	5,756.8	8,218.7	- 2,462.0
1999	117,587	25,588.5	4,595.3	0.9	1.6	- 0.7	3.7	6,087.5	6,710.5	- 623.0
2000	121,057	25,983.6	4,659.0	3.0	1.5	1.4	3.7	6,954.9	7,357.6	- 402.7
2001	121,317	26,366.5	4,601.2	0.2	1.5	- 1.2	- 0.1	7,025.7	7,204.5	- 178.7
2002	127,402	26,739.4	4,764.6	5.0	1.4	3.6	1.5	7,713.9	7,392.8	321.1
2003	132,545	27,103.5	4,890.3	4.0	1.4	2.6	2.5	9,090.7	8,204.8	885.9
2004	139,141	27,460.1	5,067.0	5.0	1.3	3.6	3.5	12,809.2	9,804.8	3,004.4
2005	148,640	27,810.5	5,344.7	6.8	1.3	5.5	1.5	17,367.7	12,081.6	5,286.1
2006	160,145	28,151.4	5,688.7	7.7	1.2	6.4	1.1	23,830.1	14,844.1	8,986.1
2007	174,407	28,481.9	6,123.4	8.9	1.2	7.6	3.9	28,094.0	19,590.5	8,503.5
2008,6/	191,505	28,807.0	6,647.9	9.8	1.1	8.6	6.7	31,018.5	28,449.2	2,569.3
2009,6/	193,155	29,132.0	6,630.3	0.9	1.1	- 0.3	0.2	26,961.5	21,010.7	5,950.8
2010,6/	210,143	29,460.7	7,133.0	8.8	1.1	7.6	2.1	35,564.8	28,815.3	6,749.5

1/ The values for 1922 - 1949 are based on Seminario and Beltrán: "Una estimación alternativa del PBI del siglo XX" and the values for 1950 - 1989 were calculated using GDP growth rates with 1979 as the base year.

2/ Series provided by the INEI. The source of information for the period 1922 - 1949 is "Boletín de Análisis Demográfico, N° 01" ONEC, July 1964. The series of the period 1950 - 2008 have been elaborated based on the latest projections.

3/ Between 1922 and 1937, the value of inflation is the average inflation rate in the period.

4/ BCRP: Boletines and Memorias.

5/ Calculated on the basis of nominal GDP in millions of soles, divided by the Annual Average exchange rate and the population figure.

6/ Preliminary data.

Source: INEI and BCRP.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 2
MACROECONOMIC FLOWS
(% of GDP)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
								1/	1/	1/
SAVINGS-INVESTMENT										
Domestic savings	16.5	16.4	16.9	17.9	19.3	23.2	24.2	22.7	20.9	23.5
Public sector	0.5	0.7	1.2	1.7	2.5	5.4	6.4	6.7	4.3	5.8
Private sector	16.0	15.7	15.7	16.2	16.8	17.7	17.8	16.0	16.6	17.7
External savings	2.2	2.0	1.5	0.0	-1.4	-3.1	-1.4	4.2	-0.2	1.5
Investment	18.8	18.4	18.4	17.9	17.9	20.0	22.8	26.9	20.7	25.0
Public sector	3.1	2.8	2.8	2.8	2.9	3.1	3.4	4.3	5.2	5.9
Private sector	15.7	15.6	15.6	15.2	15.0	17.0	19.5	22.6	15.5	19.1
BALANCE OF PAYMENT										
Current account balance	-2.2	-2.0	-1.5	0.0	1.4	3.1	1.4	-4.2	0.2	-1.5
Trade balance	-0.3	0.6	1.4	4.3	6.7	9.7	7.9	2.0	4.7	4.4
Services	-1.8	-1.7	-1.5	-1.0	-1.1	-0.8	-1.1	-1.6	-0.9	-1.3
Investment income	-2.0	-2.6	-3.5	-5.3	-6.4	-8.2	-7.8	-6.9	-5.9	-6.5
Current transfers	1.9	1.8	2.0	2.1	2.2	2.4	2.3	2.3	2.3	2.0
Financial account	2.9	3.2	1.1	3.1	0.2	0.4	7.8	6.8	1.2	8.2
Private sector	1.8	2.7	-0.2	1.3	2.3	2.3	8.2	7.5	2.1	8.7
Public sector	0.7	1.9	1.0	1.4	-1.8	-0.8	-2.3	-1.1	0.8	-0.7
Short-term capital	0.4	-1.4	0.2	0.3	-0.3	-1.2	1.9	0.4	-1.7	0.2
Exceptional financing	-0.0	0.0	0.1	0.0	0.1	0.0	0.1	0.0	0.0	0.0
Flow of BCRP net international reserves (-)	0.8	1.5	0.8	3.4	2.1	3.0	9.0	2.5	0.8	7.3
Net errors and omissions	0.2	0.2	1.1	0.2	0.3	-0.5	-0.3	-0.2	-0.6	0.6
NON FINANCIAL PUBLIC SECTOR										
Current account savings	0.5	0.7	1.2	1.7	2.5	5.4	6.4	6.7	4.3	5.8
Capital revenue	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Capital expenditure	3.3	3.0	3.0	2.9	3.0	3.3	3.5	4.5	6.0	6.4
Public investment	3.1	2.8	2.8	2.8	2.9	3.1	3.4	4.4	5.6	5.9
Other capital expenditure	0.2	0.2	0.2	0.2	0.1	0.2	0.2	0.1	0.4	0.5
Overall balance	-2.7	-2.2	-1.7	-1.1	-0.4	2.3	3.0	2.3	-1.6	-0.5
Financing	2.7	2.2	1.7	1.1	0.4	-2.3	-3.0	-2.3	1.6	0.5
External financing	0.9	2.1	1.4	1.5	-1.5	-0.6	-1.9	-0.9	1.1	-0.5
Domestic financing	1.0	-0.6	0.3	-0.6	1.8	-1.8	-1.3	-1.4	0.5	0.9
Privatization	0.6	0.8	0.1	0.2	0.1	0.1	0.1	0.0	0.0	0.1

1/ Preliminary data.

Source: BCRP.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 3
NATIONAL DISPOSABLE INCOME
 (Millions of nuevos soles at 1994 prices)

	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
Gross domestic product	121,317	127,402	132,545	139,141	148,640	160,145	174,407	191,505	193,155	210,143
+ Investment income	- 2,427	- 3,210	- 4,577	- 7,418	- 9,758	- 14,189	- 14,775	- 13,648	- 11,721	- 14,651
Gross national product	118,890	124,192	127,968	131,724	138,882	145,956	159,633	177,858	181,434	195,492
+ Terms of trade	- 2,719	- 1,932	- 2,075	- 147	1,491	9,502	11,093	5,472	4,450	10,798
Gross national income	116,171	122,260	125,893	131,576	140,373	155,458	170,726	183,329	185,884	206,289
+ Current transfers	2,289	2,247	2,581	2,885	3,405	4,098	4,422	4,618	4,545	4,413
National disposable income	118,460	124,506	128,474	134,461	143,778	159,556	175,148	187,947	190,429	210,702

1/ Preliminary data.

Source: INEI and BCRP.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 4
NATIONAL DISPOSABLE INCOME
 (% change)

	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
Gross domestic product	0.2	5.0	4.0	5.0	6.8	7.7	8.9	9.8	0.9	8.8
- Investment income	- 22.9	32.3	42.6	62.1	31.6	45.4	4.1	- 7.6	- 14.1	25.0
Gross national product	0.8	4.5	3.0	2.9	5.4	5.1	9.4	11.4	2.0	7.7
Gross national income	0.5	5.2	3.0	4.5	6.7	10.7	9.8	7.4	1.4	11.0
+ Current transfers	2.3	- 1.8	14.9	11.8	18.0	20.4	7.9	4.4	- 1.6	- 2.9
National disposable income	0.5	5.1	3.2	4.7	6.9	11.0	9.8	7.3	1.3	10.6

1/ Preliminary data.
 Source: INEI and BCRP.
 Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 5
GROSS DOMESTIC PRODUCT BY EXPENDITURE
(Real % change)

	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
I. Domestic demand	-0.4	4.1	3.7	3.8	5.8	10.3	11.8	12.3	-2.8	12.8
a. Private consumption	1.5	4.9	3.4	3.6	4.6	6.4	8.3	8.7	2.4	6.0
b. Public consumption	-0.8	0.0	4.0	4.6	8.5	7.6	4.5	-2.1	16.5	10.6
c. Gross domestic investment	-7.1	2.9	4.7	4.3	8.4	27.5	25.4	29.3	-16.6	33.1
Gross fixed investment	-8.2	-0.5	5.9	7.8	12.3	20.2	22.6	27.1	-9.2	23.2
i. Private	-4.7	0.2	6.3	8.1	12.0	20.1	23.3	25.9	-15.1	22.1
ii. Public	-22.4	-4.1	3.9	6.1	13.8	20.7	18.9	33.6	21.2	27.3
II. Exports of goods and non-financial services	6.8	7.5	6.2	15.2	15.2	0.8	6.9	8.2	-3.2	2.5
Minus:										
III. Imports of goods and non-financial services	2.9	2.3	4.2	9.6	10.9	13.1	21.4	20.1	-18.6	23.8
IV. GDP	0.2	5.0	4.0	5.0	6.8	7.7	8.9	9.8	0.9	8.8

1/ Preliminary data.

Source: INEI and BCRP.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 6
GROSS DOMESTIC PRODUCT BY EXPENDITURE
(Millions of nuevos soles at 1994 prices)

	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
I. Domestic demand	120,938	125,894	130,514	135,527	143,410	158,220	176,822	198,591	193,061	217,833
a. Private consumption	87,456	91,769	94,860	98,313	102,857	109,483	118,618	128,961	131,992	139,887
b. Public consumption	11,465	11,460	11,914	12,464	13,529	14,559	15,220	15,536	18,095	20,017
c. Gross domestic investment	22,017	22,664	23,739	24,751	27,025	34,178	42,985	54,094	42,974	57,930
Gross fixed investment	21,781	21,668	22,946	24,727	27,766	33,364	40,908	51,985	47,223	58,180
i. Private	18,096	18,132	19,272	20,831	23,332	28,013	34,547	43,483	36,918	45,060
ii. Public	3,685	3,536	3,673	3,896	4,434	5,351	6,362	8,503	10,307	13,121
Change in inventories	236	996	794	24	- 741	814	2,077	2,109	- 4,250	- 251
II. Exports of goods and non-financial services	21,451	23,070	24,491	28,221	32,512	32,772	35,017	37,874	36,678	37,602
Minus:										
III. Imports of goods and non-financial services	21,072	21,561	22,461	24,607	27,282	30,846	37,432	44,960	36,584	45,293
IV. GDP	121,317	127,402	132,545	139,141	148,640	160,145	174,407	191,505	193,155	210,143

1/ Preliminary data.
Source: INEI and BCRP.
Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 7
GROSS DOMESTIC PRODUCT BY EXPENDITURE
 (Millions of nuevos soles)

	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
I. Domestic demand	192,559	200,977	212,619	229,245	246,157	276,035	313,137	370,398	368,627	421,903
a. Private consumption	136,822	144,045	151,363	162,840	173,050	186,644	206,347	237,346	250,003	269,017
b. Public consumption	20,231	20,191	21,923	23,806	26,298	28,810	30,148	33,312	39,452	44,314
c. Gross domestic investment	35,506	36,741	39,332	42,598	46,809	60,580	76,642	99,740	79,172	108,569
Gross fixed investment	35,134	35,139	38,044	42,555	48,074	58,812	72,262	95,969	87,367	109,073
i. Private	29,314	29,535	32,090	36,002	40,499	49,504	60,925	79,928	67,498	83,341
ii. Public	5,820	5,604	5,953	6,553	7,575	9,308	11,336	16,041	19,870	25,732
iii. Change in inventories	371	1,602	1,288	43	-1,265	1,768	4,380	3,771	-8,195	-504
II. Exports of goods and non-financial services	29,820	32,682	38,061	51,041	65,647	86,234	97,589	101,172	91,671	111,595
Minus:										
III. Imports of goods and non-financial services	33,166	34,009	37,254	42,384	50,151	60,013	75,198	100,496	77,980	98,883
IV. GDP	189,213	199,650	213,425	237,902	261,653	302,255	335,529	371,073	382,318	434,612

1/ Preliminary data.

Source: INEI and BCRP.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 8
GROSS DOMESTIC PRODUCT BY EXPENDITURE
(Nominal % change)

	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
I. Domestic demand	1.5	4.4	5.8	7.8	7.4	12.1	13.4	18.3	-0.5	14.5
a. Private consumption	3.3	5.3	5.1	7.6	6.3	7.9	10.6	15.0	5.3	7.6
b. Public consumption	2.6	-0.2	8.6	8.6	10.5	9.6	4.6	10.5	18.4	12.3
c. Gross domestic investment	-5.4	3.5	7.1	8.3	9.9	29.4	26.5	30.1	-20.6	37.1
Gross fixed investment	-6.6	0.0	8.3	11.9	13.0	22.3	22.9	32.8	-9.0	24.8
i. Private	-3.1	0.8	8.7	12.2	12.5	22.2	23.1	31.2	-15.6	23.5
ii. Public	-20.9	-3.7	6.2	10.1	15.6	22.9	21.8	41.5	23.9	29.5
II. Exports of goods and non-financial services	-0.2	9.6	16.5	34.1	28.6	31.4	13.2	3.7	-9.4	21.7
Minus:										
III. Imports of goods and non-financial services	-0.8	2.5	9.5	13.8	18.3	19.7	25.3	33.6	-22.4	26.8
IV. GDP	1.7	5.5	6.9	11.5	10.0	15.5	11.0	10.6	3.0	13.7

1/ Preliminary data.
Source: INEI and BCRP.
Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 9
GROSS DOMESTIC PRODUCT BY EXPENDITURE
 (Nominal % structure)

	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
I. Domestic demand	101.8	100.7	99.6	96.4	94.1	91.3	93.3	99.8	96.4	97.1
a. Private consumption	72.3	72.1	70.9	68.4	66.1	61.8	61.5	64.0	65.4	61.9
b. Public consumption	10.7	10.1	10.3	10.0	10.1	9.5	9.0	9.0	10.3	10.2
c. Gross domestic investment	18.8	18.4	18.4	17.9	17.9	20.0	22.8	26.9	20.7	25.0
i. Gross fixed investment	18.6	17.6	17.8	17.9	18.4	19.5	21.5	25.9	22.9	25.1
- Private	15.5	14.8	15.0	15.1	15.5	16.4	18.2	21.5	17.7	19.2
- Public	3.1	2.8	2.8	2.8	2.9	3.1	3.4	4.3	5.2	5.9
ii. Change in inventories	0.2	0.8	0.6	0.0	-0.5	0.6	1.3	1.0	-2.1	-0.1
II. Exports of goods and non-financial services	15.8	16.4	17.8	21.5	25.1	28.5	29.1	27.3	24.0	25.7
Minus:										
III. Imports of goods and non-financial services	17.5	17.0	17.5	17.8	19.2	19.9	22.4	27.1	20.4	22.8
IV. GDP	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1/ Preliminary data.

Source: INEI and BCRP.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 10
GROSS DOMESTIC PRODUCT BY PRODUCTION SECTOR
(% change)

	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
Agriculture and livestock 2/	0.6	6.1	3.0	- 1.4	5.4	8.4	3.2	7.2	2.3	4.3
- Agriculture	- 2.1	6.5	1.4	- 1.8	4.2	8.4	2.0	7.4	0.9	4.2
- Livestock	0.8	3.8	3.0	3.0	6.9	8.2	5.3	6.0	4.4	4.4
Fishing	- 11.1	6.1	- 10.3	30.7	3.2	2.4	6.9	6.3	- 7.9	- 16.4
Mining and hydrocarbons 3/	9.9	12.0	5.5	5.3	8.4	1.4	2.7	7.6	0.6	- 0.1
- Metallic mining	10.9	13.0	6.3	5.1	7.3	1.1	1.7	7.3	- 1.4	- 4.9
- Hydrocarbons	- 2.0	0.7	- 4.3	7.1	23.4	5.7	6.5	10.3	16.1	29.5
Manufacturing	0.7	5.7	3.6	7.4	7.5	7.5	11.1	9.1	- 7.2	13.6
- Based on raw materials	- 1.7	4.8	3.2	8.0	3.9	4.1	- 2.7	7.6	0.0	- 2.3
- Non primary manufacturing	1.4	5.9	3.7	7.2	8.5	8.5	14.0	8.9	- 8.5	16.9
Electricity and water	1.6	5.5	3.7	4.5	5.6	6.9	8.4	7.8	1.2	7.7
Construction	- 6.5	7.7	4.5	4.7	8.4	14.8	16.6	16.5	6.1	17.4
Commerce	0.9	3.3	2.4	6.2	6.2	11.7	9.7	13.0	- 0.4	9.7
Other services 4/	- 0.5	4.0	4.8	4.8	6.8	6.8	9.0	9.1	3.1	8.0
GROSS DOMESTIC PRODUCT	0.2	5.0	4.0	5.0	6.8	7.7	8.9	9.8	0.9	8.8
Primary sectors	2.6	7.7	3.5	3.2	6.1	5.0	2.1	7.4	1.0	1.1
Non-primary sectors	- 0.3	4.4	4.2	5.4	7.0	8.4	10.4	10.3	0.8	10.3

1/ Preliminary data.

2/ Includes silviculture.

3/ Includes non-metallic mining

4/ Includes taxes on goods and import duties.

Source: INEI and BCRP.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 11
GROSS DOMESTIC PRODUCT BY PRODUCTION SECTOR
 (Millions of nuevos soles at 1994 prices)

	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
Agriculture and livestock 2/	10,796	11,450	11,795	11,629	12,259	13,286	13,718	14,712	15,050	15,695
- Agriculture	6,863	7,306	7,409	7,274	7,578	8,215	8,378	8,994	9,076	9,455
- Livestock	3,113	3,230	3,329	3,430	3,668	3,971	4,180	4,432	4,627	4,832
Fishing	626	664	596	779	804	823	879	934	861	719
Mining and hydrocarbons 3/	7,263	8,133	8,579	9,031	9,790	9,926	10,196	10,974	11,040	11,023
- Metallic mining	6,132	6,927	7,361	7,740	8,306	8,396	8,542	9,163	9,034	8,591
- Hydrocarbons	598	602	576	617	761	805	857	945	1,097	1,420
Manufacturing	18,118	19,147	19,830	21,300	22,887	24,607	27,328	29,804	27,672	31,440
- Based on raw materials	4,089	4,284	4,419	4,773	4,957	5,161	5,022	5,405	5,407	5,280
- Non primary manufacturing	14,029	14,863	15,411	16,527	17,930	19,446	22,169	24,133	22,078	25,807
Electricity and water	2,566	2,706	2,805	2,931	3,094	3,307	3,585	3,866	3,912	4,213
Construction	5,700	6,136	6,413	6,712	7,276	8,350	9,737	11,340	12,037	14,135
Commerce	17,444	18,013	18,453	19,604	20,821	23,248	25,495	28,808	28,693	31,473
Other services 4/	58,805	61,153	64,075	67,155	71,708	76,599	83,469	91,067	93,890	101,444
GROSS DOMESTIC PRODUCT	121,317	127,402	132,545	139,141	148,640	160,145	174,407	191,505	193,155	210,143
Primary sectors	22,774	24,530	25,389	26,212	27,810	29,196	29,815	32,025	32,357	32,718
Non-primary sectors	98,543	102,872	107,156	112,929	120,830	130,950	144,592	159,480	160,799	177,425

1/ Preliminary data.

2/ Includes silviculture.

3/ Includes non-metallic mining

4/ Includes taxes on goods and import duties.

Source: INEI and BCRP.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 12
AGRICULTURE AND LIVESTOCK BY MAIN PRODUCTS
 (% change)

	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
Agriculture GDP	-2.1	6.5	1.4	-1.8	4.2	8.4	2.0	7.4	0.9	4.2
Domestic market	-3.2	6.8	0.8	-3.2	7.5	4.6	3.0	4.3	6.2	1.5
Potato	-17.8	22.6	-4.7	-4.3	9.4	-1.3	4.1	6.3	4.6	1.0
Rice	7.0	4.3	0.8	-13.5	33.8	-4.2	3.0	14.7	7.0	-5.5
Banana	8.1	-0.1	3.9	2.7	2.0	4.7	3.2	-2.3	3.4	3.0
Cassava	-2.9	3.9	2.2	6.8	3.4	13.4	1.7	1.2	4.2	5.1
Amylaceous maize	-9.6	-0.3	1.5	-15.4	11.3	3.2	-1.5	1.7	14.5	-9.8
Wheat	-3.2	2.8	1.9	-10.5	4.7	7.1	-5.0	14.0	7.8	-3.2
Dry beans	-12.2	1.9	-5.2	-1.1	22.5	15.0	-0.6	5.1	14.1	-5.8
Garlic	26.5	-1.7	-7.9	-15.1	11.6	33.8	10.1	-16.4	-14.8	7.3
Onion	8.5	11.3	2.1	9.0	-4.3	16.9	10.0	0.7	-6.3	18.9
Corn	-0.3	8.2	1.9	-7.2	-7.0	2.6	-7.9	12.6	4.6	5.0
Lemon	-8.7	25.8	-1.1	-16.3	7.4	15.6	7.4	-17.2	-11.8	12.0
Mandarine	0.7	2.9	21.0	8.8	-2.3	9.3	1.7	-1.7	-11.3	33.2
Orange	8.8	5.1	4.6	8.0	1.3	5.8	-2.7	9.6	-0.7	3.7
Sweet potato	3.4	-11.9	-13.9	-4.4	0.0	7.7	-7.0	1.8	37.4	0.2
Alfalfa	0.9	2.4	2.4	-0.2	-0.6	0.6	1.6	1.5	5.1	2.1
Tomato	-24.6	-30.9	14.4	22.8	-13.2	6.6	2.1	21.4	4.8	1.0
Barley	-4.3	11.5	-2.2	-8.5	9.0	-0.8	-7.4	4.8	14.6	1.3
Green peas	12.7	-2.9	1.5	-19.0	21.0	7.5	13.9	3.2	3.3	-4.1
Green broad beans	-2.7	1.0	-6.5	-9.1	-6.3	8.5	3.7	8.7	0.7	1.3
Dry peas	-12.2	2.8	4.4	-8.3	3.8	15.2	-3.4	7.8	7.8	1.5
Dry broad beans	-7.4	7.2	6.9	-8.4	12.0	8.7	6.6	4.9	8.1	-0.8
Dry lima beans	-24.9	34.6	-4.6	-34.5	-24.0	178.9	-20.0	10.6	17.7	-21.8
Olluco	1.3	-6.6	-0.6	-11.1	12.2	7.0	7.9	0.6	3.3	-2.5
Oca	-2.7	4.1	-7.2	-8.9	7.8	-9.7	-6.0	-4.0	7.9	-6.6
Peach	-1.3	12.2	-7.3	-4.3	-0.2	-8.4	12.4	17.7	4.2	-3.5
Other products	-2.2	6.4	4.2	0.1	5.3	10.4	5.2	3.8	11.4	3.4
Agricultural exports and industrial	3.6	5.5	2.9	1.7	-3.8	18.5	-0.5	14.8	-10.9	11.1
Coffee	2.4	8.4	-4.5	13.9	-18.5	44.9	-17.3	21.1	-6.9	8.8
Sugarcane	3.5	14.0	5.3	-21.6	-9.2	14.9	13.6	14.2	7.5	-2.7
Hard yellow corn	10.1	-1.8	5.7	-10.4	1.6	2.1	10.1	9.7	2.2	0.3
Cotton	-9.3	-0.6	-1.1	35.4	10.5	2.9	1.0	-22.3	-42.7	-33.3
Asparagus	7.8	0.9	3.5	1.5	7.0	26.2	9.3	15.6	-4.4	8.2
Grapes	19.1	6.3	7.7	6.5	9.1	13.0	2.6	13.6	18.4	6.2
Olive	8.0	0.1	17.1	11.7	28.6	-3.9	-0.1	118.1	-93.7	941.9
Mango	15.1	24.6	10.5	40.0	-15.3	36.1	-8.1	9.6	-48.7	172.6
Cocoa	-4.5	2.9	-0.6	7.0	-2.6	24.8	-0.4	7.5	6.2	8.3
Avocado	11.7	0.8	6.1	8.5	-4.6	9.5	7.5	12.0	14.4	16.8
Oil palm	6.7	-10.3	4.1	15.6	-4.1	18.2	0.9	3.3	6.2	10.8
Marigold	-44.6	-4.5	53.8	-39.0	14.4	-56.2	-59.7	-55.8	-29.3	-7.2
Oregano	26.5	-6.6	-5.0	2.8	14.5	8.4	17.4	33.5	19.7	3.3
Tea	3.5	-2.0	-11.3	-72.5	173.6	13.8	-25.4	11.5	-21.0	3.8
Livestock GDP	0.8	3.8	3.0	3.0	6.9	8.2	5.3	6.0	4.4	4.4
Poultry	1.5	7.3	3.9	0.1	12.4	9.2	8.4	13.9	6.9	5.8
Beef	1.4	1.6	3.1	5.9	4.6	6.2	0.4	0.1	2.2	4.4
Eggs	5.4	1.3	3.6	2.3	2.3	18.5	5.0	3.5	0.8	6.1
Pork	2.4	-1.3	0.2	5.6	5.0	5.6	5.4	0.6	-0.9	0.2
Milk	4.5	7.1	2.7	3.7	4.7	11.6	6.5	-0.9	6.1	3.3
Other products	1.9	-0.6	2.0	5.4	1.2	2.1	2.3	0.6	2.5	1.7
GDP Agriculture and livestock	0.6	6.1	3.0	-1.4	5.4	8.4	3.2	7.2	2.3	4.3

1/ Preliminary data.
 Source: INEI and Ministry of Agriculture.
 Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 13
AGRICULTURE AND LIVESTOCK BY MAIN PRODUCTS
 (Thousands of metric tons)



	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
Agriculture GDP										
Domestic market										
Potato	2,690.5	3,298.2	3,143.9	3,008.2	3,289.7	3,248.4	3,383.0	3,597.1	3,761.9	3,800.8
Rice	2,028.2	2,115.1	2,132.4	1,844.9	2,468.4	2,363.5	2,435.1	2,794.0	2,989.6	2,824.1
Banana	1,561.9	1,560.4	1,621.0	1,664.1	1,697.1	1,777.3	1,834.5	1,792.9	1,854.2	1,910.2
Cassava	857.1	890.1	909.3	971.0	1,004.5	1,138.6	1,158.0	1,171.8	1,221.3	1,284.0
Amylaceous maize	253.6	252.7	256.5	216.9	241.5	249.2	245.3	249.4	285.6	257.7
Wheat	181.8	186.9	190.5	170.4	178.5	191.1	181.6	206.9	223.1	216.1
Dry beans	61.3	62.4	59.2	58.5	71.7	82.5	82.0	86.1	98.3	92.6
Garlic	63.9	62.9	57.9	49.2	54.9	73.4	80.9	67.6	57.6	61.8
Onion	416.0	463.1	472.9	515.5	493.3	576.7	634.4	639.1	599.1	712.5
Corn	369.4	399.6	407.1	377.9	351.3	360.6	332.3	374.0	391.3	410.7
Lemon	194.4	244.6	241.9	202.4	217.3	251.3	269.8	223.4	197.0	220.6
Mandarine	129.5	133.2	161.2	175.4	171.3	187.3	190.4	187.2	166.0	221.1
Orange	278.2	292.4	305.8	330.4	334.5	353.9	344.3	377.3	374.8	388.8
Sweet potato	254.1	223.9	192.9	184.4	184.4	198.6	184.8	188.2	258.6	259.1
Alfalfa	5,391.2	5,520.8	5,652.1	5,638.9	5,605.9	5,639.6	5,732.0	5,816.2	6,112.2	6,239.0
Tomato	189.0	130.6	149.4	183.5	159.2	169.7	173.3	210.4	220.4	222.7
Barley	177.7	198.0	193.7	177.2	193.1	191.6	177.5	186.0	213.2	216.1
Green peas	83.3	80.9	82.1	66.5	80.4	86.5	98.5	101.6	104.9	100.6
Green broad beans	65.5	66.1	61.8	56.2	52.6	57.1	59.2	64.4	64.8	65.7
Dry peas	38.1	39.1	40.9	37.5	38.9	44.8	43.3	46.7	50.4	51.1
Dry broad beans	45.0	48.2	51.6	47.2	52.9	57.5	61.3	64.3	69.5	68.9
Dry lima beans	6.2	8.4	8.0	5.2	4.0	11.1	8.8	9.8	11.5	9.0
Olluco	146.1	136.4	135.6	120.6	135.3	144.9	156.4	157.3	162.5	158.4
Oca	120.2	125.1	116.1	105.8	114.1	103.0	96.9	93.0	100.4	93.8
Peach	36.0	40.5	37.5	35.9	35.8	32.8	36.9	43.4	45.2	43.6
Agricultural exports and industrial										
Coffee	196.2	212.8	203.1	231.4	188.6	273.2	226.0	273.8	255.0	277.3
Sugarcane	7,385.9	8,419.8	8,864.0	6,945.7	6,304.1	7,245.8	8,228.6	9,396.0	10,100.1	9,827.7
Hard yellow corn	1,057.4	1,038.1	1,097.3	983.2	999.3	1,019.8	1,122.9	1,231.5	1,258.5	1,262.6
Cotton	141.0	140.1	138.6	187.7	207.3	213.4	215.4	167.4	96.0	64.0
Asparagus	181.5	183.1	189.6	192.5	206.0	260.0	284.1	328.4	313.9	339.7
Grapes	127.5	135.5	146.0	155.4	169.5	191.6	196.6	223.3	264.5	280.8
Olive	32.4	32.5	38.0	42.5	54.6	52.5	52.4	114.4	7.2	74.7
Mango	144.1	179.6	198.5	277.9	235.4	320.3	294.4	322.6	165.4	450.8
Cocoa	23.7	24.4	24.2	25.9	25.3	31.5	31.4	33.7	35.8	38.8
Avocado	93.5	94.2	100.0	108.5	103.4	113.3	121.7	136.3	156.0	182.2
Oil palm	193.3	173.3	180.4	208.5	199.9	236.4	238.4	246.4	261.6	289.9
Marigold	119.6	114.2	175.7	107.2	122.7	53.7	21.6	9.6	6.8	6.3
Oregano	5.4	5.1	4.8	4.9	5.7	6.1	7.2	9.6	11.5	11.9
Tea	6.5	6.3	5.6	1.5	4.2	4.8	3.6	4.0	3.2	3.3
Livestock GDP										
Poultry	631.7	678.1	704.9	705.7	793.0	866.4	939.6	1,069.7	1,143.4	1,209.5
Beef	258.8	263.0	271.1	287.0	300.2	318.8	320.1	320.2	327.2	341.6
Eggs	188.4	190.9	197.8	202.4	207.1	245.5	257.6	266.5	268.7	285.1
Pork	125.1	123.4	123.7	130.6	137.2	144.9	152.7	153.6	152.2	152.5
Milk	1,112.6	1,192.0	1,224.3	1,269.5	1,329.3	1,482.9	1,579.8	1,565.5	1,660.7	1,715.6

1/ Preliminary data.

Source: Ministry of Agriculture.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 14
FISHING PRODUCTION BY DESTINATION AND BY MAIN SPECIES
 (% change)

	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
INDUSTRIAL CONSUMPTION	- 27.0	12.6	- 34.5	64.8	- 2.1	- 31.7	3.2	1.3	- 5.4	- 42.9
Anchovy	- 33.6	27.3	- 34.0	64.9	- 1.9	- 31.7	3.3	1.2	- 5.4	- 42.8
Other species										
Chub mackerel	249.8	- 94.9	- 90.4	- 33.0	--	--	--	--	--	--
Yellow mackerel	234.2	- 90.5	- 97.5	- 63.6	--	--	--	--	--	--
Sardine	- 89.8	- 85.8	- 85.1	- 100.0	--	--	--	--	--	--
HUMAN CONSUMPTION	5.3	3.4	6.3	15.2	6.8	23.6	7.3	8.1	- 13.6	- 8.2
Frozen										
Scallop	- 13.7	46.2	101.8	- 0.3	- 3.1	8.7	35.5	- 5.8	31.1	- 22.5
Shrimp	- 6.7	169.2	11.7	45.6	53.5	25.2	19.9	- 5.4	- 7.3	37.1
South Pacific hake	78.1	- 64.0	- 90.3	555.8	- 11.4	8.2	12.6	- 7.1	39.5	- 47.4
Giant squid	78.9	166.0	- 0.3	120.3	8.7	55.2	3.8	27.6	- 26.7	- 11.3
Canned										
Tuna	93.3	42.5	31.7	- 53.9	187.9	14.8	- 67.2	- 11.6	- 38.6	342.7
Chub mackerel	20.4	- 76.7	709.9	- 44.9	7.0	126.5	- 54.9	81.7	7.7	- 81.2
Yellow mackerel	40.5	- 81.2	465.3	- 53.6	- 55.4	500.1	- 32.5	- 29.0	- 75.7	- 61.1
Sardine	- 63.5	- 91.4	75.7	- 89.7	- 77.5	- 70.9	- 97.9	- 100.0	--	--
Fresh										
Scallop	- 75.9	- 48.1	- 18.4	134.3	22.1	119.6	19.2	- 82.9	122.9	- 52.4
Yellow mackerel	55.3	- 20.6	26.6	20.6	- 56.9	143.6	- 1.4	- 40.6	- 41.2	- 77.2
Striped mullet	0.2	- 19.8	- 9.7	- 36.2	- 47.4	- 46.1	194.3	55.8	19.3	- 50.4
Smooth hound	63.5	48.7	- 84.1	258.5	- 87.8	268.4	79.0	3.5	38.3	17.3
FISHING GDP	- 11.1	6.1	- 10.3	30.7	3.2	2.4	6.9	6.3	- 7.9	- 16.4

1/ Preliminary data.

Source: INEI and Ministry of Production.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 15
FISHING PRODUCTION BY DESTINATION AND MAIN SPECIES
 (Thousands of metric tons)

	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
INDUSTRIAL CONSUMPTION										
Anchovy	6,347.7	8,082.9	5,335.5	8,797.1	8,628.4	5,891.8	6,084.7	6,159.4	5,828.6	3,331.8
Other species										
Chub mackerel	130.5	6.6	0.6	0.4	0.0	0.0	0.0	0.0	0.0	0.0
Yellow mackerel	512.8	48.6	1.2	0.4	0.0	0.0	0.0	0.0	0.0	0.0
Sardine	8.4	1.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
HUMAN CONSUMPTION										
Frozen										
Scallop	4.8	6.9	14.0	14.0	13.5	14.7	19.9	18.8	24.6	19.1
Shrimp	1.3	3.6	4.0	5.9	9.0	11.3	13.5	12.8	11.9	16.3
South Pacific hake	114.4	41.2	4.0	26.3	23.3	25.2	28.4	26.4	36.8	19.4
Giant squid	37.1	98.7	98.4	216.8	235.6	365.7	379.6	484.2	355.1	315.0
Canned										
Tuna	4.0	5.6	7.4	3.4	9.9	11.3	3.7	3.3	2.0	8.9
Chub mackerel	23.1	5.4	43.6	24.0	25.7	58.2	26.2	47.7	51.4	9.7
Yellow mackerel	93.1	17.5	99.0	46.0	20.5	122.9	82.9	58.9	14.3	5.6
Sardine	46.9	4.1	7.1	0.7	0.2	0.0	0.0	0.0	0.0	0.0
Fresh										
Scallop	1.5	0.8	0.6	1.5	1.8	4.0	4.8	0.8	1.8	0.9
Yellow mackerel	107.6	85.4	108.1	130.4	56.2	136.8	134.9	80.1	47.1	10.8
Striped mullet	24.2	19.4	17.5	11.2	5.9	3.2	9.3	14.5	17.3	8.6
Smooth hound	4.2	6.2	1.0	3.5	0.4	1.6	2.8	2.9	4.1	4.8

1/ Preliminary data.

Source: INEI and Ministry of Production.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 16
MINING AND HYDROCARBONS PRODUCTION BY MAIN PRODUCTS
 (% change)

	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
METALLIC MINING GDP 2/	10.9	13.0	6.3	5.1	7.3	1.1	1.7	7.3	-1.4	-4.9
Copper	35.0	16.0	-2.2	29.0	-2.8	3.6	16.4	8.8	0.5	-1.7
Tin	2.1	1.7	3.6	3.5	1.3	-8.7	1.4	0.0	-3.9	-9.7
Iron	10.5	0.6	14.0	21.9	7.5	4.8	6.7	1.1	-14.4	36.7
Gold	4.1	13.9	9.7	0.4	20.0	-2.4	-16.1	5.7	2.3	-11.2
Silver	15.1	11.3	1.8	4.8	4.4	8.3	0.9	5.4	6.4	-7.3
Lead	11.2	5.2	1.2	-0.8	4.3	-2.6	5.1	4.8	-12.4	-13.3
Zinc	13.7	16.4	11.3	-11.9	-0.6	0.1	20.0	11.0	-5.6	-2.8
Molybdenum	31.4	-9.3	11.3	48.6	21.6	-0.7	-2.5	-0.4	-26.5	37.9
HYDROCARBONS GDP	-2.0	0.7	-4.3	7.1	23.4	5.7	6.5	10.3	16.1	29.5
Natural gas	7.3	19.3	18.5	64.2	76.5	17.0	50.7	27.0	4.5	104.0
Liquid hydrocarbons	-2.4	-0.2	-5.7	3.3	17.9	3.9	-1.5	5.7	20.7	8.2
MINING AND HYDROCARBONS GDP	9.9	12.0	5.5	5.3	8.4	1.4	2.7	7.6	0.6	-0.1

1/ Preliminary data.

2/ Includes non metallic mining, other minerals, and secondary production.

Source: INEI and Ministry of Energy and Mining.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 17
MINING AND HYDROCARBONS PRODUCTION BY MAIN PRODUCTS
 (Thousands of recoverable units)

		2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
Metallic mining											
Copper	(Tons)	555.2	644.1	630.1	812.9	790.2	818.5	952.8	1,036.7	1,042.0	1,023.9
Tin	(Tons)	33.2	33.7	34.9	36.2	36.6	33.4	33.9	33.9	32.6	29.4
Iron	(Tons)	3,087.0	3,105.0	3,540.7	4,315.1	4,638.0	4,861.2	5,185.3	5,243.3	4,489.5	6,139.3
Gold	(kilos)	134.3	152.9	167.7	168.3	201.9	197.0	165.4	174.7	178.7	158.7
Silver	(kilos)	2,423.9	2,696.6	2,745.0	2,876.8	3,002.1	3,250.3	3,278.8	3,454.5	3,676.9	3,409.4
Lead	(Tons)	267.0	280.8	284.1	281.9	294.0	286.4	301.0	315.6	276.6	239.7
Zinc	(Tons)	905.8	1,054.8	1,174.1	1,034.7	1,028.4	1,029.9	1,236.1	1,371.5	1,294.8	1,258.5
Molybdenum	(Tons)	9.1	8.3	9.2	13.7	16.6	16.5	16.1	16.1	11.8	16.3
Hydrocarbons											
Natural gas	(cubic feet) 2/	13,076.5	15,598.6	18,483.0	30,355.7	53,567.1	62,695.2	94,485.4	119,955.8	125,299.6	255,609.2
Liquid hydrocarbons	(barrels)	35,440.5	35,355.8	33,342.6	34,448.0	40,622.6	42,187.0	41,562.2	43,930.4	53,027.1	57,363.0

1/ Preliminary data.

2/ Thousands.

Source: Ministry of Energy and Mining.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 18
MANUFACTURING PRODUCTION BY MAIN INDUSTRIAL GROUPS
 (% change)

	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
MANUFACTURING BASED ON RAW MATERIALS GDP	- 1.7	4.8	3.2	8.0	3.9	4.1	- 2.7	7.6	0.0	- 2.3
Sugar	4.1	15.5	14.6	- 29.8	- 11.7	15.6	13.1	10.7	7.2	- 4.1
Meat products	4.3	2.4	3.4	5.5	7.2	7.8	6.4	9.2	4.6	4.8
Fishmeal and fish oil	- 29.6	7.0	- 29.0	56.0	- 2.1	- 24.5	4.9	0.5	- 4.2	- 42.1
Canned and frozen fish products	21.0	- 16.4	42.6	13.7	2.7	54.4	9.0	17.6	- 17.4	- 17.4
Refining of non-ferrous metals	3.4	14.7	11.7	1.3	- 2.2	2.5	- 11.2	9.4	- 18.0	- 6.1
Refining of oil	3.5	- 1.3	- 0.5	8.6	16.3	- 1.7	4.2	4.1	27.7	14.2
NON PRIMARY MANUFACTURING GDP	1.4	5.9	3.7	7.2	8.5	8.5	14.0	8.9	- 8.5	16.9
Food, beverages, and tobacco	4.7	5.5	1.9	2.7	7.8	9.3	8.8	8.4	0.4	6.8
Textiles, leather, and footwear	- 1.1	5.8	7.4	10.0	2.1	- 2.0	6.8	- 6.7	- 23.0	35.2
Wood and furniture	- 3.7	20.6	- 3.7	19.9	- 0.6	4.3	12.7	16.6	- 6.0	15.6
Paper and print industry	- 1.1	11.7	7.3	15.6	16.7	7.9	11.6	25.1	- 12.3	18.2
Chemical, rubber and plastic products	3.7	6.5	3.9	5.2	8.2	11.9	12.8	7.0	- 8.2	11.1
Non-metallic minerals	- 0.8	11.9	5.6	11.0	12.8	13.0	16.0	20.5	- 0.6	20.4
Iron and steel industry	0.7	2.4	4.0	9.8	19.1	12.3	8.1	9.9	- 21.1	3.3
Metallic products, machinery and equipment	0.5	- 5.1	2.2	3.4	8.7	17.1	21.2	18.3	- 14.4	26.6
Miscellaneous industries	1.4	1.2	- 5.8	5.2	9.9	5.8	31.7	- 1.0	- 1.6	3.0
MANUFACTURING GDP	0.7	5.7	3.6	7.4	7.5	7.5	11.1	9.1	- 7.2	13.6

1/ Preliminary data.

Source: INEI and Ministry of Production.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 19
MANUFACTURING PRODUCTION BY MAIN INDUSTRIAL GROUPS
 (Millions of nuevos soles at 1994 prices)

	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
MANUFACTURING BASED ON RAW MATERIALS GDP	4,089	4,284	4,419	4,773	4,957	5,161	5,022	5,405	5,407	5,280
Sugar	218	252	289	203	179	207	234	259	277	266
Meat products	1,173	1,202	1,243	1,311	1,405	1,515	1,612	1,760	1,841	1,929
Fishmeal and fish oil	562	601	427	666	652	492	516	519	497	288
Canned and frozen fish products	279	233	332	378	388	599	653	768	635	524
Refining of non-ferrous metals	1,015	1,165	1,301	1,317	1,288	1,321	1,173	1,283	1,052	987
Refining of oil	842	831	827	898	1,045	1,027	1,070	1,114	1,422	1,624
NON PRIMARY MANUFACTURING GDP	14,029	14,863	15,411	16,527	17,930	19,446	22,169	24,133	22,078	25,807
Food, beverages, and tobacco	3,506	3,700	3,770	3,873	4,175	4,562	4,965	5,384	5,407	5,775
Textiles, leather, and footwear	2,753	2,911	3,126	3,440	3,512	3,441	3,677	3,432	2,641	3,571
Wood and furniture	537	648	624	748	744	776	874	1,019	958	1,107
Paper and print industry	1,113	1,244	1,335	1,542	1,799	1,941	2,166	2,710	2,378	2,811
Chemical, rubber and plastic products	2,307	2,457	2,552	2,685	2,906	3,253	3,669	3,926	3,603	4,002
Non-metallic minerals	1,246	1,394	1,472	1,634	1,844	2,083	2,416	2,911	2,895	3,485
Iron and steel industry	537	549	571	627	747	839	907	997	787	813
Metallic products, machinery and equipment	1,516	1,439	1,471	1,522	1,654	1,937	2,347	2,775	2,375	3,008
Miscellaneous industries	514	520	490	515	566	599	788	781	768	792
MANUFACTURING GDP	18,118	19,147	19,830	21,300	22,887	24,607	27,328	29,804	27,672	31,440

1/ Preliminary data.

Source: INEI and Ministry of Production.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 20
INFLATION
(% change)

	Weight 2009	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
CPI	100.0	- 0.13	1.52	2.48	3.48	1.49	1.14	3.93	6.65	0.25	2.08
1. Food and beverages	37.8	- 0.21	0.50	1.89	4.00	1.13	1.76	6.02	9.70	0.57	2.41
2. Other components	62.2	- 0.09	2.44	3.04	3.03	1.75	0.61	2.02	3.86	- 0.07	1.87
a. Fuel and electricity	5.7	- 10.78	12.81	4.23	15.93	4.01	- 3.16	5.21	1.65	- 10.40	6.80
Fuel	2.8	- 13.14	15.60	8.94	17.77	6.89	- 1.50	6.45	- 0.04	- 12.66	12.21
Electricity	2.9	- 6.29	7.90	- 4.63	11.95	- 2.52	- 7.30	1.92	6.31	- 4.56	1.36
b. Transportation	8.9	- 0.02	0.11	10.99	3.49	1.29	1.12	0.82	5.86	0.37	1.94
c. Public services	5.4	0.46	- 3.62	0.81	0.46	- 0.83	1.22	- 1.44	8.68	- 0.05	- 0.70
d. Other goods and services	42.2	2.14	1.59	1.07	0.50	1.63	1.28	1.89	3.51	2.16	1.53
Memo:											
Core inflation	65.2	1.30	1.23	0.73	1.23	1.23	1.37	3.11	5.56	2.35	2.12
CPI without food and energy	56.4	1.65	1.06	2.86	1.09	1.36	1.28	1.49	4.25	1.71	1.38

Source: INEI.
Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 21
CONSUMER PRICE INDEX
 (% change)

	2001		2002		2003		2004		2005		2006		2007		2008		2009		2010		
	Monthly	12-month	Monthly	12-month	Monthly	12-month	Monthly	12-month	Monthly	12-month	Monthly	12-month	Monthly	12-month	Monthly	12-month	Monthly	12-month	Monthly	12-month	
January	0.19	3.86	-0.52	-0.83	0.23	2.28	0.54	2.80	0.10	3.03	0.50	1.90	0.01	0.64	0.22	4.15	0.11	6.53	0.30	0.44	
February	0.25	3.61	-0.04	-1.11	0.47	2.80	1.09	3.43	-0.23	1.68	0.55	2.70	0.26	0.36	0.91	4.82	-0.07	5.49	0.32	0.84	
March	0.51	3.58	0.54	-1.08	1.12	3.39	0.46	2.76	0.65	1.88	0.46	2.50	0.35	0.25	1.04	5.55	0.36	4.78	0.28	0.76	
April	-0.42	2.62	0.73	0.05	-0.05	2.59	-0.02	2.78	0.12	2.02	0.51	2.90	0.18	-0.08	0.15	5.52	0.02	4.64	0.03	0.76	
May	0.02	2.63	0.14	0.17	-0.03	2.42	0.35	3.18	0.13	1.79	-0.53	2.23	0.49	0.94	0.37	5.39	-0.04	4.21	0.24	1.04	
June	-0.06	2.51	-0.23	0.00	-0.47	2.17	0.56	4.26	0.26	1.49	-0.13	1.83	0.47	1.55	0.77	5.71	-0.34	3.06	0.25	1.64	
July	0.17	2.16	0.03	-0.14	-0.15	1.98	0.19	4.61	0.10	1.40	-0.17	1.55	0.48	2.21	0.56	5.79	0.19	2.68	0.36	1.82	
August	-0.30	1.37	0.10	0.26	0.01	1.89	-0.01	4.59	-0.18	1.22	0.14	1.87	0.14	2.20	0.59	6.27	-0.21	1.87	0.27	2.31	
September	0.06	0.87	0.47	0.68	0.56	1.98	0.02	4.03	-0.09	1.11	0.03	1.99	0.61	2.80	0.57	6.22	-0.09	1.20	-0.03	2.37	
October	0.04	0.68	0.72	1.36	0.05	1.30	-0.02	3.95	0.14	1.28	0.04	1.89	0.31	3.08	0.61	6.54	0.12	0.71	-0.14	2.10	
November	-0.49	0.12	-0.40	1.46	0.17	1.88	0.29	4.07	0.07	1.06	-0.28	1.54	0.11	3.49	0.31	6.75	-0.11	0.29	0.01	2.22	
December	-0.09	-0.13	-0.03	1.52	0.56	2.48	-0.01	3.48	0.42	1.49	0.03	1.14	0.45	3.93	0.36	6.65	0.32	0.25	0.18	2.08	
Memo:																					
Annual average	1.98		0.19		2.26		3.66		1.62		2.00		1.78		5.79		2.94		1.53		

Source: INEI.
 Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 22
CORE INFLATION
(% change)

	2001		2002		2003		2004		2005		2006		2007		2008		2009		2010		
	Monthly	12-month	Monthly	12-month	Monthly	12-month	Monthly	12-month	Monthly	12-month	Monthly	12-month	Monthly	12-month	Monthly	12-month	Monthly	12-month	Monthly	12-month	
January	0.20	3.25	0.07	1.17	0.00	1.16	-0.06	0.68	0.10	1.39	0.13	1.26	0.10	1.33	0.25	3.27	0.35	5.66	0.21	2.21	
February	0.08	3.11	0.02	1.11	0.13	1.27	0.24	0.79	0.00	1.14	0.09	1.36	0.26	1.49	0.36	3.37	0.46	5.77	0.17	1.91	
March	0.14	2.85	0.12	1.08	0.16	1.31	0.30	0.93	0.35	1.20	0.41	1.41	0.33	1.42	0.55	3.59	0.47	5.69	0.33	1.77	
April	0.15	2.73	0.13	1.06	0.07	1.25	0.05	0.90	0.06	1.21	0.08	1.42	0.13	1.48	0.40	3.88	0.15	5.42	0.23	1.85	
May	0.24	2.69	0.03	0.85	0.01	1.24	0.17	1.06	0.16	1.20	0.05	1.32	0.09	1.51	0.46	4.27	0.17	5.11	0.14	1.81	
June	0.14	2.55	0.14	0.85	0.03	1.13	0.15	1.18	0.05	1.10	0.00	1.27	0.17	1.68	0.55	4.66	0.16	4.70	0.13	1.79	
July	-0.02	2.35	0.17	1.05	0.01	0.96	0.00	1.17	0.06	1.16	0.05	1.25	0.23	1.86	0.40	4.84	0.08	4.38	0.08	1.79	
August	0.05	2.12	0.11	1.11	0.10	0.95	0.11	1.18	0.01	1.06	0.13	1.38	0.31	2.04	0.55	5.10	0.12	3.93	0.24	1.91	
September	0.06	1.89	0.22	1.27	0.01	0.74	0.02	1.19	-0.03	1.01	0.08	1.49	0.19	2.15	0.35	5.27	0.16	3.73	0.14	1.88	
October	0.03	1.71	0.10	1.35	-0.04	0.60	0.11	1.35	0.10	1.00	0.06	1.45	0.35	2.44	0.56	5.50	-0.02	3.13	0.17	2.07	
November	0.15	1.51	0.12	1.32	0.13	0.60	0.12	1.34	0.13	1.01	0.13	1.45	0.59	2.91	0.59	5.50	0.16	2.68	0.05	1.96	
December	0.08	1.30	0.00	1.23	0.13	0.73	0.02	1.23	0.24	1.23	0.15	1.37	0.34	3.11	0.40	5.56	0.07	2.35	0.23	2.12	
Memo:																					
Annual Average	2.33		1.12		0.99		1.08		1.14		1.37		1.95		4.57		4.36		1.92		

Source: INEI.
Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 23
NON CORE INFLATION
(% change)

	2001		2002		2003		2004		2005		2006		2007		2008		2009		2010		
	Monthly	12-month	Monthly	12-month	Monthly	12-month	Monthly	12-month	Monthly	12-month	Monthly	12-month	Monthly	12-month	Monthly	12-month	Monthly	12-month	Monthly	12-month	
January	0.13	4.77	-1.41	-3.87	0.59	4.04	1.38	5.98	0.12	5.43	1.01	2.77	-0.10	-0.28	0.18	5.37	-0.20	7.71	0.45	-1.90	
February	0.52	4.40	-0.14	-4.50	0.99	5.22	2.32	7.38	-0.56	2.45	1.20	4.59	0.26	-1.20	1.64	6.82	-0.78	5.13	0.61	-0.52	
March	1.07	4.71	1.19	-4.39	2.56	6.65	0.70	5.42	1.06	2.83	0.52	4.02	0.38	-1.33	1.71	8.23	0.21	3.58	0.20	-0.54	
April	-1.28	2.44	1.69	-1.51	-0.26	4.61	-0.14	5.55	0.21	3.18	1.08	4.93	0.24	-2.15	-0.18	7.78	-0.15	3.62	-0.35	-0.74	
May	-0.31	2.55	0.29	-0.91	-0.10	4.19	0.62	6.31	0.06	2.61	-1.29	3.52	1.04	0.15	0.25	6.94	-0.36	2.99	0.43	0.04	
June	-0.36	2.44	-0.81	-1.36	-1.19	3.78	1.17	8.85	0.60	2.03	-0.29	2.60	0.89	1.34	1.06	7.13	-1.01	0.87	0.47	1.54	
July	0.47	1.83	-0.18	-2.00	-0.40	3.56	0.45	9.78	0.17	1.74	-0.50	1.91	0.85	2.71	0.77	7.05	0.33	0.43	0.90	2.12	
August	-0.85	0.21	0.08	-1.08	-0.12	3.36	-0.18	9.71	-0.47	1.45	0.16	2.55	-0.12	2.42	0.65	7.87	-0.66	-0.87	0.33	3.13	
September	0.08	-0.68	0.88	-0.29	1.42	3.91	0.01	8.19	-0.18	1.26	-0.05	2.69	1.20	3.69	0.85	7.50	-0.44	-2.13	-0.35	3.22	
October	0.04	-0.94	1.66	1.32	0.16	2.38	-0.20	7.80	0.23	1.69	0.04	2.49	0.28	3.94	0.67	7.93	0.32	-2.47	-0.73	2.14	
November	-1.51	-2.05	-1.18	1.67	0.24	3.85	0.50	8.08	-0.02	1.16	-0.85	1.65	-0.52	4.29	-0.07	8.41	-0.49	-2.88	-0.06	2.58	
December	-0.36	-2.36	-0.07	1.96	1.20	5.16	-0.05	6.75	0.65	1.87	-0.16	0.83	0.59	5.07	0.31	8.11	0.66	-2.54	0.09	2.00	
Memo:																					
Annual Average	1.41		-1.27		4.22		7.48		2.29		2.87		1.54		7.44		1.04		1.07		

Source: INEI.
Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 24
WHOLESALE PRICE INDEX
 (% change)

	2001		2002		2003		2004		2005		2006		2007		2008		2009		2010		
	Monthly	12-month	Monthly	12-month	Monthly	12-month	Monthly	12-month	Monthly	12-month	Monthly	12-month	Monthly	12-month	Monthly	12-month	Monthly	12-month	Monthly	12-month	
January	0.12	3.87	-0.18	-2.47	-0.16	1.69	0.55	2.73	0.36	4.69	0.49	3.73	-0.34	0.50	0.28	5.89	-1.51	6.85	0.82	-2.81	
February	0.24	3.74	-0.44	-3.13	0.44	2.59	1.27	3.58	-0.35	3.01	-0.19	3.90	-0.48	0.20	1.12	7.59	-1.55	4.03	0.07	-1.22	
March	0.06	3.41	0.12	-3.07	0.83	3.31	0.99	3.75	0.33	2.34	0.38	3.95	0.41	0.24	0.82	8.03	-0.50	2.67	0.26	-0.47	
April	-0.12	2.82	0.67	-2.31	-0.21	2.41	0.60	4.60	0.12	1.85	0.43	4.27	0.30	0.12	0.29	8.01	-0.70	1.66	0.24	0.48	
May	0.06	2.73	0.01	-2.35	-0.14	2.25	0.65	5.42	0.25	1.44	-0.21	3.79	0.88	1.21	1.19	8.34	-0.68	-0.22	0.81	1.98	
June	-0.11	2.45	-0.03	-2.27	-0.30	1.96	0.63	6.41	0.21	1.03	0.13	3.71	1.26	2.35	1.69	8.81	-0.38	-2.25	0.11	2.48	
July	-0.64	1.20	0.58	-1.06	-0.29	1.08	0.21	6.94	0.04	0.85	-0.09	3.57	0.75	3.22	1.09	9.17	0.05	-3.26	0.01	2.44	
August	-0.36	0.82	0.19	-0.52	0.16	1.05	-0.18	6.58	0.46	1.51	0.20	3.29	0.65	3.68	1.39	9.98	-0.42	-4.99	0.37	3.25	
September	0.20	0.30	0.92	0.19	0.67	0.80	0.10	5.97	0.74	2.15	0.15	2.69	0.63	4.17	1.23	10.65	-0.06	-6.21	0.22	3.54	
October	-0.61	-0.65	0.52	1.33	0.17	0.45	-0.02	5.77	0.55	2.74	0.06	2.19	0.11	4.23	0.31	10.87	0.16	-6.35	0.16	3.54	
November	-0.54	-1.61	-0.27	1.61	0.19	0.91	0.35	5.94	-0.05	2.33	-0.20	2.04	0.22	4.67	-0.13	10.47	-0.07	-6.29	0.89	4.53	
December	-0.49	-2.19	-0.43	1.67	0.65	2.00	-0.35	4.89	0.88	3.60	0.19	1.33	0.73	5.24	-0.81	8.79	0.50	-5.05	0.53	4.57	
Memo:																					
Annual average	1.39		-1.05		1.70		5.21		2.29		3.19		2.49		8.91		-1.76		1.83		

Source: INEI.
 Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 25
NOMINAL EXCHANGE RATE 1/
(% change)

	2001		2002		2003		2004		2005		2006		2007		2008		2009		2010	
	Mon.	12-month	Mon.	12-month	Mon.	12-month	Mon.	12-month	Mon.	12-month	Mon.	12-month	Mon.	12-month	Mon.	12-month	Mon.	12-month	Mon.	12-month
January	0.1	0.6	0.7	-1.8	0.6	1.0	-0.1	-0.8	-0.4	-5.7	-0.9	3.8	-0.4	-5.9	-1.0	-7.6	1.2	6.8	-0.7	-9.3
February	0.2	2.1	0.5	-1.5	-0.3	0.2	0.5	0.0	-0.3	-6.4	-3.1	0.9	-0.1	-3.0	-1.5	-8.9	2.7	11.4	-0.1	-11.8
March	-0.2	2.2	-0.6	-1.8	-0.1	0.7	-0.5	-0.4	0.0	-5.9	1.5	2.5	-0.1	-4.6	-3.2	-11.7	-1.9	12.9	-0.5	-10.6
April	1.1	2.3	-0.5	-3.4	-0.4	0.7	0.1	0.1	0.0	-6.1	-0.2	2.3	-0.2	-4.6	-2.2	-13.5	-2.8	12.2	0.0	-7.9
May	1.2	2.8	0.4	-4.1	0.5	0.9	0.5	0.2	-0.1	-6.7	-1.6	0.7	-0.3	-3.4	2.0	-11.4	-3.0	6.7	0.2	-5.0
June	-1.9	1.3	0.9	-1.4	-0.1	-0.1	-0.3	0.0	-0.1	-6.5	-0.5	0.3	0.1	-2.9	3.1	-8.8	-0.1	3.4	-0.3	-5.1
July	-0.8	0.7	1.5	0.8	-0.2	-1.8	-1.0	-0.9	0.0	-5.5	-0.6	-0.3	-0.3	-2.5	-1.5	-9.9	0.7	5.8	-0.5	-6.3
August	-0.3	0.4	1.0	2.2	0.3	-2.5	-1.3	-2.4	0.2	-4.1	-0.3	-0.7	-0.1	-2.4	1.6	-8.4	-2.1	2.0	-0.7	-5.0
September	-0.1	0.1	1.4	3.7	0.0	-3.8	-1.1	-3.5	1.6	-1.5	0.4	-1.8	-0.7	-3.4	2.5	-5.4	-1.4	-1.9	-0.4	-4.1
October	-0.9	-1.2	-0.1	4.5	-0.1	-3.8	-1.1	-4.5	2.2	1.8	-0.3	-4.3	-3.7	-6.7	3.7	1.9	-1.3	-6.6	0.0	-2.8
November	-0.6	-2.5	-0.9	4.2	0.0	-3.0	-0.3	-4.8	-0.1	2.0	-0.5	-4.6	-0.6	-6.9	0.5	3.0	0.5	-6.7	0.5	-2.8
December	-0.1	-2.4	-1.9	2.3	-0.2	-1.2	-0.9	-5.5	1.4	4.4	-0.5	-6.4	-0.7	-7.0	0.7	4.5	-0.3	-7.6	0.4	-2.2
Memo:																				
Annual Average		0.5		0.3		-1.1		-1.9		-3.4		-0.7		-4.4		-6.5		2.9		-6.2

1/ Banks ask price.

Source: SBS.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 26
REAL MULTILATERAL EXCHANGE RATE
 (%)

	2001		2002		2003		2004		2005		2006		2007		2008		2009		2010	
	Mon.	12-month	Mon.	12-month	Mon.	12-month	Mon.	12-month	Mon.	12-month	Mon.	12-month	Mon.	12-month	Mon.	12-month	Mon.	12-month	Mon.	12-month
January	1.0	-1.3	0.3	-3.2	0.2	-0.9	1.1	6.8	-0.3	-3.8	-0.4	5.9	-0.8	-2.6	0.1	-0.8	1.4	-3.6	-2.6	-3.1
February	-0.3	-0.4	-0.8	-3.7	-0.3	-0.4	-1.2	5.8	0.5	-2.2	-3.4	1.9	0.3	1.2	-1.0	-2.1	1.7	-0.9	-1.8	-6.5
March	-1.4	-1.6	-0.9	-3.2	-0.3	0.2	-1.2	5.0	-0.3	-1.3	1.3	3.4	0.3	0.2	-2.0	-4.3	-2.6	-1.6	0.0	-4.0
April	1.3	-0.9	-0.1	-4.5	1.0	1.2	0.4	4.4	0.0	-1.7	0.4	3.9	1.0	0.8	-1.4	-6.6	-0.7	-0.8	0.6	-2.8
May	0.6	0.5	-0.2	-5.3	2.3	3.7	-1.1	1.0	-0.4	-1.0	-0.2	4.1	0.1	1.1	1.6	-5.1	-1.0	-3.4	-1.9	-3.7
June	-2.2	-2.4	0.6	-2.6	0.9	4.0	0.0	0.1	-0.6	-1.7	-1.1	3.6	0.4	2.6	3.4	-2.3	2.1	-4.6	-0.6	-6.3
July	-1.3	-3.3	1.7	0.4	-0.2	2.0	-0.3	0.0	0.4	-1.0	0.3	3.4	0.5	2.8	-1.1	-3.8	1.2	-2.4	0.9	-6.6
August	0.6	-1.6	0.1	-0.1	-0.4	1.6	-1.2	-0.9	1.7	1.9	0.4	2.1	-0.7	1.7	-0.8	-3.8	-1.0	-2.6	-0.1	-5.7
September	0.0	-1.1	0.3	0.2	0.7	2.0	-0.2	-1.7	2.6	4.8	0.2	-0.3	-0.1	1.4	-0.1	-3.9	-0.4	-2.9	0.7	-4.6
October	-1.4	-2.4	-1.6	0.0	1.4	5.2	0.0	-3.1	1.8	6.7	-0.5	-2.5	-2.3	-0.4	-2.0	-3.6	-0.3	-1.2	2.2	-2.2
November	0.2	-2.7	1.3	1.0	0.2	4.0	1.1	-2.3	-0.5	5.0	0.6	-1.4	0.7	-0.3	-2.2	-6.4	1.4	2.4	0.4	-3.1
December	0.3	-2.5	-1.5	-0.8	0.2	5.9	0.1	-2.4	1.1	6.0	0.2	-2.3	-1.1	-1.6	0.5	-4.8	-0.9	0.9	-0.1	-2.3
Memo:																				
Annual Average	-1.6	-1.8	2.4	1.0	1.0	1.8	0.6	-4.0	-1.8	-4.2										

Source: SBS.
 Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 27
EXCHANGE RATE
(S/. per US\$)



	Period average				At period end			
	Bank rate 1/		Informal rate 2/		Bank rate 1/		Informal rate 2/	
	Bid	Ask	Bid	Ask	Bid	Ask	Bid	Ask
2001	3.51	3.51	3.50	3.51	3.44	3.45	3.45	3.45
2002	3.52	3.52	3.51	3.52	3.51	3.52	3.52	3.53
2003	3.48	3.48	3.47	3.48	3.46	3.46	3.47	3.48
2004	3.41	3.41	3.41	3.41	3.28	3.28	3.28	3.28
2005	3.29	3.30	3.29	3.29	3.43	3.43	3.42	3.43
2006	3.27	3.27	3.27	3.28	3.19	3.20	3.20	3.20
2007	3.13	3.13	3.13	3.13	3.00	3.00	2.99	2.99
2008	2.92	2.93	2.92	2.93	3.14	3.14	3.12	3.13
January	2.95	2.95	2.95	2.95	2.93	2.93	2.93	2.93
February	2.90	2.91	2.90	2.90	2.89	2.89	2.88	2.89
March	2.81	2.81	2.81	2.81	2.74	2.75	2.73	2.74
April	2.75	2.75	2.74	2.75	2.85	2.85	2.85	2.85
May	2.80	2.81	2.81	2.81	2.84	2.85	2.84	2.84
June	2.89	2.89	2.89	2.90	2.97	2.97	2.97	2.97
July	2.85	2.85	2.86	2.86	2.81	2.82	2.82	2.83
August	2.89	2.89	2.88	2.89	2.95	2.95	2.94	2.95
September	2.96	2.97	2.97	2.97	2.98	2.98	2.97	2.98
October	3.07	3.08	3.07	3.08	3.09	3.09	3.09	3.10
November	3.09	3.09	3.09	3.09	3.09	3.10	3.09	3.10
December	3.11	3.11	3.11	3.11	3.14	3.14	3.12	3.13
2009	3.01	3.01	3.01	3.01	2.89	2.89	2.88	2.88
January	3.15	3.15	3.15	3.16	3.17	3.17	3.16	3.17
February	3.24	3.24	3.23	3.23	3.25	3.25	3.24	3.25
March	3.17	3.18	3.18	3.19	3.16	3.16	3.15	3.15
April	3.08	3.09	3.09	3.09	2.99	3.00	3.00	3.01
May	2.99	2.99	2.99	2.99	2.99	3.00	2.99	2.99
June	2.99	2.99	2.98	2.99	3.01	3.01	3.00	3.00
July	3.01	3.01	3.01	3.01	2.99	2.99	2.99	3.00
August	2.95	2.95	2.96	2.96	2.95	2.95	2.95	2.95
September	2.91	2.91	2.91	2.91	2.88	2.89	2.88	2.88
October	2.87	2.87	2.86	2.87	2.90	2.91	2.89	2.89
November	2.88	2.89	2.88	2.88	2.88	2.88	2.88	2.88
December	2.88	2.88	2.87	2.88	2.89	2.89	2.88	2.88
2010	2.82	2.83	2.82	2.83	2.81	2.81	2.81	2.81
January	2.86	2.86	2.86	2.86	2.86	2.86	2.85	2.86
February	2.85	2.85	2.85	2.85	2.85	2.85	2.84	2.85
March	2.84	2.84	2.83	2.84	2.84	2.84	2.83	2.83
April	2.84	2.84	2.84	2.84	2.85	2.85	2.84	2.84
May	2.84	2.85	2.84	2.85	2.84	2.85	2.84	2.85
June	2.84	2.84	2.84	2.84	2.83	2.83	2.82	2.83
July	2.82	2.82	2.82	2.82	2.82	2.82	2.82	2.82
August	2.80	2.80	2.80	2.81	2.80	2.80	2.79	2.80
September	2.79	2.79	2.79	2.79	2.79	2.79	2.79	2.79
October	2.79	2.79	2.79	2.79	2.80	2.80	2.79	2.79
November	2.81	2.81	2.80	2.80	2.83	2.83	2.82	2.83
December	2.82	2.82	2.82	2.82	2.81	2.81	2.81	2.81

1/ Price in the free market, published by the SBS.

2/ Price published by Reuters.

Source: SBS and Reuters.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 28
REAL BILATERAL AND MULTILATERAL EXCHANGE RATE
 (Period average data)

	NOMINAL EXCHANGE RATE INDEX (\$/ x US\$)			US INFLATION	REAL BILATERAL EXCHANGE RATE INDEX 1/			NOMINAL EXCHANGE RATE INDEX (\$/ x Basket)	EXTERNAL INFLATION	REAL MULTILATERAL EXCHANGE RATE INDEX 2/
	Base: Dec. 2001 = 100			Base: Dec. 2001 = 100	Base: Dec. 2001 = 100			Base: Dec. 2001 = 100	Base: Dec. 2001 = 100	Base: Dec. 2001 = 100
	Bid	Ask	Average		Bid	Ask	Average		Multilateral 2/	
2001	102.1	102.1	102.1	100.2	101.7	101.7	101.7	102.9	99.3	101.6
2002	102.4	102.4	102.4	101.8	103.5	103.4	103.5	97.6	102.9	99.7
2003	101.3	101.2	101.3	104.1	102.4	102.3	102.3	98.0	107.3	102.1
2004	99.4	99.3	99.4	106.9	99.5	99.4	99.5	99.2	110.9	103.1
2005	95.9	95.9	95.9	110.5	97.7	97.7	97.7	98.4	114.8	104.1
2006	95.3	95.3	95.3	114.1	98.2	98.2	98.2	99.0	118.4	105.9
2007	91.1	91.0	91.1	117.3	94.9	94.9	94.9	97.8	122.6	106.5
2008	85.1	85.1	85.1	121.8	87.0	87.0	87.0	94.2	129.3	102.3
January	85.9	85.9	85.9	119.5	89.1	89.1	89.1	95.6	125.9	104.6
February	84.6	84.6	84.6	119.8	87.2	87.2	87.2	94.9	126.8	103.6
March	81.8	81.8	81.8	120.8	84.3	84.3	84.3	93.6	127.4	101.6
April	80.0	80.0	80.0	121.6	82.7	82.8	82.7	91.8	128.3	100.1
May	81.6	81.6	81.6	122.6	84.8	84.8	84.8	93.2	128.9	101.8
June	84.2	84.2	84.2	123.8	87.7	87.7	87.7	96.1	130.2	105.3
July	82.9	82.9	82.9	124.5	86.3	86.3	86.3	94.9	131.2	104.2
August	84.2	84.2	84.2	124.0	86.8	86.8	86.8	94.8	131.1	103.3
September	86.3	86.3	86.3	123.8	88.4	88.4	88.4	95.0	131.3	103.2
October	89.5	89.5	89.5	122.6	90.1	90.2	90.2	93.9	131.1	101.1
November	90.0	90.0	90.0	120.2	88.7	88.6	88.7	92.7	130.3	99.0
December	90.6	90.6	90.6	119.0	88.0	88.0	88.0	94.1	129.5	99.5
2009	87.7	87.7	87.7	121.4	86.8	86.7	86.7	93.7	131.6	100.5
January	91.7	91.7	91.7	119.5	89.4	89.4	89.4	95.3	129.8	100.9
February	94.2	94.2	94.2	120.1	92.3	92.3	92.3	96.6	130.2	102.6
March	92.4	92.4	92.4	120.4	90.5	90.5	90.5	94.3	130.4	100.0
April	89.8	89.8	89.8	120.7	88.1	88.1	88.1	93.3	130.9	99.3
May	87.2	87.1	87.2	121.0	85.8	85.8	85.8	92.4	130.8	98.3
June	87.1	87.0	87.0	122.1	86.7	86.7	86.7	93.5	131.6	100.4
July	87.7	87.7	87.7	121.9	87.1	87.1	87.1	94.6	131.9	101.7
August	85.9	85.9	85.9	122.1	85.7	85.6	85.6	93.3	132.2	100.6
September	84.7	84.7	84.7	122.2	84.6	84.6	84.6	92.5	132.5	100.2
October	83.6	83.6	83.6	122.3	83.5	83.5	83.5	92.3	132.7	99.9
November	84.0	84.0	84.0	122.4	84.0	84.0	84.0	93.2	133.0	101.3
December	83.8	83.8	83.8	122.2	83.4	83.4	83.4	92.7	133.0	100.4
2010	82.2	82.2	82.2	123.4	81.5	81.5	81.5	88.3	135.6	96.2
January	83.2	83.1	83.1	122.6	82.8	82.8	82.8	90.2	133.5	97.8
February	83.1	83.1	83.1	122.7	82.5	82.5	82.5	88.5	134.0	96.0
March	82.6	82.6	82.6	123.2	82.2	82.2	82.2	88.5	134.3	96.0
April	82.7	82.7	82.7	123.4	82.3	82.3	82.3	88.6	135.1	96.6
May	82.8	82.8	82.8	123.5	82.3	82.3	82.3	87.2	135.0	94.7
June	82.6	82.6	82.6	123.4	81.8	81.8	81.8	86.7	135.3	94.1
July	82.2	82.2	82.2	123.4	81.1	81.1	81.1	87.3	135.9	95.0
August	81.6	81.5	81.6	123.5	80.4	80.4	80.4	87.4	136.1	94.9
September	81.2	81.2	81.2	123.6	80.2	80.1	80.2	87.7	136.5	95.6
October	81.3	81.2	81.3	123.8	80.4	80.4	80.4	89.3	137.0	97.7
November	81.7	81.7	81.7	123.8	80.8	80.8	80.8	89.4	137.4	98.2
December	82.0	82.0	82.0	124.0	81.1	81.1	81.1	89.3	137.6	98.1

1/ Using the United States Consumer Price Index (CPI)
 2/ Using the Consumer Price Index of our 20 main trading partners.
 Source: SBS, IMF, INEI and Reuters.
 Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 29
REAL EXCHANGE RATE
 (% change of period average data) 1/



	NOMINAL EXCHANGE RATE INDEX (\$/ . x US\$)			US INFLATION	REAL BILATERAL EXCHANGE RATE INDEX 1/			NOMINAL EXCHANGE RATE INDEX (\$/ . x Basket)	EXTERNAL INFLATION	REAL MULTILATERAL EXCHANGE RATE INDEX 2/
	Base: Dec. 2001 = 100			Base: Dec. 2001 = 100	Base: Dec. 2001 = 100			Base: Dec. 2001 = 100	Base: Dec. 2001 = 100	Base: Dec. 2001 = 100
	Bid	Ask	Average		Bid	Ask	Average		Multilateral 2/	
2001	0.5	0.5	0.5	2.8	1.4	1.4	1.4	-4.0	4.5	-1.6
2002	0.3	0.3	0.3	1.6	1.7	1.7	-5.1	3.7	-1.8	
2003	-1.1	-1.1	-1.1	2.3	-1.1	-1.1	-1.1	0.4	4.3	2.4
2004	-1.9	-1.9	-1.9	2.7	-2.8	-2.8	-2.8	1.3	3.4	1.0
2005	-3.4	-3.4	-3.4	3.4	-1.7	-1.7	-1.7	-0.9	3.5	1.0
2006	-0.7	-0.7	-0.7	3.2	0.5	0.5	0.5	0.6	3.1	1.8
2007	-4.4	-4.4	-4.4	2.9	-3.4	-3.4	-3.4	-1.2	3.6	0.6
2008	-6.5	-6.5	-6.5	3.8	-8.3	-8.3	-8.3	-3.7	5.5	-4.0
January	-1.0	-1.0	-1.0	0.5	-0.7	-0.8	-0.8	-0.2	0.5	0.1
February	-1.5	-1.5	-1.5	0.3	-2.1	-2.1	-2.1	-0.7	0.7	-1.0
March	-3.3	-3.2	-3.3	0.9	-3.4	-3.4	-3.4	-1.5	0.5	-2.0
April	-2.3	-2.2	-2.2	0.6	-1.8	-1.8	-1.8	-1.9	0.7	-1.4
May	2.1	2.0	2.1	0.8	2.6	2.5	2.5	1.5	0.4	1.6
June	3.1	3.1	3.1	1.0	3.3	3.4	3.3	3.2	1.0	3.4
July	-1.5	-1.5	-1.5	0.5	-1.5	-1.5	-1.5	-1.3	0.8	-1.1
August	1.5	1.6	1.5	-0.4	0.5	0.6	0.5	-0.1	-0.1	-0.8
September	2.5	2.5	2.5	-0.1	1.8	1.8	1.8	0.3	0.2	-0.1
October	3.7	3.7	3.7	-1.0	2.0	2.0	2.0	-1.3	-0.2	-2.0
November	0.6	0.5	0.5	-1.9	-1.7	-1.7	-1.7	-1.2	-0.6	-2.2
December	0.7	0.7	0.7	-1.0	-0.7	-0.7	-0.7	1.5	-0.6	0.5
2009	3.0	2.9	3.0	-0.4	-0.3	-0.3	-0.3	-0.6	1.8	-1.8
January	1.2	1.2	1.2	0.4	1.5	1.5	1.5	1.3	0.2	1.4
February	2.7	2.7	2.7	0.5	3.3	3.3	3.3	1.4	0.3	1.7
March	-1.9	-1.9	-1.9	0.2	-2.0	-2.0	-2.0	-2.4	0.2	-2.6
April	-2.8	-2.8	-2.8	0.2	-2.6	-2.6	-2.6	-1.0	0.4	-0.7
May	-2.9	-3.0	-2.9	0.3	-2.6	-2.6	-2.6	-0.9	-0.1	-1.0
June	-0.1	-0.1	-0.1	0.9	1.1	1.1	1.1	1.1	0.6	2.1
July	0.7	0.7	0.7	-0.2	0.4	0.4	0.4	1.2	0.2	1.2
August	-2.1	-2.1	-2.1	0.2	-1.6	-1.6	-1.6	-1.4	0.2	-1.0
September	-1.4	-1.4	-1.4	0.1	-1.2	-1.2	-1.2	-0.8	0.3	-0.4
October	-1.3	-1.3	-1.3	0.1	-1.3	-1.3	-1.3	-0.3	0.1	-0.3
November	0.4	0.5	0.4	0.1	0.6	0.6	0.6	1.0	0.2	1.4
December	-0.2	-0.3	-0.2	-0.2	-0.7	-0.7	-0.7	-0.6	0.0	-0.9
2010	-6.2	-6.2	-6.2	1.6	-6.1	-6.1	-6.1	-5.7	3.1	-4.2
January	-0.7	-0.7	-0.7	0.3	-0.7	-0.7	-0.7	-2.7	0.4	-2.6
February	-0.1	-0.1	-0.1	0.0	-0.4	-0.4	-0.4	-1.9	0.4	-1.8
March	-0.5	-0.5	-0.5	0.4	-0.4	-0.4	-0.4	0.0	0.2	0.0
April	0.0	0.0	0.0	0.2	0.2	0.2	0.2	0.0	0.6	0.6
May	0.2	0.2	0.2	0.1	0.0	0.0	0.0	-1.6	-0.1	-1.9
June	-0.3	-0.3	-0.3	-0.1	-0.6	-0.6	-0.6	-0.6	0.2	-0.6
July	-0.5	-0.5	-0.5	0.0	-0.9	-0.9	-0.9	0.8	0.5	0.9
August	-0.7	-0.7	-0.7	0.1	-0.9	-0.9	-0.9	0.1	0.1	-0.1
September	-0.4	-0.4	-0.4	0.1	-0.3	-0.3	-0.3	0.4	0.3	0.7
October	0.0	0.0	0.0	0.1	0.3	0.3	0.3	1.7	0.3	2.2
November	0.5	0.5	0.5	0.0	0.5	0.5	0.5	0.1	0.3	0.4
December	0.4	0.4	0.4	0.2	0.3	0.4	0.4	-0.1	0.2	-0.1

1/ Using the United States Consumer Price Index (CPI)

2/ Using the Consumer Price Index of our 20 main trading partners.

Source: SBS, IMF, INEI and Reuters.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 30
EXCHANGE RATE OF OTHER CURRENCIES AGAINST THE NUEVO SOL1/
 Nuevos Soles per monetary unit
 (Period average data)

	US dollar (US\$)	Euro (€)	Yen (¥)	Brazilian real (R)	Pound (£)	Chilean peso (\$)	Mexican peso (\$)	Argentine peso (\$)	Canadian dollar (Can\$)	Currency basket 2/
2001	3.51	3.14	0.029	1.50	5.05	0.006	0.38	3.51	2.27	0.60
2002	3.52	3.32	0.028	1.24	5.28	0.005	0.36	1.25	2.24	0.57
2003	3.48	3.93	0.030	1.14	5.68	0.005	0.32	1.20	2.49	0.57
2004	3.41	4.24	0.032	1.17	6.25	0.006	0.30	1.17	2.63	0.58
2005	3.30	4.10	0.030	1.36	6.00	0.006	0.30	1.14	2.72	0.57
2006	3.27	4.11	0.028	1.51	6.03	0.006	0.30	1.07	2.89	0.57
2007	3.13	4.28	0.027	1.61	6.26	0.006	0.29	1.01	2.92	0.57
2008	2.92	4.29	0.028	1.62	5.42	0.006	0.26	0.93	2.75	0.55
2009	3.01	4.19	0.032	1.52	4.70	0.005	0.22	0.81	2.64	0.54
2010	2.83	3.75	0.032	1.61	4.37	0.006	0.22	0.73	2.74	0.51



APPENDIX 31
EXCHANGE RATE OF THE MAIN CURRENCIES AGAINST THE US DOLLAR AND INTERNATIONAL INTERESTS RATES
 (Period average data)

	Euro (€)	Yen (¥)	Brazilian real (R)	Pound (£)	Chilean peso (\$)	Mexican peso (\$)	Argentine Peso (\$)	SDR 1/	3 month Libor US\$ (%)	3 month Euro Libor (%)
2001	1.118	121.529	2.3577	0.695	634.94	9.3423	0.9995	1.273	3.778	4.260
2002	1.063	125.388	2.9208	0.667	688.94	9.6560	3.0633	1.295	1.791	3.317
2003	0.886	115.934	3.0771	0.612	691.43	10.7890	2.9006	1.400	1.216	2.332
2004	0.805	108.193	2.9251	0.546	609.37	11.2860	2.9233	1.481	1.618	2.106
2005	0.804	110.218	2.4344	0.550	560.09	10.8979	2.9037	1.475	3.556	2.184
2006	0.797	116.299	2.1753	0.543	530.29	10.8992	3.0543	1.472	5.194	3.080
2007	0.731	117.754	1.9471	0.500	522.46	10.9282	3.0956	1.530	5.297	4.278
2008	0.683	103.360	1.8338	0.544	522.46	11.1297	3.1442	1.579	2.911	4.632
2009	0.720	93.570	1.9970	0.642	560.86	13.5135	3.7101	1.535	0.693	1.211
2010	0.755	87.780	1.7592	0.647	510.25	12.6360	3.8963	1.526	0.342	0.766

1/ US dollars per SDR.

Source: IMF and Reuters.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 32
EXCHANGE RATE OF MAIN CURRENCIES 1/
 (End of period data)

	US dollar (US\$)	Euro (€)	Yen (¥)	Brazilian real (R)	Pound (£)	Chilean peso (\$)	Mexican peso (\$)	Argentine peso (\$)	Canadian dollar (Can\$)	Basket 2/
2001	3.44	3.06	0.027	1.46	4.95	0.005	0.38	3.28	2.18	0.58
2002	3.51	3.59	0.029	0.97	5.58	0.005	0.34	1.00	2.25	0.56
2003	3.47	4.27	0.032	1.19	6.09	0.006	0.31	1.17	2.64	0.58
2004	3.28	4.40	0.032	1.21	6.33	0.006	0.29	1.11	2.70	0.57
2005	3.42	4.06	0.029	1.50	5.98	0.007	0.32	1.13	2.95	0.59
2006	3.21	4.24	0.027	1.49	6.29	0.006	0.30	1.05	2.78	0.57
2007	2.98	4.35	0.027	1.67	6.03	0.006	0.27	0.96	2.97	0.56
2008	3.11	4.24	0.034	1.30	4.63	0.005	0.23	0.91	2.52	0.55
2009	2.88	4.20	0.032	1.65	4.67	0.006	0.22	0.76	2.73	0.54
2010	2.82	3.72	0.034	1.66	4.39	0.006	0.23	0.71	2.79	0.52

1/ Based on average of bid-ask prices

2/ Currency basket of our 20 main trading partners.

Source: IMF and Reuters.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 33
EXCHANGE RATE OF THE MAIN CURRENCIES AGAINST THE US DOLLAR AND INTERNATIONAL INTERESTS RATES
 (End of period data)

	Euro (€)	Yen (¥)	Brazilian real (R)	Pound (£)	Chilean peso (\$)	Mexican peso (\$)	Argentine Peso (\$)	SDR 1/	3 month Libor US\$ (%)	3 month Euro Libor (%)
2001	1.122	131.670	2.3110	0.688	661.15	9.1530	1.0450	1.2556	1.881	3.300
2002	0.952	118.770	3.5400	0.621	720.25	10.3700	3.3650	1.3595	1.380	2.861
2003	0.795	107.350	2.8915	0.560	593.13	11.2300	2.9550	1.4860	1.152	2.123
2004	0.738	102.465	2.6560	0.521	555.75	11.1350	2.9725	1.5530	2.564	2.154
2005	0.844	117.960	2.3383	0.581	514.30	10.6285	3.0475	1.4293	4.536	2.487
2006	0.758	119.020	2.1365	0.510	532.35	10.8028	3.0888	1.5044	5.360	3.723
2007	0.685	111.355	1.7800	0.504	497.95	10.9088	3.1713	1.5785	4.703	4.679
2008	0.715	90.610	2.3145	0.684	638.00	13.6663	3.4750	1.5478	1.425	2.894
2009	0.698	92.915	1.7430	0.619	507.45	13.0636	3.8575	1.5677	0.251	0.655
2010	0.747	81.175	1.6596	0.641	468.00	12.3575	4.1050	1.5400	0.303	0.939

1/ SDR - Special Drawing Rights.

Source: Estadísticas Financieras Internacionales of IMF and Reuters.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 34
BALANCE OF PAYMENTS
(Millions of US\$)

	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
I. CURRENT ACCOUNT BALANCE	- 1,203	- 1,110	- 949	19	1,148	2,872	1,460	- 5,318	211	- 2,315
1. Trade balance	- 179	321	886	3,004	5,286	8,986	8,503	2,569	5,951	6,750
a. FOB Exports	7,026	7,714	9,091	12,809	17,368	23,830	28,094	31,018	26,962	35,565
b. FOB Imports	- 7,204	- 7,393	- 8,205	- 9,805	- 12,082	- 14,844	- 19,591	- 28,449	- 21,011	- 28,815
2. Services	- 963	- 994	- 900	- 732	- 834	- 737	- 1,192	- 2,056	- 1,144	- 2,037
a. Exports	1,437	1,455	1,716	1,993	2,289	2,660	3,152	3,649	3,645	3,956
b. Imports	- 2,400	- 2,449	- 2,616	- 2,725	- 3,123	- 3,397	- 4,344	- 5,704	- 4,789	- 5,993
3. Investment income	- 1,101	- 1,457	- 2,144	- 3,686	- 5,076	- 7,562	- 8,359	- 8,774	- 7,484	- 10,053
a. Private	- 550	- 746	- 1,275	- 2,715	- 4,211	- 6,883	- 7,926	- 8,888	- 7,533	- 9,873
b. Public	- 551	- 711	- 869	- 970	- 865	- 679	- 433	113	49	- 180
4. Current transfers	1,040	1,019	1,209	1,433	1,772	2,185	2,508	2,943	2,887	3,026
of which: Remittances	753	705	869	1,133	1,440	1,837	2,131	2,444	2,409	2,534
II. FINANCIAL ACCOUNT	1,544	1,800	672	2,154	141	348	8,400	8,674	1,499	12,583
1. Private sector	983	1,538	- 105	937	1,818	2,166	8,809	9,509	2,680	13,324
a. Assets	- 311	- 310	- 1,239	- 330	- 690	- 1,885	- 1,053	- 652	- 4,102	- 1,041
b. Liabilities	1,294	1,848	1,134	1,267	2,508	4,051	9,861	10,162	6,783	14,365
2. Public sector	372	1,056	630	988	- 1,441	- 738	- 2,473	- 1,404	1,032	- 1,004
a. Assets	- 86	- 3	- 303	- 159	- 378	- 125	- 166	65	- 317	4
b. Liabilities	458	1,059	933	1,146	- 1,063	- 614	- 2,307	- 1,469	1,349	- 1,007
3. Short-term capital	189	- 794	147	230	- 236	- 1,079	2,064	568	- 2,214	263
a. Assets	686	- 155	204	- 8	- 671	- 916	- 1,066	416	- 622	- 1,007
b. Liabilities	- 497	- 639	- 56	238	435	- 164	3,130	153	- 1,592	1,270
III. EXCEPTIONAL FINANCING	- 1	14	64	26	100	27	67	57	36	19
IV. NET ERRORS AND OMISSIONS	110	129	689	151	239	- 495	- 272	- 244	- 702	904
V. RESULT OF THE BALANCE OF PAYMENTS	450	833	477	2,351	1,628	2,753	9,654	3,169	1,043	11,192
(V = I + II + III + IV) = (1-2)										
1. Change in the balance of NIRS	433	985	596	2,437	1,466	3,178	10,414	3,507	1,939	10,970
2. Valuation effect	- 16	152	119	86	- 162	425	760	338	896	- 222

1/ Preliminary data.

Source: BCRP, MEF, SBS, SUNAT, Ministry of Foreign Affairs, Cofide, ONP, FCR, Tacna Free Trade Zone, Banco de la Nación, Cavali S.A. ICLV, Proinversión, Bank for International Settlements (BIS), and companies
Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 35
BALANCE OF PAYMENTS
(% of GDP)

	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
I. CURRENT ACCOUNT BALANCE	-2.2	-2.0	-1.5	0.0	1.4	3.1	1.4	-4.2	0.2	-1.5
1. Trade balance	-0.3	0.6	1.4	4.3	6.7	9.7	7.9	2.0	4.7	4.4
a. FOB Exports	13.0	13.6	14.8	18.4	21.9	25.8	26.1	24.4	21.2	23.1
b. FOB Imports	-13.4	-13.0	-13.4	-14.1	-15.2	-16.1	-18.2	-22.4	-16.5	-18.7
2. Services	-1.8	-1.7	-1.5	-1.0	-1.1	-0.8	-1.1	-1.6	-0.9	-1.3
a. Exports	2.7	2.6	2.8	2.9	2.9	2.9	2.9	2.9	2.9	2.6
b. Imports	-4.4	-4.3	-4.3	-3.9	-3.9	-3.7	-4.0	-4.5	-3.8	-3.9
3. Investment income	-2.0	-2.6	-3.5	-5.3	-6.4	-8.2	-7.8	-6.9	-5.9	-6.5
a. Private	-1.0	-1.3	-2.1	-3.9	-5.3	-7.4	-7.4	-7.0	-5.9	-6.4
b. Public	-1.0	-1.3	-1.4	-1.4	-1.1	-0.7	-0.4	0.1	0.0	-0.1
4. Current transfers	1.9	1.8	2.0	2.1	2.2	2.4	2.3	2.3	2.3	2.0
of which: Remittances	1.4	1.2	1.4	1.6	1.8	2.0	2.0	1.9	1.9	1.6
II. FINANCIAL ACCOUNT	2.9	3.2	1.1	3.1	0.2	0.4	7.8	6.8	1.2	8.2
1. Private sector	1.8	2.7	-0.2	1.3	2.3	2.3	8.2	7.5	2.1	8.7
a. Assets	-0.6	-0.5	-2.0	-0.5	-0.9	-2.0	-1.0	-0.5	-3.2	-0.7
b. Liabilities	2.4	3.3	1.8	1.8	3.2	4.4	9.2	8.0	5.3	9.3
2. Public sector	0.7	1.9	1.0	1.4	-1.8	-0.8	-2.3	-1.1	0.8	-0.7
a. Assets	-0.2	-0.0	-0.5	-0.2	-0.5	-0.1	-0.2	0.1	-0.2	0.0
b. Liabilities	0.8	1.9	1.5	1.6	-1.3	-0.7	-2.1	-1.2	1.1	-0.7
3. Short-term capital	0.4	-1.4	0.2	0.3	-0.3	-1.2	1.9	0.4	-1.7	0.2
a. Assets	1.3	-0.3	0.3	-0.0	-0.8	-1.0	-1.0	0.3	-0.5	-0.7
b. Liabilities	-0.9	-1.1	-0.1	0.3	0.5	-0.2	2.9	0.1	-1.2	0.8
III. EXCEPTIONAL FINANCING	-0.0	0.0	0.1	0.0	0.1	0.0	0.1	0.0	0.0	0.0
IV. NET ERRORS AND OMISSIONS	0.2	0.2	1.1	0.2	0.3	-0.5	-0.3	-0.2	-0.6	0.6
V. RESULT OF THE BALANCE OF PAYMENTS										
(V = I + II + III + IV) = (1-2)	0.8	1.5	0.8	3.4	2.1	3.0	9.0	2.5	0.8	7.3
1. Change in the balance of NIRs	0.8	1.7	1.0	3.5	1.8	3.4	9.7	2.8	1.5	7.1
2. Valuation effect	-0.0	0.3	0.2	0.1	-0.2	0.5	0.7	0.3	0.7	-0.1
Memo:										
GDP (Millions of US\$)	53,962	56,797	61,367	69,763	79,397	92,439	107,443	127,115	127,370	153,921

1/ Preliminary data.

Source: BCRP, MEF, SBS, SUNAT, Ministry of Foreign Affairs, Cofide, ONP, FCR, Tacna Free Trade Zone, Banco de la Nación, Cavali S.A. ICLV, Proinversión, Bank for International Settlements (BIS), and companies.
Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 36
TRADE BALANCE
(FOB values in Millions of US\$)

	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
1. EXPORTS	7,026	7,714	9,091	12,809	17,368	23,830	28,094	31,018	26,962	35,565
Traditional products	4,730	5,369	6,356	9,199	12,950	18,461	21,666	23,266	20,622	27,669
Non-traditional products	2,183	2,256	2,620	3,479	4,277	5,279	6,313	7,562	6,186	7,641
Others	113	89	114	131	141	91	114	190	154	254
2. IMPORTS	7,204	7,393	8,205	9,805	12,082	14,844	19,591	28,449	21,011	28,815
Consumer goods	1,635	1,754	1,841	1,995	2,308	2,616	3,189	4,520	3,962	5,489
Inputs	3,551	3,740	4,340	5,364	6,600	7,981	10,429	14,556	10,076	14,023
Capital goods	1,921	1,842	1,974	2,361	3,064	4,123	5,854	9,233	6,850	9,074
Other goods	97	56	49	85	110	123	119	140	122	229
3. TRADE BALANCE	- 179	321	886	3,004	5,286	8,986	8,503	2,569	5,951	6,750
Memo:										
Annual % change: 2/										
Index of X prices	- 4.9	3.2	9.2	22.7	16.8	36.1	14.4	3.5	- 10.0	29.9
Index of M prices	- 3.2	- 1.7	9.0	12.1	10.6	7.5	10.6	21.0	- 7.4	10.1
Terms of trade	- 1.7	5.0	0.1	9.4	5.6	26.7	3.4	- 14.4	- 2.8	17.9
Index of X volume	6.2	6.2	7.9	14.7	15.9	0.6	3.3	7.3	- 4.1	1.9
Index of M volume	1.2	4.3	1.9	6.4	11.5	14.4	19.1	19.9	- 20.1	24.5
Index of X value	1.0	9.8	17.8	40.9	35.6	37.2	17.9	10.4	- 13.1	31.9
Index of M value	- 2.1	2.6	11.0	19.5	23.2	22.9	32.0	45.2	- 26.1	37.1

1/ Preliminary data.

2/ X: Exports; M: Imports.

Source: BCRP, SUNAT, Tacna Free Trade Zone, Banco de la Nación, and companies.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 37
EXPORTS BY GROUP OF PRODUCTS
 (FOB values in millions of US\$)



	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
1. Traditional products	4,730	5,369	6,356	9,199	12,950	18,461	21,666	23,266	20,622	27,669
Fishing	926	892	821	1,104	1,303	1,335	1,460	1,797	1,683	1,884
Agriculture	207	216	224	325	331	574	460	686	636	975
Mining	3,205	3,809	4,690	7,124	9,790	14,735	17,439	18,101	16,382	21,723
Oil and Natural gas	391	451	621	646	1,526	1,818	2,306	2,681	1,921	3,088
2. Non-traditional products	2,183	2,256	2,620	3,479	4,277	5,279	6,313	7,562	6,186	7,641
Agriculture and livestock	437	550	624	801	1,008	1,220	1,512	1,913	1,825	2,190
Fishing	197	164	205	277	323	433	500	622	518	642
Textiles	664	677	823	1,092	1,275	1,473	1,736	2,026	1,495	1,558
Wood and paper manufacture	142	177	172	214	261	333	362	428	335	355
Chemicals	247	256	316	415	538	602	805	1,041	837	1,223
Non-metallic minerals	58	68	74	94	118	135	165	176	148	251
Iron-metallic and jewelry	242	222	262	391	493	829	906	909	569	918
Metal-mechanic	160	110	99	136	191	164	220	328	366	394
Others 2/	36	33	45	58	70	89	107	121	93	110
3. Others 3/	113	89	114	131	141	91	114	190	154	254
4. TOTAL EXPORTS	7,026	7,714	9,091	12,809	17,368	23,830	28,094	31,018	26,962	35,565
PERCENTAGE STRUCTURE (%)										
Fishing	13.2	11.6	9.0	8.6	7.5	5.6	5.2	5.8	6.2	5.3
Agriculture	3.0	2.8	2.5	2.5	1.9	2.4	1.6	2.2	2.4	2.7
Mining	45.6	49.4	51.6	55.6	56.4	61.8	62.1	58.4	60.8	61.1
Oil and Natural gas	5.6	5.8	6.8	5.0	8.8	7.6	8.2	8.6	7.1	8.7
TRADITIONAL	67.4	69.6	69.9	71.7	74.6	77.4	77.1	75.0	76.5	77.8
NON-TRADITIONAL	31.1	29.2	28.8	27.2	24.6	22.2	22.5	24.4	22.9	21.5
OTHERS	1.5	1.2	1.3	1.1	0.8	0.4	0.4	0.6	0.6	0.7
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1/ Preliminary data.

2/ Includes mainly fur and leather and handcrafts.

3/ Fuel and food sold to foreign ships and aircrafts and repairs of capital goods

Source: BCRP. SUNAT and companies.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 38
EXPORTS OF TRADITIONAL PRODUCTS
(FOB values in millions of US\$)

	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
FISHING	926	892	821	1,104	1,303	1,335	1,460	1,797	1,683	1,884
Fishmeal	835	823	742	954	1,147	1,139	1,211	1,413	1,425	1,609
Volume (Thousand MT)	1,942.0	1,517.6	1,370.1	1,750.7	2,000.3	1,340.0	1,261.7	1,564.9	1,539.4	1,082.5
Price (US\$/MT)	430.0	542.4	541.7	545.2	573.6	850.0	959.8	902.7	925.9	1,486.7
Fish oil	91	69	79	149	156	196	249	385	258	274
Volume (Thousand MT)	315.5	160.6	183.2	285.1	286.4	298.5	320.7	257.7	304.4	254.1
Price (US\$/MT)	288.9	430.8	431.6	523.4	543.2	657.1	777.2	1,493.2	847.0	1,079.2
Agriculture	207	216	224	325	331	574	460	686	636	975
Cotton	5	2	6	6	3	7	3	2	3	1
Volume (Thousand MT)	2.6	1.6	3.6	3.3	2.0	3.8	1.5	0.9	1.6	0.5
Price (US\$/MT)	1,864.8	1,447.7	1,600.7	1,883.3	1,640.4	1,833.2	2,093.6	2,505.2	1,722.0	2,417.9
Sugar	17	16	19	15	13	43	19	25	37	65
Volume (Thousand MT)	41.6	41.8	61.1	41.4	32.2	108.5	48.3	70.4	85.5	112.0
Price (US\$/MT)	402.3	389.6	313.9	352.5	395.1	395.7	388.9	350.9	433.2	577.9
Coffee	181	188	181	290	307	515	427	645	584	888
Volume (Thousand MT)	160.0	167.7	150.5	191.1	142.2	238.1	173.6	225.1	197.7	229.8
Price (US\$/MT)	1,128.0	1,121.6	1,203.2	1,516.7	2,157.0	2,163.3	2,459.0	2,865.9	2,956.7	3,864.7
Other agriculture products 2/	5	10	18	14	8	9	11	14	12	20
MINING	3,205	3,809	4,690	7,124	9,790	14,735	17,439	18,101	16,382	21,723
Copper 3/	986	1,187	1,261	2,481	3,472	5,996	7,219	7,277	5,934	8,870
Volume (Thousand MT)	685.8	858.8	787.3	940.5	984.2	980.6	1,121.9	1,243.1	1,246.2	1,253.5
Price (cUS\$/pd.)	65.2	62.7	72.6	119.6	160.0	277.3	291.9	265.5	216.0	321.0
Tin	150	155	211	346	301	409	595	663	479	663
Volume (Thousand MT)	36.3	37.5	39.1	40.2	41.8	46.5	41.1	38.3	38.0	33.5
Price (cUS\$/pd.)	186.9	187.7	244.7	390.3	326.9	398.7	656.6	785.7	571.5	897.7
Iron	81	83	94	129	216	256	285	385	298	523
Volume (Millions MT)	4.2	4.4	5.9	6.0	6.6	6.7	7.2	6.8	7.0	7.7
Price (US\$/MT)	19.4	19.0	15.9	21.5	32.7	38.3	39.8	56.3	42.6	67.6
Gold	1,166	1,501	2,102	2,424	3,095	4,032	4,187	5,586	6,805	7,756
Volume (Thousand tr.oz.)	4,294.4	4,750.3	5,776.7	5,955.6	6,875.8	6,673.7	5,967.4	6,417.7	6,986.8	6,345.8
Price (US\$/oz.tr.)	271.5	315.9	363.8	407.1	450.2	604.2	701.7	870.4	974.0	1,222.3
Refined Silver	169	174	191	260	281	480	538	595	214	118
Volume (Millions tr.oz.)	38.3	37.7	39.3	39.1	38.5	41.8	40.4	39.7	16.2	6.2
Price (US\$/oz.tr.)	4.4	4.6	4.9	6.7	7.3	11.5	13.3	15.0	13.2	19.2
Lead 3/	196	211	201	389	491	713	1,033	1,136	1,116	1,579
Volume (Thousand MT)	253.3	273.8	258.5	281.4	322.8	377.5	416.6	525.0	681.4	770.0
Price (cUS\$/pd.)	35.1	34.9	35.3	62.7	69.0	85.6	112.5	98.1	74.3	93.0
Zinc	419	429	529	577	805	1,991	2,539	1,468	1,233	1,691
Volume (Thousand MT)	920.9	1,128.0	1,183.4	1,035.4	1,089.8	1,063.2	1,272.7	1,457.1	1,372.5	1,310.4
Price (cUS\$/pd.)	20.7	17.2	20.3	25.3	33.5	84.9	90.5	45.7	40.8	58.5
Molybdenum	33	64	95	506	1,107	834	991	943	276	492
Volume (Thousand MT)	8.5	10.2	10.5	13.5	18.6	17.8	16.2	18.3	12.2	16.7
Price (cUS\$/pd.)	175.2	285.6	407.3	1,695.7	2,700.5	2,120.7	2,781.8	2,343.2	1,023.6	1,338.0
Other mining products 4/	5.6	5.1	6.9	12.1	21.2	24.1	50.6	47.6	27.6	29.3
OIL AND NATURAL GAS	391	451	621	646	1,526	1,818	2,306	2,681	1,921	3,088
Crude oil and derivatives	391	451	621	646	1,526	1,818	2,306	2,681	1,921	2,805
Volume (Millions bl.)	20.1	19.8	23.7	20.0	32.3	32.7	35.7	31.1	33.5	36.8
Price (US\$/bl.)	19.5	22.8	26.2	32.3	47.2	55.5	64.6	86.1	57.4	76.2
Natural gas	0	0	0	0	0	0	0	0	0	284
Volume (Thousand m3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3,605.1
Price (US\$/m3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	78.6
Traditional products	4,730	5,369	6,356	9,199	12,950	18,461	21,666	23,266	20,622	27,669

1/ Preliminary data.

2/ Comprises coca leaves and derivatives, molasses, wool and furs.

3/ Includes silver content.

4/ Includes mainly bismuth and tungsten.

Source: BCRP and SUNAT.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 39
EXPORTS OF NON-TRADITIONAL PRODUCTS
 (FOB values in millions of US\$)



	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
AGRICULTURE AND LIVESTOCK	437	550	624	801	1,008	1,220	1,512	1,913	1,825	2,190
Vegetables	226	271	308	380	452	563	713	798	739	864
Fruits	66	89	111	140	178	259	311	412	461	585
Various plant products	55	69	66	75	100	108	135	180	173	225
Cereals and its preparations	25	40	41	47	53	66	77	121	124	126
Tea, coffee, cocoa, and essences	30	38	47	86	132	116	151	217	185	196
Other	35	43	49	75	92	108	125	185	144	194
FISHING	197	164	205	277	323	433	500	622	518	642
Frozen crustaceans and molluscs	62	74	110	143	182	202	225	262	231	353
Frozen fish	85	56	41	62	72	92	117	137	127	109
Preparations and canned products	43	26	46	61	56	121	127	190	121	141
Dried fish	6	6	6	6	8	11	16	16	22	26
Other	1	2	3	6	5	6	15	17	16	13
TEXTILES	664	677	823	1,092	1,275	1,473	1,736	2,026	1,495	1,558
Clothes and other garment	507	532	655	887	1,063	1,209	1,411	1,652	1,173	1,200
Fabrics	58	49	54	64	71	95	138	185	174	145
Textile fibers	46	47	56	67	67	81	92	85	69	99
Yarns	53	48	59	74	75	87	95	103	78	113
WOOD AND PAPER, AND ITS MANUFACTURING	142	177	172	214	261	333	362	428	335	355
Timber	58	88	84	101	124	168	167	169	125	134
Printed materials	30	37	42	45	56	66	84	98	75	66
Manufacturings of paper and cardboard products	25	27	22	32	36	52	63	105	101	119
Manufacturing of wood products	20	15	13	21	29	31	29	40	24	27
Wooden furniture	9	11	11	14	16	16	18	14	8	7
Other	0	0	0	1	1	1	1	0	1	2
CHEMICALS	247	256	316	415	538	602	805	1,041	837	1,223
Organic and inorganic chemicals	58	52	65	78	109	179	256	347	218	287
Plastic manufacturing	40	55	54	58	85	83	103	114	103	131
Dyeing, tanning and coloring products	36	39	47	57	58	64	67	74	77	252
Rubber manufacturing	29	26	27	33	34	43	47	53	41	62
Essential oils, toiletries	40	36	59	82	98	56	80	121	107	119
Other	44	47	65	107	153	178	251	332	291	372
NON-METALLIC MINERALS	58	68	74	94	118	135	165	176	148	251
Cement and construction materials	24	33	40	52	71	88	105	99	65	89
Fertilizers and raw minerals	13	12	12	13	16	17	22	32	32	93
Glass and manufactures	9	10	8	13	12	13	16	19	27	33
Ceramic products	4	4	4	5	5	5	6	6	6	5
Other	8	8	9	11	15	13	16	19	18	31
IRON-METALLIC AND JEWELRY	242	222	262	391	493	829	906	909	569	918
Copper products	65	70	76	130	184	345	377	402	204	390
Zinc products	68	41	60	87	87	212	215	154	103	171
Iron products	40	31	35	50	69	80	90	145	122	125
Common metals	9	10	11	15	20	47	67	62	43	72
Non-ferrous waste	3	4	3	4	4	7	7	4	5	10
Lead products	1	1	3	3	5	4	14	9	8	11
Silver products	1	1	1	1	2	3	10	24	8	40
Jewelry	53	61	69	91	108	112	104	86	64	72
Other	2	3	4	10	14	21	22	21	13	26
METAL-MECHANIC	160	110	99	136	191	164	220	328	366	394
Om highway vehicles	10	25	9	5	5	6	7	9	16	21
Industrial machinery, equipment, and parts	19	16	17	17	23	23	29	51	74	62
Electrical appliances, machinery, and parts	23	15	11	15	22	21	41	53	45	34
Iron and steel manufactured articles	11	7	7	11	27	20	23	30	25	31
Office machines and data processing	5	6	5	9	5	5	6	7	8	9
Domestic equipment	7	6	4	4	7	11	13	18	7	6
Machinery and equipment for civil engineering	11	5	9	8	12	10	10	27	39	51
Force generating machinery and equipment	46	5	5	4	10	12	16	26	31	57
Metal household items	3	3	3	5	7	7	8	23	10	10
Other metal-mechanic products	24	21	29	58	72	49	68	84	112	114
Other	36	33	45	58	70	89	107	121	93	110
Non-traditional products	2,183	2,256	2,620	3,479	4,277	5,279	6,313	7,562	6,186	7,641

1/ Preliminary data.

Source: BCRP and SUNAT.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 40
IMPORTS BY USE OR ECONOMIC DESTINATION
(FOB values in millions of US\$)

	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
1. Consumer goods	1,635	1,754	1,841	1,995	2,308	2,616	3,189	4,520	3,962	5,489
Non-durable	987	1,032	1,035	1,153	1,338	1,463	1,751	2,328	2,137	2,809
Durable	648	722	807	842	970	1,154	1,438	2,192	1,825	2,680
2. Inputs	3,551	3,740	4,340	5,364	6,600	7,981	10,429	14,556	10,076	14,023
Fuel, lubricants and related	908	975	1,376	1,754	2,325	2,808	3,631	5,225	2,929	4,063
Raw materials for agriculture	229	249	278	349	384	436	588	874	773	868
Raw materials for industry	2,414	2,516	2,686	3,261	3,890	4,738	6,209	8,458	6,374	9,093
3. Capital goods	1,921	1,842	1,974	2,361	3,064	4,123	5,854	9,233	6,850	9,074
Construction materials	168	272	199	192	305	470	590	1,305	854	1,087
For agriculture	21	20	17	29	37	31	50	90	72	80
For industry	1,361	1,227	1,422	1,661	2,114	2,784	3,958	5,765	4,498	5,539
Transport equipments	371	323	336	480	607	838	1,256	2,073	1,426	2,369
4. Other goods 2/	97	56	49	85	110	123	119	140	122	229
5. TOTAL IMPORTS	7,204	7,393	8,205	9,805	12,082	14,844	19,591	28,449	21,011	28,815
Memo:										
Temporary admission	306	265	188	214	275	365	322	361	196	420
Free zone 3/	110	113	99	99	104	104	108	113	110	131
Foodstuffs 4/	504	546	560	722	746	880	1,201	1,703	1,349	1,725
Wheat	168	171	185	220	209	224	345	489	346	368
Corn and/or sorghum	80	92	99	119	123	172	258	310	266	372
Rice	15	9	4	26	43	14	31	88	49	55
Sugar 5/	50	30	3	45	68	100	84	72	57	121
Dairy products	43	31	23	36	34	46	60	77	37	81
Soybean	131	195	224	255	246	299	396	625	561	679
Meat	16	17	22	21	23	24	27	42	34	49

1/ Preliminary data.

2/ Includes donations fuel and food bought by Peruvian ships and aircrafts, repairs of capital goods and other good, and other goods not considered in the classification used.

3/ Imports into the Tacna Free Trade Zone.

4/ Excludes food donations.

5/ Includes unrefined raw sugar cane, classified as raw material.

Source: BCRP, SUNAT, Tacna Free Trade Zone, Banco de la Nación, and companies.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 41
TERMS OF TRADE
 (Year 1994 = 100)

	Exports 1/ 2/				Imports 1/ 3/				Terms of trade	
	Nominal prices		Volume		Nominal prices		Volume		Index	% Chg.
	Index	% Chg.	Index	% Chg.	Index	% Chg.	Index	% Chg.		
2001	93.6	- 4.9	170.0	6.2	108.2	- 3.2	121.5	1.2	86.5	- 1.7
2002	96.5	3.2	180.6	6.2	106.3	- 1.7	126.8	4.3	90.8	5.0
2003	105.4	9.2	194.9	7.9	115.9	9.0	129.1	1.9	90.9	0.1
2004	129.3	22.7	223.6	14.7	130.0	12.1	137.4	6.4	99.5	9.4
2005	151.1	16.8	259.2	15.9	143.8	10.6	153.2	11.5	105.1	5.6
2006	205.6	36.1	260.8	0.6	154.5	7.5	175.2	14.4	133.1	26.7
2007	235.2	14.4	269.3	3.3	170.8	10.6	208.7	19.1	137.7	3.4
2008	243.4	3.5	288.9	7.3	206.7	21.0	250.2	19.9	117.8	- 14.4
2009	219.0	- 10.0	277.0	- 4.1	191.4	- 7.4	200.0	- 20.1	114.4	- 2.8
2010	284.4	29.9	282.3	1.9	210.7	10.1	249.0	24.5	135.0	17.9

1/ Weighted according to the structure of trade in the current and previous month. Fisher chained index

2/ Until December 2006, calculated based on the price of each traditional export and a price basket of our main trading partners for the rest of exports. This basket is replaced by the price of non-traditional exports as from January 2007

3/ Until December 2006, calculated based on the price of food and fuel import and a price basket of our main trading partners for the rest of imports. As from January 2007, this basket is replaced by the Import price of inputs in the case of raw materials..

Source: BCRP, SUNAT, Tacna Free Trade Zone, Banco de la Nación and companies.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 42
COMMODITY PRICES
(Average data)

	Fishmeal	Sugar	Sugar	Coffee	Copper	Tin	Gold	Silver	Lead	Zinc	Nickel	Oil	Oil	Wheat	Maize	Rice	Soybean oil	Soybean	Soybean Flour
	Hamburg	Cont.11	Cont.14	Other.S.Arab.	London	London	London	H.Harman	London	London	London	Residual No.6	WTI	USA	USA	Thailand	USA	USA	USA
	US\$/MT	US\$/MT	US\$/MT	US\$/MT	¢US\$/pd.	¢US\$/pd.	US\$/tr.oz.	US\$/tr.oz.	¢US\$/pd.	¢US\$/pd.	¢US\$/pd.	US\$/bar.	US\$/bar.	US\$/MT	US\$/MT	US\$/MT	US\$/MT	US\$/MT	US\$/MT
2001	496.67	201.04	465.30	1,372.01	71.60	203.40	271.23	4.39	21.60	40.17	269.88	20.83	25.93	106.78	74.41	169.54	317.87	170.11	186.44
2002	595.63	173.60	459.46	1,330.27	70.74	184.18	310.13	4.63	20.53	35.32	307.32	20.75	26.09	133.20	84.57	196.86	402.74	190.96	185.85
2003	601.70	165.52	471.89	1,412.42	80.70	222.03	363.62	4.91	23.36	37.54	436.96	25.40	31.11	131.95	88.73	200.34	519.39	235.99	218.24
2004	624.87	189.85	450.90	1,770.02	129.99	386.13	409.85	6.69	40.21	47.53	627.33	28.67	41.44	134.41	93.66	244.79	629.82	279.61	260.70
2005	685.83	250.60	470.03	2,523.94	166.87	334.84	445.47	7.34	44.29	62.68	668.77	43.45	56.45	129.66	74.44	293.54	506.84	223.62	206.61
2006	1,080.29	342.09	488.57	2,509.88	304.91	398.29	604.58	11.57	58.50	148.56	1,100.16	51.84	66.05	169.12	93.91	313.01	538.83	214.14	193.94
2007	1,074.88	255.73	463.45	2,717.34	322.93	659.47	697.41	13.42	117.03	147.07	1,688.72	55.28	72.28	231.19	137.85	337.20	768.16	306.74	253.70
2008	1,051.08	305.17	469.01	3,050.21	315.51	839.60	872.72	15.01	94.83	85.04	957.56	78.76	99.59	293.12	192.12	684.53	1,092.22	447.73	367.48
2009	1,130.44	411.61	541.45	3,128.68	233.52	615.83	973.62	14.68	77.91	75.05	663.91	59.52	61.68	192.54	139.38	561.45	728.93	384.49	383.80
2010	1,596.69	596.79	792.90	4,300.67	342.28	926.63	1,225.29	20.19	97.61	98.18	991.00	76.71	79.37	195.07	157.22	503.16	859.36	387.41	345.49

Source: Reuters and Bloomberg.
Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 43
COMMODITY PRICES
 (End of period data)

	Fishmeal	Sugar	Sugar	Coffee	Copper	Tin	Gold	Silver	Lead	Zinc	Nickel	Oil	Oil	Wheat	Maize	Rice	Soybean oil	Soybean	Soybean Flour
	Hamburg	Cont.11	Cont.14	Other.S.Arab.	London	London	London	H.Harman	London	London	London	Residual No.6	WTI	USA	USA	Thailand	USA	USA	USA
	US\$/MT	US\$/MT	US\$/MT	US\$/MT	US\$/pd.	US\$/pd.	US\$/tr.oz.	US\$/tr.oz.	US\$/pd.	US\$/pd.	US\$/pd.	US\$/bar.	US\$/bar.	US\$/MT	US\$/MT	US\$/MT	US\$/MT	US\$/MT	US\$/MT
2001	610.00	175.49	470.91	1,216.29	66.32	176.67	276.50	4.65	22.86	34.81	257.64	17.45	19.84	103.98	75.19	182.00	322.32	156.34	168.65
2002	575.00	185.63	487.44	1,358.71	69.67	190.51	342.75	4.73	19.12	34.00	322.05	23.95	31.20	143.30	89.76	192.00	487.44	208.34	180.78
2003	635.00	139.99	446.44	1,434.33	105.28	297.78	417.25	5.96	33.54	45.72	755.23	26.05	32.52	141.83	91.92	205.00	644.85	291.56	249.67
2004	610.00	230.38	456.36	2,386.50	148.76	352.21	438.00	6.85	47.90	57.61	689.69	29.45	43.45	124.19	73.03	288.00	475.76	203.45	182.54
2005	800.00	352.30	493.84	2,378.35	207.95	299.37	513.00	8.91	49.90	86.86	606.91	51.25	61.04	145.32	77.36	287.00	464.07	222.12	225.53
2006	1,075.00	282.19	434.97	2,802.74	285.31	539.77	635.70	12.83	80.51	196.45	1,551.51	45.05	61.05	176.00	144.09	318.00	623.03	249.67	200.29
2007	990.00	287.04	451.51	3,058.91	302.84	742.98	833.75	14.81	114.85	103.87	1,170.50	71.28	96.00	324.81	167.53	380.00	1,046.53	429.17	365.86
2008	920.00	281.09	441.59	2,612.48	131.63	469.69	869.75	11.02	43.05	50.83	490.33	38.40	44.60	214.95	147.04	500.00	698.20	359.61	318.46
2009	1,610.00	605.17	772.28	3,472.28	333.21	758.63	1,087.50	16.92	108.64	116.57	838.24	74.90	79.36	171.78	147.06	640.00	819.46	382.98	370.82
2010	1,500.00	796.97	859.80	5,718.35	441.78	1,222.20	1,405.50	30.40	117.34	110.34	1,132.17	82.00	91.38	281.64	230.72	540.00	1,181.90	500.27	406.09

Source: Reuters and Bloomberg.
 Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 44
SERVICES
(Millions of US\$)

	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
I. TRANSPORT	- 657	- 618	- 621	- 726	- 858	- 874	- 1,198	- 1,741	- 979	- 1,599
1. Credit	257	266	310	360	440	545	646	818	758	854
2. Debit	- 914	- 884	- 931	- 1,086	- 1,298	- 1,419	- 1,844	- 2,560	- 1,737	- 2,453
a. Freight	- 587	- 567	- 590	- 740	- 917	- 1,010	- 1,370	- 2,043	- 1,266	- 1,882
Credit	14	19	26	43	60	64	80	84	32	37
Debit	- 600	- 585	- 615	- 783	- 978	- 1,074	- 1,450	- 2,126	- 1,298	- 1,919
b. Passengers	- 198	- 151	- 146	- 119	- 88		9	94	110	95
Credit	30	49	60	90	130	205	284	405	426	467
Debit	- 228	- 200	- 206	- 209	- 218	- 249	- 275	- 310	- 316	- 372
c. Others 2/	127	99	114	133	147	179	163	207	177	188
Credit	213	198	225	227	250	275	281	330	300	350
Debit	- 86	- 99	- 110	- 93	- 103	- 96	- 119	- 123	- 124	- 162
II. TRAVEL	188	181	322	499	557	772	755	870	926	1,001
1. Credit	733	787	963	1,142	1,308	1,570	1,723	1,991	2,014	2,274
2. Debit	- 545	- 606	- 641	- 643	- 752	- 798	- 968	- 1,121	- 1,088	- 1,274
III. COMMUNICATIONS	- 5	- 17	- 34	- 21	- 28	- 27	- 21	- 8	- 69	- 78
1. Credit	67	48	46	60	69	82	88	125	91	102
2. Debit	- 72	- 66	- 80	- 81	- 96	- 109	- 110	- 133	- 161	- 180
IV. INSURANCE AND REINSURANCE	- 57	- 145	- 178	- 127	- 115	- 163	- 23	- 152	- 176	- 325
1. Credit	116	96	89	82	118	103	289	227	271	166
2. Debit	- 173	- 241	- 267	- 209	- 233	- 265	- 311	- 379	- 447	- 491
V. OTHERS 3/	- 431	- 394	- 388	- 357	- 391	- 446	- 705	- 1,024	- 845	- 1,035
1. Credit	264	258	307	350	354	361	406	487	511	560
2. Debit	- 695	- 652	- 695	- 706	- 744	- 806	- 1,111	- 1,511	- 1,356	- 1,595
VI. TOTAL SERVICES	- 963	- 994	- 900	- 732	- 834	- 737	- 1,192	- 2,056	- 1,144	- 2,037
1. Credit	1,437	1,455	1,716	1,993	2,289	2,660	3,152	3,649	3,645	3,956
2. Debit	- 2,400	- 2,449	- 2,616	- 2,725	- 3,123	- 3,397	- 4,344	- 5,704	- 4,789	- 5,993

1/ Preliminary data.

2/ Includes ship and airship port expenses and transport fees.

3/ Includes government, financial, and IT services, as well as royalties, equipment leasing, and business services.

Source: BCRP, SUNAT, Ministry of Foreign Affairs, and companies.

Elaborated by Department of Economic Studies, BCRP.



APPENDIX 45
INVESTMENT INCOME
 (Millions of US\$)

	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
I. CREDITS	670	370	322	332	625	1,050	1,587	1,837	1,433	1,175
1. Private	125	59	92	129	208	384	614	471	328	308
2. Public	546	311	230	203	417	666	973	1,366	1,105	867
II. DEBITS	1,771	1,827	2,466	4,017	5,701	8,612	9,945	10,611	8,917	11,228
1. Private	675	805	1,367	2,844	4,419	7,267	8,540	9,359	7,860	10,181
Profits 2/	131	479	1,112	2,567	4,030	6,741	7,788	8,346	7,173	9,478
Interests	544	326	255	277	390	526	752	1,013	688	703
· Interests on long-term loans	313	198	163	170	213	218	303	423	382	366
· Interests on bonds	29	9	8	4	16	89	148	214	155	213
· Interests on short-term loans 3/	202	120	84	103	162	219	301	376	150	124
2. Public	1,096	1,022	1,099	1,173	1,282	1,345	1,406	1,253	1,057	1,047
Interests on long-term loans	915	815	785	739	738	695	716	559	448	334
Interests on bonds	161	196	307	428	539	645	670	598	599	710
Interests on BCRP liabilities 4/	21	11	8	6	5	5	20	95	10	3
Interests on short-term loans	0	0	0	0	0	0	0	0	0	0
III. INCOME BALANCE (I-II)	- 1,101	- 1,457	- 2,144	- 3,686	- 5,076	- 7,562	- 8,359	- 8,774	- 7,484	- 10,053
1. Private	- 550	- 746	- 1,275	- 2,715	- 4,211	- 6,883	- 7,926	- 8,888	- 7,533	- 9,873
2. Public	- 551	- 711	- 869	- 970	- 865	- 679	- 433	113	49	- 180

1/ Preliminary data.

2/ Accrued profits and losses in the period, including profits and dividends transferred abroad and non-distributed profits.

3/ Includes interests of non financial public institutions.

4/ Includes interests on short and long term debts.

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

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 46
PRIVATE SECTOR FINANCIAL ACCOUNT
(Millions of US\$)

	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
1. ASSETS	- 311	- 310	- 1,239	- 330	- 690	- 1,885	- 1,053	- 652	- 4,102	- 1,041
Direct investment abroad	- 74	0	- 60	0	0	0	- 66	- 736	- 398	- 215
Portfolio investment abroad 2/	- 237	- 310	- 1,179	- 330	- 690	- 1,885	- 987	83	- 3,704	- 826
2. LIABILITIES	1,294	1,848	1,134	1,267	2,508	4,051	9,861	10,162	6,783	14,365
Foreign direct investment	1,144	2,156	1,335	1,599	2,579	3,467	5,491	6,924	5,576	7,328
a. Reinvestment	- 246	- 8	638	1,864	2,724	2,353	3,835	3,287	4,951	5,731
b. Contributions and other capital operations	1,390	2,163	697	- 265	- 145	874	733	2,981	1,531	1,533
c. Net loans with parent companies	n.d.	n.d.	n.d.	n.d.	n.d.	240	924	656	- 906	64
Portfolio investment in the country	- 54	- 162	- 35	- 51	897	380	1,515	599	55	3,284
a. Capital participations 3/	43	- 9	1	- 74	25	- 45	70	85	47	87
b. Others liabilities 4/	- 97	- 153	- 36	23	872	425	1,445	514	9	3,198
Long-term loans	204	- 146	- 166	- 281	- 967	204	2,856	2,640	1,151	3,752
a. Disbursements	1,032	675	559	726	647	725	4,354	3,413	2,075	4,940
b. Amortization	- 828	- 821	- 725	- 1,007	- 1,614	- 521	- 1,498	- 774	- 923	- 1,187
3. TOTAL	983	1,538	- 105	937	1,818	2,166	8,809	9,509	2,680	13,324
Memo:										
Net Foreign Direct Investment	1,070	2,156	1,275	1,599	2,579	3,467	5,425	6,188	5,178	7,113

1/ Preliminary data.

2/ Equity and other financial assets from other countries acquired by the financial and non financial sectors. The negative sign implies an increase of assets.

3/ Considers non-residents' net purchases of financial assets listed at Cavali (security settlement institution) through the ISE and placements of American Depositary Receipts (ADRs).

4/ Includes bonds, provisory notes, and securitization instruments expressed in net terms (issuance minus redemption).

Source: BCRP, Cavali ICLV S.A, Proinversión, and companies.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 47
PUBLIC SECTOR FINANCIAL ACCOUNT 1/
(Millions of US\$)

	2001	2002	2003	2004	2005	2006	2007	2008 6/	2009 6/	2010 6/
I. DISBURSEMENTS	1,344	2,902	2,161	2,535	2,656	609	3,384	1,166	3,229	4,261
Investment projects	457	382	396	371	379	288	290	283	616	722
Central government	391	305	305	281	324	259	245	206	521	509
Public enterprises	66	76	91	90	54	29	45	78	95	213
- Financial	26	39	60	62	28	0	0	1	4	0
- Non-financial	40	37	31	28	26	29	45	77	91	213
Food imports	10	10	0	6	0	5	3	0	0	0
Defense	1	0	0	0	0	0	0	0	0	0
Freely disposable funds	876	625	519	862	595	315	800	883	580	875
Bonds 2/	0	1,886	1,246	1,295	1,682	0	2,290	0	2,033	2,664
Brady bonds	0	0	0	0	0	0	0	0	0	0
Global bonds 3/	0	1,886	1,246	1,295	1,682	0	2,290	0	2,033	2,664
II. AMORTIZATION 4/	- 885	- 1,843	- 1,228	- 1,389	- 3,719	- 1,223	- 5,691	- 2,635	- 1,879	- 5,268
III. NET EXTERNAL ASSETS 5/	- 86	- 3	- 303	- 159	- 378	- 125	- 166	65	- 317	4
IV. TOTAL	372	1,056	630	988	- 1,441	- 738	- 2,473	- 1,404	1,032	- 1,004

1/ Medium- and long-term accounts; excludes loans to BCRP to support the balance of payments.

2/ Bonds are classified according to the market where they are issued. Brady and Global Bonds were issued abroad so they are considered to be part of the public external debt, including the ones purchased by non-residents.

3/ The 2007 figure corresponds to debt management operations (repurchases and swaps of Global Bonds 2012 and Brady Bonds).

The 2009 figure corresponds to the issuance of the Global Bond 2019 (US\$ 995 million) and Global Bond 2025 (US\$ 1,038 million).

The 2010 figure corresponds to the issuance of the Global Bond 2033 (US\$ 1,664 million) and Global Bond 2050 (US\$ 1,000 million).

4/ 2005 includes prepayments to country members of the Paris Club (US\$ 1,555 million) and to Japan Peru Oil Co. Ltd JAPECO (US\$ 757 million).

2006 includes prepayments to Japan Peru Oil Co. Ltd JAPECO (US\$ 85.8 million).

2007 includes amortization of Global Bonds 2012 and Brady Bonds (US\$ 2,435 million) and the prepayment to Paris Club member countries (US\$ 1,793 million).

Bonds in Q1-2008 includes amortization due to prepayment of Brady Bonds (US\$ 838 million) and the prepayment to the CAF (US\$ 167 million). Q4 2008 includes the prepayment to the CAF (US\$ 150 million).

Q3-2009 includes the prepayment made to the country members of the Paris Club (US\$ 893 million).

Q2-2010 includes the swap of Global Bonds (US\$ 2,213 millions). Q4-2010 includes the prepayment of external debt to the government of Japan, BID and CAF (US\$ 2,020 millions).

5/ 2001 and 2002 considers the partial liberation of Brady Bond collaterals purchased in 1997.

6/ Preliminary data.

Source: BCRP, MEF, Cofide, and FCR.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 48
PUBLIC SECTOR NET EXTERNAL INDEBTEDNESS 1/
(Millions of US\$)

	New disbursements 2/ I	Amortization 3/ II	Refinance disbursements III	Others capitals 4/ IV	Net external indebtedness V=I-II+III+IV	Others adjustments 5/ VI	Outstanding debt change VII=V+VI
2001	1,344	885	54	- 56	456	- 694	- 238
2002	2,902	1,843	0	0	1,059	689	1,748
2003	2,161	1,228	0	0	933	1,120	2,053
2004	2,535	1,389	0	0	1,146	552	1,698
2005	2,656	3,719	15	- 15	- 1,063	- 1,124	- 2,187
2006	609	1,223	0	0	- 614	307	- 307
2007	3,384	5,691	0	0	- 2,307	417	- 1,890
2008 6/	1,166	2,635	0	0	- 1,469	625	- 844
2009 6/	3,229	1,879	0	0	1,349	14	1,363
2010 6/	4,261	5,268	0	0	- 1,007	312	- 696

1/ Medium- and long-term accounts; excludes loans to BCRP to support the balance of payments.

2/ Bonds are classified according to the market where they are issued. Brady and Global Bonds were issued abroad so they are considered to be part of the public external debt, including the ones purchased by non-residents

The 2007 figure corresponds to debt management operations (repurchases and swaps of Global Bonds 2012 and Brady Bonds).

The 2009 figure corresponds to the issuance of the Global Bond 2019 (US\$ 995 million) and Global Bond 2025 (US\$ 1,038 million).

The 2010 figure corresponds to the issuance of the Global Bond 2033 (US\$ 1,664 million) and Global Bond 2050 (US\$ 1,000 million).

3/ 2005 includes prepayments to country members of the Paris Club (US\$ 1,555 million) and to Japan Peru Oil Co. Ltd JAPECO (US\$ 757 million).

2006 includes prepayments to to Japan Peru Oil Co. Ltd JAPECO (US\$ 85.8 million).

2007 includes amortization of Global Bonds 2012 and Brady Bonds (US\$ 2,435 million) and the prepayment to Paris Club member countries (US\$ 1,793 million).

Bonds in Q1-2008 includes amortization due to prepayment of Brady Bonds (US\$ 838 million) and the prepayment to the CAF (US\$ 167 million). Q4 2008 includes the prepayment to the CAF (US\$ 150 million).

Q3-2009 includes the prepayment made to the country members of the Paris Club (US\$ 893 million).

Q2-2010 includes the exchange of Global Bonds (US\$ 2,213 millions). Q4-2010 includes the prepayment of external debt to the government of Japan, BID and CAF (US\$ 2,020 millions).

4/ Records the net movement of in arrear in payments of the external debt, and includes the condonation of arrears.

5/ Includes debt reductions due to differences between the effective value and nominal value, as well as due to exchange rate effects.

6/ Preliminary data.

Source: BCRP, MEF and Cofide.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 49
PUBLIC EXTERNAL DEBT 1/
DISBURSEMENTS BY FINANCIAL SOURCE
(Millions of US\$)



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
									5/	5/	5/
Multilateral organizations	794	1,104	807	699	1,049	788	484	951	996	1,041	1,344
Committed loans	323	228	182	180	186	207	184	151	171	501	469
Free disposable loans	471	876	625	519	862	581	300	800	825	540	875
Paris club	622	231	209	216	191	186	125	142	170	155	253
Committed loans	322	231	209	216	191	172	109	142	112	115	253
Free disposable loans	300	0	0	0	0	14	15	0	58	40	0
Bonds 2/	0	0	1,886	1,246	1,295	1,682	0	2,290	0	2,033	2,664
Free disposable loans	0	0	1,886	1,246	1,295	1,682	0	2,290	0	2,033	2,664
Suppliers without insurance	1	0	0	0	0	0	0	0	0	0	0
Committed loans	1	0	0	0	0	0	0	0	0	0	0
international banks	34	0	0	0	0	0	0	0	0	0	0
Committed loans	34	0	0	0	0	0	0	0	0	0	0
Latin America	18	8	0	0	0	0	0	0	0	0	0
Committed loans	18	8	0	0	0	0	0	0	0	0	0
Other bilateral organizations 3/	16	0	0	0	0	0	0	0	0	0	0
Committed loans	16	0	0	0	0	0	0	0	0	0	0
TOTAL	1,485	1,344	2,902	2,161	2,535	2,656	609	3,384	1,166	3,229	4,261
Committed loans	714	468	391	396	377	379	294	294	283	616	722
Free disposable loans	771	876	2,511	1,765	2,158	2,277	315	3,090	883	2,613	3,539
Memo:											
Debt relief 4/	1	1	14	64	26	100	27	67	57	36	19

1/ Medium and long-term accounts; excludes loans to BCRP to support the balance of payments

2/ Bonds are classified according to the market where they are issued. Brady and Global Bonds were issued abroad so they are considered to be part of the public external debt, including the ones purchased by non-residents

The 2007 figure corresponds to debt management operations (repurchases and swaps of Global Bonds 2012 and Brady Bonds).

The 2009 figure corresponds to the issuance of the Global Bond 2019 (US\$ 995 million) and Global Bond 2025 (US\$ 1,038 million).

The 2010 figure corresponds to the issuance of the Global Bond 2033 (US\$ 1,664 million) and Global Bond 2050 (US\$ 1,000 million).

3/ Debt with Eastern Europe countries, Russia, and the People's Republic of China.

4/ Considers reductions of current maturities and arrears.

5/ Preliminary data.

Source: BCRP, MEF and Cofide.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 50
**PUBLIC EXTERNAL DEBT 1/
 SETTLEMENTS BY FINANCIAL SOURCE, DESTINATION, AND MATURITY**
 (Millions of US\$)

	FINANCIAL SOURCE				USE			MATURITY		TOTAL
	Multilateral organizations	Paris Club	Bonds	Suppliers without insurancel	Investment projects	Freely disposable funds 2/	Food imports	1 to 5 years	more than 5 years	
2001	1,040	10	0	0	190	850	10	0	1,050	1,050
2002	857	35	1,000	0	231	1,650	10	2	1,890	1,891
2003	1,281	0	1,250	60	382	2,209	0	38	2,553	2,591
2004	1,059	26	1,299	0	219	2,159	6	0	2,384	2,384
2005	505	14	1,650	0	155	2,014	0	0	2,169	2,169
2006	513	115	0	0	403	215	10	0	628	628
2007	558	71	0	0	229	400	0	1	628	629
2008,3/	934	109	0	0	478	565	0	0	1,043	1,043
2009,3/	542	213	0	0	265	490	0	0	755	755
2010,3/	1,061	276	0	0	652	685	0	0	1,336	1,336

1/ Medium and long-term debts; excludes loans to BCRP to support the balance of payments.

2/ In 2002, excludes a US\$ 923 million-issue of Global Bonds that which was swapped by Brady Bonds.

3/ Preliminary data.

Source: BCRP and MEF.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 51
SHORT-TERM CAPITAL FINANCIAL ACCOUNT
(Millions of US\$)

	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
1. COMMERCIAL BANKS	- 290	- 429	117	86	103	- 348	1,552	- 1,378	3	429
Assets 2/	74	- 31	178	54	- 249	- 83	56	- 819	268	- 240
Liabilities 3/	- 364	- 398	- 61	32	352	- 265	1,495	- 560	- 265	669
2. BCRP 4/	0	0	0	0	0	0	850	- 181	- 583	- 80
3. BANCO DE LA NACION	- 27	59	1	17	- 39	- 55	45	43	- 30	- 11
Assets 2/	- 26	59	1	17	- 39	- 55	45	43	- 30	- 11
Liabilities 3/	- 1	0	0	0	0	0	0	0	0	0
4. NON BANK FINANCIAL COMPANIES	- 41	- 104	- 21	12	- 18	- 15	91	- 74	- 45	107
Assets 2/	- 4	2	3	- 59	- 10	- 23	- 44	- 6	- 20	2
Liabilities 3/	- 37	- 106	- 24	71	- 8	8	136	- 68	- 25	105
5. NON FINANCIAL SECTOR 5/	547	- 320	51	115	- 283	- 662	- 474	2,159	- 1,558	- 183
Assets 2/	642	- 185	22	- 20	- 373	- 755	- 1,123	1,197	- 840	- 758
Liabilities 3/	- 95	- 135	29	135	91	94	649	961	- 718	575
6. TOTAL SHORT TERM CAPITAL	189	- 794	147	230	- 236	- 1,079	2,064	568	- 2,214	263
Assets 2/	686	- 155	204	- 8	- 671	- 916	- 1,066	416	- 622	- 1,007
Liabilities 3/	- 497	- 639	- 56	238	435	- 164	3,130	153	- 1,592	1,270

1/ Preliminary data.

2/ Negative sign indicates increase of assets.

3/ Positive sign indicates increase of liabilities.

4/ Obligations in domestic currency with non-residents due to Certificates of Deposit issued by the BCRP.

5/ Net flow of foreign assets. Negative sign indicates increase of assets.

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

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 52
INTERNATIONAL INVESTMENT POSITION
(Millions of US\$ at period end)

	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
I. ASSETS	14,413	15,714	18,038	21,214	24,971	32,756	47,625	48,262	57,723	72,908
1. BCRP reserve assets	8,837	9,690	10,206	12,649	14,120	17,329	27,720	31,233	33,175	44,150
2. Financial system assets (excluding BCRP)	2,682	2,990	4,404	4,834	6,398	9,348	11,770	10,745	16,017	18,307
3. Other assets	2,894	3,034	3,428	3,731	4,454	6,079	8,135	6,284	8,531	10,451
II. LIABILITIES	41,456	43,411	46,308	48,483	51,250	58,425	78,779	78,498	89,886	110,345
1. Bonds and private and public external debt 2/	27,195	27,872	29,587	31,244	28,657	28,897	32,894	34,838	35,731	40,236
a. Medium and long-term debt	23,963	25,283	27,062	28,475	25,449	25,539	26,640	28,435	30,950	34,182
Private sector 3/	4,795	4,496	4,294	4,009	3,170	3,568	6,559	9,198	10,349	14,277
BCRP	202	73	0	0	0	0	0	0	0	0
Public sector	18,967	20,715	22,768	24,466	22,279	21,972	20,081	19,237	20,600	19,905
b. Short-term debt	3,232	2,589	2,525	2,769	3,208	3,358	6,254	6,403	4,782	6,054
Financial system (excluding BCRP)	1,321	817	732	834	1,178	921	2,552	1,924	1,633	2,408
BCRP	23	19	12	18	23	54	921	736	124	45
Others 4/	1,888	1,753	1,782	1,917	2,007	2,383	2,782	3,743	3,025	3,600
2. Direct investment	11,835	12,549	12,876	13,310	15,889	20,484	26,808	32,340	34,521	41,849
3. Capital participation	2,427	2,990	3,845	3,928	6,705	9,043	19,077	11,319	19,634	28,260

1/ Preliminary data.

2/ External public debt includes the debt of the central government and state enterprises. Today the latter represents less than 5 percent of total debt. The external public debt is mainly medium and long-term debt (99 percent).

3/ Includes bonds

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

Source: BCRP, MEF, Cavali ICLV S.A., Proinversión, and BIS.
Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 53
INTERNATIONAL INVESTMENT POSITION
(% of GDP)

	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
I. ASSETS	26.7	27.7	29.4	30.4	31.5	35.4	44.3	38.0	45.3	47.4
1. BCRP reserve assets	16.4	17.1	16.6	18.1	17.8	18.7	25.8	24.6	26.0	28.7
2. Financial system assets (excluding BCRP)	5.0	5.3	7.2	6.9	8.1	10.1	11.0	8.5	12.6	11.9
3. Others assets	5.4	5.3	5.6	5.3	5.6	6.6	7.6	4.9	6.7	6.8
II. LIABILITIES	76.8	76.4	75.5	69.5	64.5	63.2	73.3	61.8	70.6	71.7
1. Bonds and private and public external debt 2/	50.4	49.1	48.2	44.8	36.1	31.3	30.6	27.4	28.1	26.1
a. Medium and long-term debt	44.4	44.5	44.1	40.8	32.1	27.6	24.8	22.4	24.3	22.2
Private sector 3/	8.9	7.9	7.0	5.7	4.0	3.9	6.1	7.2	8.1	9.3
BCRP	0.4	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public sector	35.1	36.5	37.1	35.1	28.1	23.8	18.7	15.1	16.2	12.9
b. Short-term debt	6.0	4.6	4.1	4.0	4.0	3.6	5.8	5.0	3.8	3.9
Financial system (excluding BCRP)	2.4	1.4	1.2	1.2	1.5	1.0	2.4	1.5	1.3	1.6
BCRP	0.0	0.0	0.0	0.0	0.0	0.1	0.9	0.6	0.1	0.0
Others 4/	3.5	3.1	2.9	2.7	2.5	2.6	2.6	2.9	2.4	2.3
2. Direct investment	21.9	22.1	21.0	19.1	20.0	22.2	25.0	25.4	27.1	27.2
3. Capital participation	4.5	5.3	6.3	5.6	8.4	9.8	17.8	8.9	15.4	18.4

1/ Preliminary data.

2/ External public debt includes the debt of the central government and state enterprises. Today the latter represents less than 5 percent of total debt. The external public debt is mainly medium and long-term debt (99 percent).

3/ Includes bonds

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

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

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 54
BALANCE OF THE EXTERNAL PUBLIC DEBT BY FINANCIAL SOURCE 1/
(Millions of US\$)

	2001	2002	2003	2004	2005	2006	2007	2008 3/	2009 3/	2010 3/
Multilateral organizations	6,536	7,044	7,359	7,875	7,983	7,843	7,851	7,926	8,311	7,810
Paris Club	7,688	8,188	8,658	8,508	5,696	5,629	3,883	4,170	3,133	2,548
Bonds	3,727	4,424	5,630	6,944	8,393	8,392	8,262	6,880	8,906	9,308
Suppliers	869	946	1,034	1,070	158	73	60	56	51	40
Commercial banks	21	11	5	4	1	1	1	186	186	181
Latin America	77	62	50	42	33	25	20	15	11	9
Other bilateral organizations 2/	47	40	32	23	16	9	5	3	2	10
TOTAL	18,967	20,715	22,768	24,466	22,279	21,972	20,081	19,237	20,600	19,905

1/ Medium- and long-term accounts; excludes loans to BCRP to support the balance of payments.

2/ Former socialist countries. Includes the People's Republic of China.

3/ Preliminary data.

Source: BCRP, and MEF.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 55
BALANCE OF THE EXTERNAL PUBLIC DEBT BY FINANCIAL SOURCE 1/
 (% of GDP)

	2001	2002	2003	2004	2005	2006	2007	2008 3/	2009 3/	2010 3/
Multilateral organizations	12.1	12.4	12.0	11.3	10.1	8.5	7.3	6.2	6.5	5.1
Paris Club	14.2	14.4	14.1	12.2	7.2	6.1	3.6	3.3	2.5	1.7
Bonds	6.9	7.8	9.2	10.0	10.6	9.1	7.7	5.4	7.0	6.0
Suppliers	1.6	1.7	1.7	1.5	0.2	0.1	0.1	0.0	0.0	0.0
Commercial banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Latin America	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Other bilateral organizations 2/	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	35.1	36.5	37.1	35.1	28.1	23.8	18.7	15.1	16.2	12.9

1/ Medium- and long-term accounts; excludes loans to BCRP to support the balance of payments.

2/ Former socialist countries. Includes the People's Republic of China.

3/ Preliminary data.

Source: BCRP and MEF.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 56
OPERATIONS OF THE NON-FINANCIAL PUBLIC SECTOR
(Millions of nuevos soles)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
								2/	2/	2/
I. PRIMARY BALANCE	- 783	- 107	1,022	2,349	4,078	12,671	16,231	14,517	- 1,170	2,877
1. Central government primary balance	-1,586	- 204	588	1,359	2,958	10,033	11,598	13,420	- 1,724	4,820
a. Current revenue	26,703	28,666	31,658	35,325	41,019	53,036	60,713	68,003	60,831	74,712
i. Tax revenue 3/	23,184	24,168	27,495	31,088	35,562	45,806	52,344	58,287	52,566	64,429
ii. Non-tax revenue	3,518	4,498	4,163	4,238	5,458	7,229	8,368	9,716	8,265	10,283
b. Non-financial expenditure	28,580	29,241	31,432	34,154	38,447	43,363	49,500	54,976	62,999	70,639
i. Current revenue	24,349	25,285	27,369	29,860	33,552	37,384	42,270	46,095	48,462	51,591
ii. Capital revenue	4,231	3,956	4,063	4,295	4,896	5,979	7,230	8,882	14,537	19,048
c. Capital revenue 4/	291	371	361	189	386	361	385	394	444	747
2. Primary balance of other government levels	803	97	435	989	1,119	2,638	4,634	1,097	554	- 1,943
a. Rest of central government	300	127	204	335	- 182	1,149	861	315	476	41
b. Local governments	102	207	333	325	745	621	3,494	843	- 971	- 1,540
c. State enterprises	402	- 237	- 102	329	557	867	279	- 61	1,049	- 444
II. INTERESTS	4,266	4,282	4,606	4,867	5,062	5,660	6,008	5,884	5,011	5,085
1. External debt	3,665	3,515	3,763	3,951	4,175	4,337	4,287	3,350	3,101	2,927
2. Domestic debt	601	767	843	915	887	1,324	1,721	2,534	1,910	2,158
III. OVERALL BALANCE (I-II)	- 5,049	- 4,389	- 3,583	- 2,518	- 984	7,010	10,223	8,633	- 6,181	- 2,208
IV. NET FINANCING	5,049	4,389	3,583	2,518	984	- 7,010	- 10,223	- 8,633	6,181	2,208
1. External funding	1,755	4,144	2,928	3,598	- 3,813	- 1,790	- 6,398	- 3,472	4,069	- 2,077
(Millions of US\$) (a-b+c)	\$ 498	\$ 1,183	\$ 841	\$ 1,076	- \$ 1,167	- \$ 542	- \$ 2,085	- \$ 1,205	\$ 1,317	- \$ 728
a. Disbursements	\$ 1,318	\$ 2,863	\$ 2,101	\$ 2,474	\$ 2,628	\$ 609	\$ 3,384	\$ 1,165	\$ 3,225	\$ 4,261
b. Amortization	\$ 735	\$ 1,793	\$ 1,187	\$ 1,348	\$ 3,678	\$ 1,193	\$ 5,661	\$ 2,604	\$ 1,843	\$ 5,184
c. Others 5/	- \$ 85	\$ 113	- \$ 73	- \$ 49	- \$ 117	\$ 42	\$ 193	\$ 234	- \$ 65	\$ 195
2. Domestic funding	2,160	- 1,259	475	- 1,469	4,612	- 5,525	- 4,275	- 5,317	2,011	3,866
3. Privatization	1,134	1,503	181	389	185	304	449	156	102	419

1/ In Annual Report 2010 the information has been updated since 2003.

2/ Preliminary data.

3/ Includes the methodological change implemented in the recording of tax refunds established by SUNAT (Nota Tributaria published in March 2010) according to which tax refunds are recorded on the corresponding date of issuance.

4/ Deducts payments to the American International Group and Peru-Germany Agreement.

5/ Includes exceptional and short-term financing.

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

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 57
OPERATIONS OF THE NON-FINANCIAL PUBLIC SECTOR 1/
(% of GDP)



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
								2/	2/	2/
I. PRIMARY BALANCE	- 0.4	- 0.1	0.5	1.0	1.6	4.2	4.8	3.9	- 0.3	0.7
1. Central government primary balance	- 0.8	- 0.1	0.3	0.6	1.1	3.3	3.5	3.6	- 0.5	1.1
a. Current revenue	14.1	14.4	14.8	14.8	15.7	17.5	18.1	18.3	15.9	17.2
i. Tax revenue 3/	12.3	12.1	12.9	13.1	13.6	15.2	15.6	15.7	13.7	14.8
ii. Non-tax revenue	1.9	2.3	2.0	1.8	2.1	2.4	2.5	2.6	2.2	2.4
b. Non-financial expenditure	15.1	14.6	14.7	14.4	14.7	14.3	14.8	14.8	16.5	16.3
i. Current	12.9	12.7	12.8	12.6	12.8	12.4	12.6	12.4	12.7	11.9
ii. Capital	2.2	2.0	1.9	1.8	1.9	2.0	2.2	2.4	3.8	4.4
c. Capital revenue 4/	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.2
2. Primary balance of the rest	0.4	0.0	0.2	0.4	0.4	0.9	1.4	0.3	0.1	- 0.4
a. Rest of central government	0.2	0.1	0.1	0.1	- 0.1	0.4	0.3	0.1	0.1	0.0
b. Local governments	0.1	0.1	0.2	0.1	0.3	0.2	1.0	0.2	- 0.3	- 0.4
c. State enterprises	0.2	- 0.1	0.0	0.1	0.2	0.3	0.1	0.0	0.3	- 0.1
II. INTERESTS	2.3	2.1	2.2	2.0	1.9	1.9	1.8	1.6	1.3	1.2
1. External debt	1.9	1.8	1.8	1.7	1.6	1.4	1.3	0.9	0.8	0.7
2. Domestic debt	0.3	0.4	0.4	0.4	0.3	0.4	0.5	0.7	0.5	0.5
III. OVERALL BALANCE (I-II)	- 2.7	- 2.2	- 1.7	- 1.1	- 0.4	2.3	3.0	2.3	- 1.6	- 0.5
IV. NET FINANCING	2.7	2.2	1.7	1.1	0.4	- 2.3	- 3.0	- 2.3	1.6	0.5
1. External funding	0.9	2.1	1.4	1.5	- 1.5	- 0.6	- 1.9	- 0.9	1.1	- 0.5
(Millions of US\$) (a-b+c)	0.9	2.1	1.4	1.5	- 1.5	- 0.6	- 1.9	- 0.9	1.1	- 0.5
a. Disbursements	2.4	5.0	3.4	3.5	3.3	0.7	3.2	0.9	2.6	2.8
b. Amortization	1.4	3.1	1.9	1.9	4.6	1.3	5.3	2.0	1.4	3.4
c. Others 5/	- 0.2	0.2	- 0.1	- 0.1	- 0.1	0.0	0.2	0.2	- 0.1	0.1
2. Domestic funding	1.1	- 0.6	0.2	- 0.6	1.8	- 1.8	- 1.3	- 1.4	0.5	0.9
3. Privatization	0.6	0.8	0.1	0.2	0.1	0.1	0.1	0.0	0.0	0.1

1/ In Annual Report 2010 the information has been updated since 2003.

2/ Preliminary data.

3/ Includes the methodological change implemented in the recording of tax refunds established by SUNAT (Nota Tributaria published in March 2010) according to which tax refunds are recorded on the corresponding date of issuance.

4/ Deducts payments to the American International Group and Peru-Germany Agreement.

5/ Includes exceptional and short-term financing.

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

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 58
OPERATIONS OF THE GENERAL GOVERNMENT
(Millions of nuevos soles)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
								1/	1/	1/
I. CURRENT REVENUE	32,085	34,327	37,364	41,539	47,648	60,027	69,547	78,126	71,625	86,085
1. Tax revenue 2/	23,650	24,704	28,079	31,772	36,315	46,583	53,514	59,672	53,842	65,919
2. Contributions	3,260	3,320	3,504	3,738	4,023	4,588	5,191	6,193	6,659	7,217
3. Other	5,175	6,303	5,781	6,028	7,309	8,856	10,842	12,261	11,124	12,949
II. NON FINANCIAL EXPENDITURE	33,562	34,596	36,621	39,735	44,538	48,652	53,995	63,968	74,293	83,512
1. Current expenditure	27,902	29,126	30,908	33,398	37,267	39,393	42,905	48,400	52,797	57,277
2. Capital expenditure	5,660	5,469	5,713	6,336	7,271	9,259	11,090	15,568	21,496	26,234
III. CAPITAL REVENUE 3/	292	399	382	216	411	429	400	420	448	747
IV. PRIMARY BALANCE	- 1,185	130	1,125	2,020	3,521	11,804	15,952	14,578	- 2,220	3,321
V. INTERESTS	4,159	4,190	4,511	4,800	4,967	5,553	5,912	5,751	4,902	4,992
VI. OVERALL BALANCE	- 5,344	- 4,060	- 3,386	- 2,780	- 1,446	6,251	10,040	8,828	- 7,122	- 1,671
VII. NET FINANCING	5,344	4,060	3,386	2,780	1,446	- 6,251	- 10,040	- 8,828	7,122	1,671
1. External funding	2,065	3,997	2,681	3,616	- 3,816	- 1,932	- 6,842	- 3,902	4,174	- 2,909
(Millions of US\$) (a-b+c)	\$ 585	\$1,141	\$ 770	\$1,079	- \$1,167	- \$ 585	- \$2,231	- \$1,379	\$1,331	- \$1,022
a. Disbursements	\$1,278	\$2,826	\$2,070	\$2,445	\$2,602	\$ 580	\$3,339	\$1,089	\$3,134	\$4,048
b. Amortization	\$ 712	\$1,770	\$1,161	\$1,328	\$3,654	\$1,159	\$5,621	\$2,556	\$1,792	\$5,129
c. Others	\$ 19	\$ 86	- \$ 139	- \$ 38	- \$ 114	- \$ 6	\$ 50	\$ 89	- \$ 11	\$ 59
2. Domestic funding	2,146	- 1,440	525	- 1,225	5,076	- 4,623	- 3,647	- 5,082	2,846	4,161
3. Privatization	1,134	1,503	181	389	185	304	449	156	102	419

1/ Preliminary data.

2/ Includes the methodological change implemented in the recording of tax refunds established by SUNAT (Nota Tributaria published in March 2010) according to which tax refunds are recorded on the corresponding date of issuance.

3/ Deducts payments to the American International Group and Peru-Germany Agreement.

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

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 59
OPERATIONS OF THE GENERAL GOVERNMENT
(% of GDP)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
								1/	1/	1/
I. CURRENT REVENUE	17.0	17.2	17.5	17.5	18.2	19.9	20.7	21.1	18.7	19.8
1. Tax revenue 2/	12.5	12.4	13.2	13.4	13.9	15.4	15.9	16.1	14.1	15.2
2. Contributions	1.7	1.7	1.6	1.6	1.5	1.5	1.5	1.7	1.7	1.7
3. Other	2.7	3.2	2.7	2.5	2.8	2.9	3.2	3.3	2.9	3.0
II. NON FINANCIAL EXPENDITURE	17.7	17.3	17.2	16.7	17.0	16.1	16.1	17.2	19.4	19.2
1. Current expenditure	14.7	14.6	14.5	14.0	14.2	13.0	12.8	13.0	13.8	13.2
2. Capital expenditure	3.0	2.7	2.7	2.7	2.8	3.1	3.3	4.2	5.6	6.0
III. CAPITAL REVENUE 3/	0.2	0.2	0.2	0.1	0.2	0.1	0.1	0.1	0.1	0.2
IV. PRIMARY BALANCE	-0.6	0.1	0.5	0.8	1.3	3.9	4.8	3.9	-0.6	0.8
V. INTERESTS	2.2	2.1	2.1	2.0	1.9	1.8	1.8	1.5	1.3	1.1
VI. OVERALL BALANCE	-2.8	-2.0	-1.6	-1.2	-0.6	2.1	3.0	2.4	-1.9	-0.4
VII. NET FINANCING	2.8	2.0	1.6	1.2	0.6	-2.1	-3.0	-2.4	1.9	0.4
1. External funding	1.1	2.0	1.3	1.5	-1.5	-0.6	-2.0	-1.1	1.1	-0.7
(Millions of US\$) (a-b+c)	1.1	2.0	1.3	1.5	-1.5	-0.6	-2.0	-1.1	1.1	-0.7
a. Disbursements	2.4	5.0	3.4	3.5	3.3	0.6	3.1	0.9	2.5	2.6
b. Amortization	1.3	3.1	1.9	1.9	4.6	1.3	5.2	2.0	1.4	3.3
c. Others	0.0	0.1	-0.2	-0.1	-0.1	0.0	0.0	0.1	0.0	0.0
2. Domestic funding	1.1	-0.7	0.2	-0.5	1.9	-1.5	-1.1	-1.4	0.7	1.0
3. Privatization	0.6	0.8	0.1	0.2	0.1	0.1	0.1	0.0	0.0	0.1

1/ Preliminary data.

2/ Includes the methodological change implemented in the recording of tax refunds established by SUNAT (Nota Tributaria published in March 2010) according to which tax refunds are recorded on the corresponding date of issuance.

3/ Deducts payments to the American International Group and Peru-Germany Agreement.

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

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 60
CENTRAL GOVERNMENT OPERATIONS
(Millions of nuevos soles)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
								1/	1/	1/
I. CURRENT REVENUE 2/	26,703	28,666	31,658	35,325	41,019	53,036	60,713	68,003	60,831	74,712
II. NON FINANCIAL EXPENDITURE	28,580	29,241	31,432	34,154	38,447	43,363	49,500	54,976	62,999	70,639
1. Current expenditure	24,349	25,285	27,369	29,860	33,552	37,384	42,270	46,095	48,462	51,591
2. Capital expenditure	4,231	3,956	4,063	4,295	4,896	5,979	7,230	8,882	14,537	19,048
III. CAPITAL REVENUE 3/	291	371	361	189	386	361	385	394	444	747
IV. PRIMARY BALANCE	- 1,586	- 204	588	1,359	2,958	10,033	11,598	13,420	- 1,724	4,820
V. INTERESTS	4,060	3,953	4,191	4,381	4,794	5,418	5,525	5,128	4,867	4,766
VI. OVERALL BALANCE	- 5,646	- 4,157	- 3,603	- 3,022	- 1,836	4,616	6,072	8,292	- 6,592	53
VII. NET FINANCING	5,646	4,157	3,603	3,022	1,836	- 4,616	- 6,072	- 8,292	6,592	- 53
1. External funding	2,065	3,997	3,386	3,838	- 3,121	- 1,832	- 6,831	- 4,083	4,229	- 3,055
(Millions of US\$) (a-b+c)	\$ 585	\$ 1,141	\$ 973	\$ 1,144	- \$ 955	- \$ 554	- \$ 2,229	- \$ 1,441	\$ 1,350	- \$ 1,074
a. Disbursements	\$ 1,278	\$ 2,826	\$ 2,070	\$ 2,445	\$ 2,599	\$ 578	\$ 3,325	\$ 1,059	\$ 3,106	\$ 4,036
b. Amortization	\$ 712	\$ 1,770	\$ 1,161	\$ 1,328	\$ 3,654	\$ 1,159	\$ 5,621	\$ 2,556	\$ 1,792	\$ 5,129
c. Others	\$ 19	\$ 86	\$ 64	\$ 26	\$ 100	\$ 27	\$ 67	\$ 57	\$ 36	\$ 19
2. Domestic funding	2,448	- 1,343	36	- 1,206	4,772	- 3,088	310	- 4,366	2,261	2,582
3. Privatization	1,134	1,503	181	389	185	304	449	156	102	419

1/ Preliminary data.

2/ Includes the methodological change implemented in the recording of tax refunds established by SUNAT (Nota Tributaria published in March 2010) according to which tax refunds are recorded on the corresponding date of issuance.

3/ Deducts payments to the American International Group and Peru-Germany Agreement.

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

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 61
CENTRAL GOVERNMENT OPERATIONS
(% of GDP)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
								1/	1/	1/
I. CURRENT REVENUE 2/	14.1	14.4	14.8	14.8	15.7	17.5	18.1	18.3	15.9	17.2
II. NON FINANCIAL EXPENDITURE	15.1	14.6	14.7	14.4	14.7	14.3	14.8	14.8	16.5	16.3
1. Current expenditure	12.9	12.7	12.8	12.6	12.8	12.4	12.6	12.4	12.7	11.9
2. Capital expenditure	2.2	2.0	1.9	1.8	1.9	2.0	2.2	2.4	3.8	4.4
III. CAPITAL REVENUE 3/	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.2
IV. PRIMARY BALANCE	-0.8	-0.1	0.3	0.6	1.1	3.3	3.5	3.6	-0.5	1.1
V. INTERESTS	2.1	2.0	2.0	1.8	1.8	1.8	1.6	1.4	1.3	1.1
VI. OVERALL BALANCE	-3.0	-2.1	-1.7	-1.3	-0.7	1.5	1.8	2.2	-1.7	0.0
VII. NET FINANCING	3.0	2.1	1.7	1.3	0.7	-1.5	-1.8	-2.2	1.7	0.0
1. External funding	1.1	2.0	1.6	1.6	-1.2	-0.6	-2.0	-1.1	1.1	-0.7
(Millions of US\$) (a-b+c)	1.1	2.0	1.6	1.6	-1.2	-0.6	-2.0	-1.1	1.1	-0.7
a. Disbursements	2.4	5.0	3.4	3.5	3.3	0.6	3.1	0.9	2.5	2.6
b. Amortization	1.3	3.1	1.9	1.9	4.6	1.3	5.2	2.0	1.4	3.3
c. Others	0.0	0.1	0.1	0.0	0.1	0.0	0.1	0.0	0.0	0.0
2. Domestic funding	1.3	-0.7	0.0	-0.5	1.8	-1.0	0.1	-1.2	0.6	0.6
3. Privatization	0.6	0.8	0.1	0.2	0.1	0.1	0.1	0.0	0.0	0.1

1/ Preliminary data.

2/ Includes the methodological change implemented in the recording of tax refunds established by SUNAT (Nota Tributaria published in March 2010) according to which tax refunds are recorded on the corresponding date of issuance.

3/ Deducts payments to the American International Group and Peru-Germany Agreement.

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

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 62
GENERAL GOVERNMENT CURRENT REVENUE
(Millions of nuevos soles)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
								1/	1/	1/
I. TAX REVENUE	23,650	24,704	28,079	31,772	36,315	46,583	53,514	59,672	53,842	65,919
1. Income tax	5,630	6,011	7,971	9,026	11,188	18,414	22,847	24,146	20,346	25,802
- Individuals	2,097	2,247	2,584	2,798	3,071	3,926	4,477	5,353	5,608	6,283
- Corporate	2,785	3,158	4,298	5,230	6,079	11,205	14,373	16,317	12,269	16,423
- Regularization	748	606	1,089	999	2,038	3,283	3,997	2,476	2,470	3,096
2. Property tax	2,786	2,483	2,550	2,744	3,143	2,847	2,198	1,911	1,493	1,803
3. Value-added tax (VAT)	11,815	12,613	14,110	16,206	18,302	21,517	25,258	31,583	29,519	35,536
- Domestic VAT	6,866	7,501	8,459	9,526	10,587	11,982	13,586	15,749	17,322	19,629
- VAT on imports	4,949	5,113	5,651	6,680	7,715	9,535	11,672	15,834	12,197	15,907
4. Excise tax	3,561	4,184	4,525	4,468	4,066	4,042	4,291	3,461	4,146	4,670
- Fuel	2,321	3,003	3,285	3,177	2,607	2,399	2,419	1,457	2,255	2,410
- Other	1,241	1,181	1,240	1,292	1,459	1,643	1,872	2,004	1,891	2,260
5. Other tax revenues	3,068	2,274	1,998	2,846	3,733	4,146	5,017	5,757	5,676	6,056
6. Tax refunds 2/	- 3,210	- 2,862	- 3,075	- 3,518	- 4,117	- 4,383	- 6,098	- 7,185	- 7,339	- 7,948
II. NON-TAX REVENUE	8,435	9,623	9,285	9,766	11,332	13,444	16,034	18,454	17,783	20,166
III. TOTAL (I+ II)	32,085	34,327	37,364	41,539	47,648	60,027	69,547	78,126	71,625	86,085

1/ Preliminary data.

2/ Includes the methodological change implemented in the recording of tax refunds established by SUNAT (Nota Tributaria published in March 2010) according to which tax refunds are recorded on the corresponding date of issuance.
Source: MEF, Banco de la Nación, BCRP, SUNAT, EsSalud, public welfare agencies, local governments, state-owned enterprises, and public institutions.
Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 63
GENERAL GOVERNMENT CURRENT REVENUE
 (% of GDP)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
								1/	1/	1/
I. TAX REVENUE	12.5	12.4	13.2	13.4	13.9	15.4	15.9	16.1	14.1	15.2
1. Income tax	3.0	3.0	3.7	3.8	4.3	6.1	6.8	6.5	5.3	5.9
- Individuals	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.4	1.5	1.4
- Corporate	1.5	1.6	2.0	2.2	2.3	3.7	4.3	4.4	3.2	3.8
- Regularization	0.4	0.3	0.5	0.4	0.8	1.1	1.2	0.7	0.6	0.7
2. Property tax	1.5	1.2	1.2	1.2	1.2	0.9	0.7	0.5	0.4	0.4
3. Value-added tax (VAT)	6.2	6.3	6.6	6.8	7.0	7.1	7.5	8.5	7.7	8.2
- Domestic VAT	3.6	3.8	4.0	4.0	4.0	4.0	4.0	4.2	4.5	4.5
- VAT on imports	2.6	2.6	2.6	2.8	2.9	3.2	3.5	4.3	3.2	3.7
4. Excise tax	1.9	2.1	2.1	1.9	1.6	1.3	1.3	0.9	1.1	1.1
- Fuel	1.2	1.5	1.5	1.3	1.0	0.8	0.7	0.4	0.6	0.6
- Other	0.7	0.6	0.6	0.5	0.6	0.5	0.6	0.5	0.5	0.5
5. Other tax revenues	1.6	1.1	0.9	1.2	1.4	1.4	1.5	1.6	1.5	1.4
6. Tax refunds 2/	-1.7	-1.4	-1.4	-1.5	-1.6	-1.5	-1.8	-1.9	-1.9	-1.8
II. NON-TAX REVENUE	4.5	4.8	4.4	4.1	4.3	4.4	4.8	5.0	4.7	4.6
III. TOTAL (I+ II)	17.0	17.2	17.5	17.5	18.2	19.9	20.7	21.1	18.7	19.8

1/ Preliminary data.

2/ Includes the methodological change implemented in the recording of tax refunds established by SUNAT (Nota Tributaria published in March 2010) according to which tax refunds are recorded on the corresponding date of issuance.

Source: MEF, Banco de la Nación, BCRP, SUNAT, EsSalud, public welfare agencies, local governments, state-owned enterprises, and public institutions.
 Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 64
GENERAL GOVERNMENT EXPENDITURE
(Millions of nuevos soles)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
								1/	1/	1/
I. NON FINANCIAL EXPENDITURE	33,562	34,596	36,621	39,735	44,538	48,652	53,995	63,968	74,293	83,512
1. Current	27,902	29,126	30,908	33,398	37,267	39,393	42,905	48,400	52,797	57,277
a. Wages and salaries	10,576	11,436	12,399	13,301	14,806	15,927	16,674	18,016	19,647	20,834
b. Goods and services	9,633	9,238	9,770	10,650	12,152	13,392	14,548	16,267	19,067	22,316
c. Transfers	7,693	8,452	8,738	9,447	10,308	10,074	11,684	14,117	14,083	14,128
2. Capital expenditure	5,660	5,469	5,713	6,336	7,271	9,259	11,090	15,568	21,496	26,234
a. Gross capital formation	5,243	5,026	5,225	5,839	6,876	8,594	10,384	14,890	19,584	24,025
b. Other	417	444	488	497	395	665	706	678	1,912	2,209
II. INTERESTS	4,159	4,190	4,511	4,800	4,967	5,553	5,912	5,751	4,902	4,992
1. Domestic debt	565	721	789	879	829	1,257	1,666	2,437	1,836	2,101
2. External debt	3,594	3,469	3,722	3,921	4,138	4,297	4,247	3,314	3,066	2,891
III. TOTAL (I+II)	37,721	38,786	41,132	44,535	49,504	54,206	59,908	69,719	79,195	88,503

1/ Preliminary data.
Source: MEF, Banco de la Nación, BCRP and SUNAT.
Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 65
GENERAL GOVERNMENT EXPENDITURE
(% of GDP)

	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
I. NON FINANCIAL EXPENDITURE	17.7	17.3	17.2	16.7	17.0	16.1	16.1	17.2	19.4	19.2
1. Current	14.7	14.6	14.5	14.0	14.2	13.0	12.8	13.0	13.8	13.2
a. Wages and salaries	5.6	5.7	5.8	5.6	5.7	5.3	5.0	4.9	5.1	4.8
b. Goods and services	5.1	4.6	4.6	4.5	4.6	4.4	4.3	4.4	5.0	5.1
c. Transfers	4.1	4.2	4.1	4.0	3.9	3.3	3.5	3.8	3.7	3.3
2. Capital expenditure	3.0	2.7	2.7	2.7	2.8	3.1	3.3	4.2	5.6	6.0
a. Gross capital formation	2.8	2.5	2.4	2.5	2.6	2.8	3.1	4.0	5.1	5.5
b. Other	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.5	0.5
II. INTERESTS	2.2	2.1	2.1	2.0	1.9	1.8	1.8	1.5	1.3	1.1
1. Domestic debt	0.3	0.4	0.4	0.4	0.3	0.4	0.5	0.7	0.5	0.5
2. External debt	1.9	1.7	1.7	1.6	1.6	1.4	1.3	0.9	0.8	0.7
III. TOTAL (I+II)	19.9	19.4	19.3	18.7	18.9	17.9	17.9	18.8	20.7	20.4

1/ Preliminary data.

Source: MEF, Banco de la Nación, BCRP and SUNAT.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 66
GENERAL GOVERNMENT GROSS CAPITAL FORMATION
 (% structure)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
								1/	1/	1/
ECONOMIC SECTORS	50	48	53	50	45	48	49	47	52	55
1. Agriculture	16	16	15	12	10	12	13	11	9	8
2. Transport and communications	28	29	33	32	29	31	29	31	37	42
3. Energy and mining	4	2	4	4	4	2	5	4	4	4
4. Industry, commerce, tourism, and integration	1	1	1	1	1	2	1	2	2	1
5. Fishing	1	0	0	0	0	0	1	0	0	0
SOCIAL SECTOR	27	29	29	33	35	34	33	36	30	29
1. Education	12	13	14	14	17	14	10	15	14	15
2. Health	12	10	10	11	14	18	21	20	16	14
3. Labor and other sectors	2	6	5	7	5	2	2	2	0	0
GENERAL SECTOR 2/	9	9	8	9	10	7	8	9	12	10
MULTISECTOR PROGRAMS 3/	14	14	9	9	10	11	10	8	7	6
TOTAL	100	100	100	100	100	100	100	100	100	100

1/ Preliminary data.

2/ Includes Presidency of Council of Ministers, Ministry of Justice, Ministry of Interior, Ministry of Foreign Affairs, and MEF.

3/ Includes projects in different sectors.

Source: MEF.

Elaborated by the Department of Economic Studies, BCRP



APPENDIX 67
LOCAL GOVERNMENT OPERATIONS
 (Millions of nuevos soles)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
								1/	1/	1/
I. CURRENT REVENUES	3,692	4,113	4,631	5,375	6,487	8,056	11,872	12,736	11,586	12,365
II. NON FINANCIAL EXPENDITURE	3,792	4,059	4,465	5,123	5,866	7,858	9,162	13,332	15,436	17,444
1. Current expenditure	2,290	2,525	2,795	3,124	3,537	3,941	4,780	5,826	6,201	7,309
2. Capital expenditure	1,502	1,534	1,670	1,998	2,329	3,918	4,382	7,507	9,235	10,134
III. CAPITAL REVENUE	202	154	167	73	123	423	783	1,439	2,879	3,539
IV. PRIMARY BALANCE (I-II+III)	102	207	333	325	745	621	3,494	843	- 971	- 1,540
V. INTERESTS	110	92	84	84	66	45	27	32	38	36
VI. OVERALL BALANCE	- 8	116	249	241	679	577	3,466	811	- 1,009	- 1,576

1/ Preliminary data.

Source: Local governments, Contaduría Pública de la Nación.
 Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 68
LOCAL GOVERNMENT OPERATIONS
 (% of GDP)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
								1/	1/	1/
I. CURRENT REVENUES	2.0	2.1	2.2	2.3	2.5	2.7	3.5	3.4	3.0	2.8
II. NON FINANCIAL EXPENDITURE	2.0	2.0	2.1	2.2	2.2	2.6	2.7	3.6	4.0	4.0
1. Current expenditure	1.2	1.3	1.3	1.3	1.4	1.3	1.4	1.6	1.6	1.7
2. Capital expenditure	0.8	0.8	0.8	0.8	0.9	1.3	1.3	2.0	2.4	2.3
III. CAPITAL REVENUE	0.1	0.1	0.1	0.0	0.0	0.1	0.2	0.4	0.8	0.8
IV. PRIMARY BALANCE (I-II+III)	0.1	0.1	0.2	0.1	0.3	0.2	1.0	0.2	-0.3	-0.4
V. INTERESTS	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
VI. OVERALL BALANCE	0.0	0.1	0.1	0.1	0.3	0.2	1.0	0.2	-0.3	-0.4

1/ Preliminary data.

Source: Local governments, Contaduría Pública de la Nación.
 Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 69
OPERATION OF NON FINANCIAL STATE ENTERPRISES
(Millions of nuevos soles)



	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
I. CURRENT REVENUE	11,610	11,072	11,829	14,097	16,144	16,408	16,476	20,808	19,321	21,845
1. Petroperú	6,797	6,532	6,964	8,837	10,315	10,273	9,725	13,231	10,861	13,452
2. Electroperú	1,221	1,083	1,363	1,323	1,659	1,701	1,406	1,498	1,486	1,112
3. Regionales de Electricidad	1,339	1,162	1,465	1,709	1,865	1,981	2,310	2,467	2,846	2,798
4. Sedapal	665	668	680	702	706	805	892	986	1,112	1,099
5. Centromin	202	96	0	0	0	0	0	0	0	0
6. Other	1,387	1,531	1,358	1,525	1,600	1,648	2,142	2,625	3,016	3,385
II. NON FINANCIAL EXPENDITURE	10,498	10,582	11,128	13,226	14,852	14,922	15,502	19,748	16,698	20,392
1. Petroperú	6,343	6,514	7,038	8,648	10,096	10,074	9,994	13,858	10,083	13,377
2. Electroperú	858	941	1,149	1,332	1,331	1,379	1,498	1,202	1,213	1,134
3. Regionales de Electricidad	958	854	1,189	1,365	1,470	1,666	1,804	2,002	2,377	2,379
4. Sedapal	400	426	472	464	498	476	547	616	696	701
5. Centromin	203	114	0	0	0	0	0	0	0	0
6. Other	1,736	1,733	1,280	1,417	1,457	1,328	1,659	2,070	2,329	2,802
III. CAPITAL EXPENDITURE	785	819	965	797	850	909	1,252	1,465	2,022	2,191
1. Petroperú	40	37	68	17	32	70	78	99	90	175
2. Electroperú	150	174	168	91	150	134	138	116	202	369
3. Regionales de Electricidad	244	234	387	389	352	251	435	438	686	590
4. Sedapal	196	227	172	194	222	257	352	530	664	567
5. Centromin	8	2	0	0	0	0	0	0	0	0
6. Other	148	144	170	106	96	196	248	282	381	489
IV. CAPITAL REVENUE	75	91	162	255	115	290	558	344	449	293
V. PRIMARY BALANCE (I-II-III+IV)	402	-237	-102	329	557	867	279	-61	1,049	-444
1. Petroperú	413	-19	-143	172	187	176	-348	-726	688	-100
2. Electroperú	214	-31	45	-100	178	188	-230	180	71	-391
3. Regionales de Electricidad	212	165	51	210	178	199	328	150	228	47
4. Sedapal	69	14	36	44	-13	162	170	136	-192	-169
5. Centromin	-9	-21	0	0	0	0	0	0	0	0
6. Other	-497	-346	-92	2	27	142	359	199	255	169
VI. INTERESTS	107	92	95	67	95	107	96	134	109	93
VII. OVERALL BALANCE 2/	295	-329	-197	262	461	760	184	-195	941	-537
1. Petroperú	398	-36	-155	162	175	158	-363	-784	654	-109
2. Electroperú	214	-31	45	-100	178	188	-230	180	71	-391
3. Regionales de Electricidad	182	143	30	190	158	168	300	119	194	34
4. Sedapal	27	-27	-12	19	-66	111	124	97	-228	-233
5. Centromin	-15	-21	0	0	0	0	0	0	0	0
6. Other	-510	-358	-105	-10	17	134	354	193	249	163

1/ Preliminary data.

2/ The difference between revenue and payments in cash is reflected in the cash flow. "Profits" refers to the difference between revenue and expenses recorded as accruals and included in the Income Statement.

Source: State-owned companies and FONAFE.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 70
OPERATION OF NON FINANCIAL STATE ENTERPRISES
(% of GDP)

	2001	2002	2003	2004	2005	2006	2007	2008 1/	2009 1/	2010 1/
I. CURRENT REVENUE	6.1	5.5	5.5	5.9	6.2	5.4	4.9	5.6	5.1	5.0
1. Petroperú	3.6	3.3	3.3	3.7	3.9	3.4	2.9	3.6	2.8	3.1
2. Electroperú	0.6	0.5	0.6	0.6	0.6	0.6	0.4	0.4	0.4	0.3
3. Regionales de Electricidad	0.7	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.6
4. Sedapal	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
5. Centromin	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6. Other	0.7	0.8	0.6	0.6	0.6	0.5	0.6	0.7	0.8	0.8
II. NON FINANCIAL EXPENDITURE	5.5	5.3	5.2	5.6	5.7	4.9	4.6	5.3	4.4	4.7
1. Petroperú	3.4	3.3	3.3	3.6	3.9	3.3	3.0	3.7	2.6	3.1
2. Electroperú	0.5	0.5	0.5	0.6	0.5	0.5	0.4	0.3	0.3	0.3
3. Regionales de Electricidad	0.5	0.4	0.6	0.6	0.6	0.6	0.5	0.5	0.6	0.5
4. Sedapal	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
5. Centromin	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6. Other	0.9	0.9	0.6	0.6	0.6	0.4	0.5	0.6	0.6	0.6
III. CAPITAL EXPENDITURE	0.4	0.4	0.5	0.3	0.3	0.3	0.4	0.4	0.5	0.5
1. Petroperú	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2. Electroperú	0.1	0.1	0.1	0.0	0.1	0.0	0.0	0.0	0.1	0.1
3. Regionales de Electricidad	0.1	0.1	0.2	0.2	0.1	0.1	0.1	0.1	0.2	0.1
4. Sedapal	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1
5. Centromin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6. Other	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.1	0.1	0.1
IV. CAPITAL REVENUE	0.0	0.0	0.1	0.1	0.0	0.1	0.2	0.1	0.1	0.1
V. PRIMARY BALANCE (I-II-III+IV)	0.2	-0.1	0.0	0.1	0.2	0.3	0.1	0.0	0.3	-0.1
1. Petroperú	0.2	0.0	-0.1	0.1	0.1	0.1	-0.1	-0.2	0.2	0.0
2. Electroperú	0.1	0.0	0.0	0.0	0.1	0.1	-0.1	0.0	0.0	-0.1
3. Regionales de Electricidad	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.0	0.1	0.0
4. Sedapal	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	-0.1	0.0
5. Centromin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6. Other	-0.3	-0.2	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.0
VI. INTERESTS	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
VII. OVERALL BALANCE 2/	0.2	-0.2	-0.1	0.1	0.2	0.3	0.1	-0.1	0.2	-0.1
1. Petroperú	0.2	0.0	-0.1	0.1	0.1	0.1	-0.1	-0.2	0.2	0.0
2. Electroperú	0.1	0.0	0.0	0.0	0.1	0.1	-0.1	0.0	0.0	-0.1
3. Regionales de Electricidad	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.0	0.1	0.0
4. Sedapal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1
5. Centromin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6. Other	-0.3	-0.2	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.0

1/ Preliminary data.

2/ The difference between revenue and payments in cash is reflected in the cash flow. "Profits" refers to the difference between revenue and expenses recorded as accruals and included in the Income Statement.

Source: State-owned companies and FONAFE.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 71
NET PUBLIC DEBT

Years	Millions of US\$			% of GDP		
	Assets	Liabilities	Net debt	Assets	Liabilities	Net debt
2001	4,549	24,752	20,203	8.4	45.9	37.4
2002	4,955	26,503	21,548	8.7	46.7	37.9
2003	5,152	28,896	23,745	8.4	47.1	38.7
2004	5,734	30,905	25,171	8.2	44.3	36.1
2005	6,062	29,967	23,905	7.6	37.7	30.1
2006	7,958	30,490	22,531	8.6	33.0	24.4
2007	12,736	31,870	19,134	11.9	29.7	17.8
2008 1/	14,803	30,648	15,845	11.6	24.1	12.5
2009 1/	16,424	34,598	18,174	12.9	27.2	14.3
2010 1/	18,254	36,197	17,943	11.9	23.5	11.7

1/ Preliminary data.
Source: BCRP and MEF.
Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 72
EVOLUTION OF LIQUIDITY AND CREDIT TO THE PRIVATE SECTOR 1/
 (% of GDP)

	Currency	Money	Quasi money	Broad money in domestic currency	Broad money in foreign currency	Broad money	Credit to the private sector in domestic currency	Credit to the private sector in foreign currency	Credit to the private sector
2001	2.6	4.0	3.3	7.2	15.3	22.5	5.3	20.0	25.3
2002	2.8	4.1	3.4	7.5	14.7	22.2	5.6	18.8	24.4
2003	3.0	4.4	3.3	7.6	13.5	21.1	5.8	16.8	22.5
2004	3.4	5.2	3.8	9.1	12.2	21.2	5.8	14.7	20.5
2005	3.8	5.9	5.0	10.9	12.9	23.7	7.1	14.8	21.9
2006	3.9	6.3	4.8	11.1	11.7	22.8	8.0	12.8	20.8
2007	4.4	7.4	6.0	13.4	11.7	25.1	9.9	13.7	23.6
2008	4.7	7.8	7.5	15.3	13.1	28.4	13.2	15.3	28.4
2009	5.0	8.6	8.4	17.1	12.4	29.5	15.0	13.6	28.7
2010	5.6	9.8	9.8	19.6	11.9	31.5	16.0	14.1	30.1

1/ Data at period end.
 Source: Depository institutions.
 Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 73
EVOLUTION OF LIQUIDITY AND CREDIT TO THE PRIVATE SECTOR 1/
(% change)

	Currency	Money	Quasi money	Broad money in domestic currency	Broad money in foreign currency	Broad money	Credit to the private sector in domestic currency	Credit to the private sector in foreign currency	Total credit to the private sector
2001	3.7	0.7	7.4	3.7	0.2	1.2	3.5	-2.9	-1.7
2002	17.1	12.6	14.7	13.6	-6.0	-0.4	7.7	-1.9	0.0
2003	9.6	10.4	4.9	7.8	0.7	3.0	13.3	-5.3	-1.4
2004	21.4	24.8	12.5	19.2	-0.5	6.1	8.7	-1.6	0.9
2005	28.5	29.5	41.3	34.6	2.6	14.7	20.0	2.3	6.9
2006	17.3	17.3	18.6	17.9	14.1	15.8	37.2	4.9	14.4
2007	24.6	29.7	33.6	31.5	8.0	18.6	34.8	10.0	18.8
2008	28.4	30.7	55.8	42.4	8.5	25.5	41.8	17.3	27.2
2009	8.2	8.5	8.9	8.7	22.2	14.5	32.0	7.6	18.6
2010	20.6	28.0	24.0	26.0	-1.7	13.3	19.0	4.5	11.8

1/ End of period data.

Source: Depository institutions.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 74
MONETARY ACCOUNTS OF THE FINANCIAL SYSTEM 1/
(Millions of nuevos soles)

	2001	2002	2003	2004	2005	2006	2007	2008 3/	2009 3/	2010 3/
I. SHORT TERM EXTERNAL ASSETS	28,093	33,718	34,820	40,771	47,504	56,032	78,658	97,820	95,863	125,521
(Millions of US\$)	8,167	9,606	10,064	12,430	13,849	17,510	26,219	31,153	33,170	44,669
A. Assets	33,647	37,136	37,704	43,531	51,622	58,944	86,176	103,774	100,495	129,249
B. Liabilities	5,554	3,418	2,883	2,760	4,118	2,912	7,518	5,955	4,632	3,728
II. OTHER NET OPERATIONS ABROAD	3,195	4,996	10,623	11,419	16,332	23,226	19,674	10,539	27,527	24,796
(Millions of US\$) 2/	477	955	2,542	2,927	4,762	6,279	6,149	2,793	8,293	7,564
A. Credits	8,919	10,183	16,021	17,098	21,953	29,560	35,365	31,241	44,075	49,370
B. Liabilities	5,724	5,187	5,398	5,679	5,621	6,334	15,691	20,703	16,549	24,574
III. DOMESTIC CREDIT (A+B-C+D)	27,971	26,847	28,199	30,641	37,990	44,071	59,663	55,588	72,625	89,953
A. Public sector	-8,363	-9,637	-8,772	-10,121	-8,908	-10,746	-17,920	-26,894	-22,401	-27,709
1. Credits	8,829	9,324	10,160	10,053	12,755	13,288	18,967	18,289	23,762	22,259
- Central government	8,192	8,782	9,586	9,520	12,387	13,063	18,733	17,469	23,088	21,742
- Rest of the public sector	637	542	574	533	367	225	235	820	673	518
2. Deposits	17,192	18,960	18,933	20,174	21,662	24,034	36,887	45,182	46,162	49,968
- Central government	5,272	6,855	7,980	10,073	12,160	13,738	21,680	29,739	32,037	36,036
- Rest of the public sector	11,920	12,106	10,952	10,101	9,502	10,296	15,207	15,443	14,125	13,932
B. Private sector	57,440	60,054	61,358	64,271	74,945	86,575	111,217	126,759	139,470	167,133
Domestic currency	14,387	17,107	20,183	23,796	29,984	41,436	58,036	65,656	81,257	101,142
Foreign currency	43,053	42,947	41,174	40,476	44,961	45,138	53,181	61,103	58,213	65,991
(Millions of US\$)	12,515	12,236	11,900	12,340	13,108	14,106	17,727	19,460	20,143	23,484
C. Capital, reserves, provisions, and balances	33,591	36,051	34,450	34,391	37,864	42,523	47,150	55,168	59,578	66,643
D. Others Assets and Liabilities (Net)	12,485	12,481	10,063	10,882	9,817	10,765	13,516	10,891	15,134	17,172
IV. MONETARY LIABILITIES										
WITH THE PRIVATE SECTOR (I+II+III)	59,259	65,562	73,642	82,831	101,825	123,329	157,995	163,946	196,015	240,270
A. Domestic currency	26,704	31,289	38,891	48,047	62,016	80,843	109,405	109,017	138,906	177,963
1. Money	7,509	8,197	9,312	12,420	15,489	18,918	24,753	28,852	33,048	42,583
Notes and coins held by the public	4,911	5,573	6,319	7,982	10,036	11,687	14,857	17,336	19,241	24,131
Demand deposits in domestic currency	2,598	2,624	2,993	4,438	5,453	7,231	9,895	11,516	13,807	18,452
2. Quasi money	19,195	23,092	29,579	35,627	46,527	61,925	84,652	80,165	105,858	135,381
Saving deposits	2,985	3,090	3,615	4,201	5,767	6,658	8,543	11,667	13,824	18,069
Term deposits	2,482	3,016	3,116	4,575	6,630	7,318	10,972	15,506	17,666	23,792
Pension funds	12,350	15,754	21,844	25,651	32,223	45,547	60,406	49,380	68,595	86,391
Other securities	1,378	1,231	1,004	1,201	1,908	2,401	4,731	3,611	5,772	7,128
B. Quasi money in foreign currency	32,555	34,273	34,751	34,784	39,809	42,485	48,590	54,930	57,108	62,306
(Millions of US\$)	9,464	9,764	10,044	10,605	11,606	13,277	16,197	17,494	19,761	22,173
1. Deposits	28,532	29,113	28,241	28,400	33,160	34,973	38,946	48,061	47,171	51,536
2. Other	4,023	5,160	6,510	6,384	6,649	7,512	9,644	6,868	9,937	10,770

1/ Foreign currency is valued at the average bid and ask exchange rate at the end of each period.

2/ Balance of operations in foreign currency.

3/ Preliminary data.

Source: Depository institutions.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 75
MONETARY ACCOUNTS OF THE DEPOSITORY INSTITUTIONS 1/
(Millions of nuevos soles)



	2001	2002	2003	2004	2005	2006	2007	2008 3/	2009 3/	2010 3/
I. SHORT TERM EXTERNAL ASSETS	28,562	33,898	35,072	40,903	47,582	56,057	79,041	97,892	95,803	125,583
(Millions of US\$)	8,303	9,658	10,136	12,470	13,872	17,518	26,347	31,176	33,150	44,691
A. Assets	33,331	36,900	37,540	43,367	51,381	58,645	85,849	103,320	100,021	128,798
B. Liabilities	4,769	3,001	2,468	2,464	3,799	2,588	6,808	5,428	4,218	3,215
II. OTHER NET OPERATIONS ABROAD	557	564	1,573	973	939	1,466	- 7,096	- 11,186	- 6,502	- 17,106
(Millions of US\$) 2/	174	174	441	292	285	399	- 1,390	- 2,549	- 1,729	- 5,564
A. Credits	4,793	4,273	5,401	5,024	4,928	6,020	6,443	7,034	8,178	5,675
B. Liabilities	4,235	3,709	3,829	4,050	3,989	4,554	13,539	18,220	14,680	22,781
III. DOMESTIC CREDIT (A+B-C+D)	13,473	9,850	8,410	8,615	13,576	11,408	12,122	18,505	23,524	28,366
A. Public sector	- 9,257	- 10,590	- 10,710	- 13,176	- 14,448	- 18,537	- 31,400	- 39,227	- 37,940	- 42,378
1. Credits	7,541	7,840	7,488	6,594	6,837	5,155	5,125	5,505	7,895	7,302
- Central government	6,929	7,326	6,914	6,061	6,470	4,930	4,890	4,685	7,222	6,784
- Rest of the public sector	611	514	574	533	367	225	235	820	673	518
2. Deposits	16,798	18,430	18,198	19,770	21,285	23,692	36,526	44,731	45,836	49,680
- Central government	5,110	6,617	7,709	9,921	11,980	13,648	21,569	29,652	31,932	35,900
- Rest of the public sector	11,688	11,813	10,489	9,849	9,305	10,045	14,957	15,079	13,904	13,780
B. Private sector	47,552	48,184	47,174	47,466	55,599	60,076	76,924	102,056	106,812	124,480
Domestic currency	10,075	11,174	12,362	13,800	18,570	24,186	33,348	48,832	57,445	69,626
Foreign currency	37,476	37,010	34,812	33,666	37,030	35,890	43,576	53,223	49,367	54,854
(Millions of US\$)	10,894	10,544	10,061	10,264	10,796	11,216	14,525	16,950	17,082	19,521
C. Capital, reserves, provisions, and balances	24,608	26,569	24,531	24,445	25,559	26,614	30,271	36,489	39,833	43,932
D. Others Assets and Liabilities (Net)	- 214	- 1,175	- 3,523	- 1,230	- 2,016	- 3,516	- 3,130	- 7,835	- 5,515	- 9,803
IV. MONETARY LIABILITIES										
WITH THE PRIVATE SECTOR (I+II+III)	42,592	44,312	45,054	50,492	62,097	68,931	84,067	105,211	112,825	136,843
A. Domestic currency	13,664	14,944	16,256	21,540	28,467	33,573	44,862	56,742	65,282	85,171
1. Money	7,509	8,197	9,312	12,420	15,489	18,918	24,753	28,852	33,048	42,583
Notes and coins held by the public	4,911	5,573	6,319	7,982	10,036	11,687	14,857	17,336	19,241	24,131
Demand deposits in domestic currency	2,598	2,624	2,993	4,438	5,453	7,231	9,895	11,516	13,807	18,452
2. Quasi money	6,155	6,747	6,945	9,120	12,978	14,655	20,109	27,890	32,233	42,589
Saving deposits	2,985	3,090	3,615	4,201	5,767	6,658	8,543	11,667	13,824	18,069
Term deposits	2,482	3,016	3,116	4,575	6,630	7,318	10,972	15,506	17,666	23,792
Other values	688	641	213	344	581	678	594	717	743	728
B. Quasi money in foreign currency	28,928	29,368	28,798	28,952	33,630	35,358	39,205	48,468	47,543	51,671
(Millions of US\$)	8,409	8,367	8,323	8,827	9,805	11,049	13,068	15,436	16,451	18,388

1/ Foreign currency is valued at the average bid and ask exchange rate at the end of period.

2/ Balance of operations in foreign currency.

3/ Preliminary data.

Source: Depository institutions.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 76
MONETARY ACCOUNT OF BANCO CENTRAL DE RESERVA DEL PERÚ 1/
(Millions of nuevos soles)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
I. NET INTERNATIONAL RESERVES	29,630	33,689	35,272	41,430	48,353	55,279	83,066	97,955	95,760	123,935
(Millions of US\$)	8,613	9,598	10,194	12,631	14,097	17,275	27,689	31,196	33,135	44,105
A. Assets	30,403	34,014	35,313	41,488	48,430	55,453	83,161	98,070	95,877	124,063
B. Liabilities	773	324	40	59	77	174	94	115	117	127
II. OTHER NET LIABILITIES ABROAD	41	42	39	35	34	29	-2,583	-2,111	-168	73
(Millions of US\$) 2/	12	12	12	11	10	9	28	28	27	26
A. Credits	2,941	2,822	3,098	3,263	3,187	3,138	3,171	3,172	2,405	2,307
B. Liabilities	2,900	2,780	3,058	3,228	3,153	3,109	5,754	5,283	2,573	2,234
III. DOMESTIC CREDIT (A+B+C-D+E)	-11,496	-14,128	-14,334	-14,574	-13,701	-22,561	-31,663	-37,840	-41,831	-45,590
A. Public sector	-8,557	-10,112	-9,665	-10,475	-9,712	-12,988	-17,558	-24,586	-25,318	-30,327
1. Credits	396	350	237	39	0	0	0	0	0	0
2. Deposits	8,953	10,462	9,903	10,514	9,712	12,988	17,558	24,586	25,318	30,327
- Central government	1,447	2,430	3,188	4,835	5,295	9,004	14,317	22,073	24,674	28,083
- Other public sector 3/	7,506	8,032	6,715	5,678	4,417	3,984	3,241	2,513	644	2,244
B. Private sector	0	0	0	0	0	0	0	0	0	0
C. Banking system 4/	-749	-851	-1,414	-1,941	-1,127	-6,642	-11,264	-5,316	-9,547	-10,123
- Banco de la Nación	-749	-1,021	-1,414	-1,941	-3,977	-6,642	-11,264	-10,728	-9,547	-10,123
- Development banks	0	0	0	0	0	0	0	0	0	0
- Banks	0	170	0	0	2,850	0	0	5,412	0	0
D. Capital, reserves, provisions, and balance	567	709	802	592	598	1,317	2,429	3,697	4,167	3,609
E. Other assets and liabilities (net)	-1,623	-2,455	-2,453	-1,566	-2,263	-1,614	-412	-4,240	-2,799	-1,531
IV. MONETARY LIABILITIES										
WITH THE PRIVATE SECTOR (I+II+III)	18,175	19,604	20,978	26,890	34,686	32,747	48,821	58,004	53,762	78,418
A. Domestic currency	7,930	8,758	11,503	17,478	20,511	21,902	35,436	38,140	37,717	59,362
1. Monetary base	6,087	6,759	7,441	9,327	11,724	13,864	17,779	22,311	23,548	34,208
1.1 Notes and coins issued	5,993	6,620	7,309	9,047	11,448	13,651	16,999	20,458	22,539	28,077
- In vault	1,082	1,047	990	1,065	1,412	1,964	2,142	3,122	3,298	3,942
- In circulation	4,911	5,573	6,319	7,982	10,036	11,687	14,857	17,336	19,241	24,135
1.2 Deposits	94	139	132	280	276	212	780	1,853	1,009	6,131
- Banks	77	96	60	208	76	89	199	944	503	3,687
- Banco de la Nación 5/	0	0	0	0	0	0	410	720	330	1,700
- Other financial entities	17	43	73	72	199	124	171	188	176	744
2. Others deposits 6/	39	65	0	52	60	247	20	23	842	21,467
3. Securities issued 7/	1,803	1,934	4,062	8,100	8,728	7,792	17,636	15,807	13,327	3,687
B. Foreign currency	10,245	10,846	9,475	9,412	14,174	10,845	13,385	19,864	16,045	19,056
(Millions of US\$)	2,978	3,090	2,738	2,869	4,132	3,389	4,462	6,326	5,552	6,782
1. Deposits	10,245	10,846	9,474	9,411	14,174	10,844	13,384	19,863	16,044	19,055
1.1 Banks	10,131	10,698	9,296	9,219	13,979	10,599	13,189	19,772	15,787	18,701
1.2 Other financial entities	114	148	179	192	195	246	195	91	257	354
2. Certificates	0	0	0	0	1	1	1	1	1	1

1/ Foreign currency is valued at the average bid and ask exchange rate at the end of period.

2/ Includes only operations in foreign currency

3/ Includes COFIDE.

4/ Since January 31, 1994, the balances of credits to Banco de la Nación and development banks in process of dissolution are net of their deposits at the BCRP.

5/ Since December 31, 2007, the monetary base includes deposits in domestic currency in the current account of Banco de la Nación.

6/ Financial entities' sterilization deposits in domestic currency (overnight deposits and auctions of term deposits) are also included here

7/ Includes BCRP securities purchased by banks and the private sector. The value of Indexed Certificates of Deposits is indexed to the exchange rate.

Source: BCRP.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 77
OPERATIONS OF THE BANCO CENTRAL DE RESERVA DEL PERÚ
 (Millions of nuevos soles)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
I NET INTERNATIONAL POSITION	450	435	3,465	6,239	2,360	9,141	21,914	311	- 562	25,362
(Millions of US\$)	135	128	998	1,854	767	2,861	7,070	488	- 48	9,010
1. Foreign exchange operations	145	- 32	1,050	2,340	2,699	3,944	10,306	2,754	108	8,963
2. Public sector	- 9	157	- 51	- 487	- 1,935	- 1,084	- 3,275	- 2,316	- 261	- 50
3. Others	- 1	3	- 1	2	3	1	39	50	105	96
II NET DOMESTIC ASSETS	- 53	227	- 2,720	- 4,576	- 306	- 7,490	- 18,744	2,167	2,467	- 20,472
1. Public sector deposits	125	- 81	- 921	- 721	- 2,821	- 5,434	- 6,751	- 6,644	2,561	- 5,720
2. Repos	0	170	- 170	0	2,850	- 2,850	0	5,412	- 5,412	0
3. BCRP Certificates of Deposit (CDBCRP)	- 480	205	- 2,462	- 4,158	578	- 389	- 13,393	13,737	- 6,399	14,091
4. BCRP Indexed Certificates of Deposit (CDR)	0	- 319	319	0	- 1,202	1,202	0	- 4,425	4,425	0
5. BCRP Certificates of Deposit with restricted negotiation	0	0	0	0	0	0	0	- 6,483	6,483	0
6. BCRP Certificates of Deposit payable in dollars	0	0	0	0	0	0	0	0	0	- 450
7. BCRP Variable rate Certificates of Deposit	0	0	0	0	0	0	0	0	0	- 3,196
8. Term deposits	0	0	0	0	0	0	0	0	0	- 20,788
9. Overnight deposits	- 7	- 26	65	- 52	- 8	- 188	227	- 3	- 819	163
10. Reserve requirements in domestic currency	- 48	- 10	63	- 223	- 343	- 488	- 746	- 2,053	668	- 5,770
11. Other	358	287	385	577	639	657	1,919	2,626	961	1,198
III CURRENCY	397	662	745	1,663	2,054	1,652	3,170	2,478	1,905	4,890
Memo: Balance at end of period										
- CDBCRP	1,840	1,635	4,097	8,255	7,676	8,066	21,458	7,721	14,121	30
- CDR-BCRP	0	309	0	0	1,201	0	0	4,465	0	0
- CDBCRP with restricted negotiation	0	0	0	0	0	0	0	6,483	0	0
- CDLD BCRP	0	0	0	0	0	0	0	0	0	450
- CDV BCRP 1/	0	0	0	0	0	0	0	0	0	3,207
- Term deposits (DP BCRP)	0	0	0	0	0	0	0	0	0	20,788
- Public sector deposits	194	275	1,196	1,918	4,738	10,172	16,924	23,568	21,006	26,726

1/ Includes the readjustment of the balance due to change in the BCRP reference rate.

Memo:

CD BCRP: BCRP Certificates of Deposit.

CDR BCRP: BCRP Indexed Certificates of Deposit.

CDLD BCRP: BCRP Certificates of Deposit payable in dollars.

CDV BCRP: BCRP Certificates of Deposit with variable rate.

Source: BCRP.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 78
FLOWS OF NET INTERNATIONAL RESERVES (NIRs)
(Millions of US\$)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
I. FOREIGN EXCHANGE OPERATIONS	135	128	998	1,854	767	2,861	7,070	488	- 48	9,010
1. Over the Counter operations	145	- 32	1,050	2,340	2,699	3,944	10,306	2,754	108	8,963
a. Purchases of FC	203	95	1,050	2,340	3,130	4,299	10,306	8,733	1,256	8,963
b. Sales of FC	- 58	- 127	0	0	- 431	- 355	0	- 5,979	1,149	0
2. Operations with the public sector	- 9	157	- 51	- 487	- 1,935	- 1,084	- 3,275	- 2,316	- 261	- 50
3. Other operations (net)	- 1	3	- 1	2	3	1	39	50	105	96
II. BANKS' DEPOSITS	245	185	- 488	23	1,251	- 684	1,154	1,946	- 728	1,473
III. PUBLIC SECTOR DEPOSITS	- 158	364	- 139	359	- 587	245	630	- 134	1,030	36
IV. NET INTERESTS	216	195	174	188	261	329	773	1,049	828	669
V. OTHER	- 5	113	52	13	- 226	427	787	158	857	- 218
VI. TOTAL	<u>433</u>	<u>985</u>	<u>596</u>	<u>2,437</u>	<u>1,466</u>	<u>3,178</u>	<u>10,414</u>	<u>3,507</u>	<u>1,939</u>	<u>10,970</u>

Source: BCRP.
Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 79
MONETARY ACCOUNT OF COMMERCIAL BANKS 1/
(Millions of nuevos soles)



	2001	2002	2003	2004	2005	2006 4/	2007 4/	2008 4/	2009 4/	2010 4/
I. NET EXTERNAL ASSETS	- 1,422	56	- 348	- 611	- 992	396	- 4,247	- 161	- 134	1,444
(Millions of US\$)	- 413	16	- 101	- 186	- 289	124	- 1,416	- 51	- 46	514
A. Assets	2,573	2,733	2,080	1,794	2,730	2,810	2,467	5,152	3,967	4,532
B. Liabilities	3,995	2,677	2,428	2,405	3,722	2,414	6,714	5,313	4,101	3,088
II. OTHER NET OPERATIONS ABROAD	522	481	1,458	890	766	1,410	- 4,790	- 8,800	- 6,022	- 16,496
(Millions of US\$) 2/	157	147	405	264	233	372	- 1,537	- 2,561	- 1,833	- 5,526
A. Credits	1,725	1,325	2,192	1,668	1,511	2,674	2,732	3,487	5,059	2,880
B. Liabilities	1,204	844	734	778	745	1,264	7,522	12,287	11,081	19,376
III. DOMESTIC CREDIT (A+B+C-D+E)	43,468	44,092	42,396	43,632	53,021	55,153	77,197	98,145	98,508	128,833
A. Public sector	- 5,425	- 4,588	- 4,123	- 4,987	- 5,032	- 5,855	- 9,052	- 11,636	- 9,396	- 7,810
1. Credits	1,836	2,379	2,213	1,977	2,453	2,381	2,055	2,145	3,422	4,110
- Central government	1,479	1,979	1,980	1,645	2,096	2,104	1,744	1,756	2,617	3,089
- Rest of the public sector 3/	357	399	233	332	357	277	311	389	804	1,022
2. Deposits	7,261	6,967	6,336	6,964	7,486	8,236	11,107	13,780	12,817	11,920
- Central government	2,125	2,109	2,199	2,485	2,941	887	1,625	1,785	1,309	706
- Rest of the public sector 3/	5,137	4,857	4,137	4,479	4,545	7,349	9,482	11,996	11,509	11,214
B. Private sector	44,855	44,668	42,535	41,850	48,694	51,809	67,543	90,599	91,349	104,167
1. Domestic currency	8,727	9,152	9,536	10,155	13,871	18,231	25,816	39,252	43,927	52,207
2. Foreign currency	36,128	35,515	32,999	31,695	34,822	33,578	41,727	51,347	47,422	51,960
(Millions of US\$)	10,502	10,118	9,537	9,663	10,152	10,493	13,909	16,353	16,409	18,491
C. Interbank operations (net)	12,431	13,010	12,913	15,342	19,124	18,720	29,483	31,896	30,803	49,683
1. BCRP	12,181	12,895	12,938	15,347	19,113	18,808	29,527	31,949	31,112	49,751
- Cash	727	738	717	766	1,040	1,531	1,609	2,372	2,471	3,041
- Deposits and securities	11,455	12,326	12,221	14,581	20,923	17,277	27,919	34,989	28,642	46,710
- Liabilities	0	170	0	0	2,850	0	0	5,412	0	0
2. Banco de la Nación	250	205	7	12	13	20	22	- 7	- 291	- 58
- Credits and deposits	256	217	14	15	18	23	26	19	25	36
- Liabilities	7	13	7	3	5	3	4	26	315	94
3. Development bank	0	- 90	- 32	- 17	- 1	- 108	- 66	- 47	- 18	- 10
- Credits and deposits	0	0	0	0	0	0	15	6	5	4
- Liabilities	0	90	32	17	1	108	81	52	23	15
D. Capital, reserves, provisions and balances	18,149	19,763	17,679	17,622	18,153	18,388	20,113	24,114	26,461	29,870
E. Others Assets and Liabilities (net)	9,755	10,765	8,750	9,049	8,389	8,867	9,335	11,400	12,212	12,662
IV. MONETARY LIABILITIES WITH THE PRIVATE SECTOR (I+II+III)	42,568	44,629	43,506	43,912	52,796	56,959	68,160	89,185	92,352	113,781
A. Liquidity in domestic currency	10,055	11,066	11,275	12,964	16,364	20,097	27,095	36,643	40,297	57,334
1. Demand deposits	2,568	2,551	2,843	3,912	4,843	6,444	8,924	10,140	12,114	16,433
2. Saving deposits	2,481	2,475	2,788	3,121	4,170	4,748	6,177	8,749	10,281	13,429
3. Term deposits	4,223	5,087	5,187	5,463	6,838	8,053	10,272	15,556	15,314	24,694
4. Negotiable securities	783	953	457	468	513	853	1,722	2,197	2,588	2,778
B. Liquidity in foreign currency	32,513	33,563	32,231	30,948	36,432	36,862	41,065	52,542	52,054	56,447
(Millions of US\$)	9,451	9,562	9,315	9,435	10,621	11,519	13,688	16,733	18,012	20,088

1/ Foreign currency is valued at the average bid and ask exchange rate at the end of period.

2/ Includes only operations in foreign currency.

3/ Includes operations with COFIDE.

4/ Preliminary data.

Source: Commercial banks.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 80
MONETARY ACCOUNT OF BANCO DE LA NACIÓN 1/
(Millions of nuevos soles)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
I. NET EXTERNAL ASSETS	354	153	147	84	221	381	222	98	177	204
(Millions of US\$)	103	44	43	26	64	119	74	31	61	72
A. Assets	355	153	147	84	221	381	222	98	177	204
B. Liabilities	1	0	0	0	0	0	0	0	0	0
II. OTHER NET OPERATIONS ABROAD	92	69	47	44	170	110	465	257	617	381
(Millions of US\$)	27	20	13	13	50	34	155	82	213	136
A. Credits	92	69	47	44	170	110	465	257	617	381
B. Liabilities	0	0	0	0	0	0	0	0	0	0
III. Domestic credit (A+B+C-D+E)	620	1,048	1,198	1,729	1,954	2,469	2,900	3,964	4,388	5,795
A. Public sector	2,952	2,740	2,133	1,405	- 360	- 2,587	- 7,967	- 6,279	- 4,990	- 6,017
1. Credits	5,403	5,226	5,052	4,655	4,557	2,865	3,261	3,807	5,235	4,078
- Central government	5,027	4,928	4,651	4,342	4,326	2,781	3,104	2,890	4,568	3,656
- Rest of the public sector 3/	376	298	401	312	231	84	157	917	667	422
2. Deposits	2,451	2,487	2,919	3,250	4,916	5,451	11,228	10,086	10,224	10,095
- Central government	1,478	1,955	2,151	2,388	3,499	3,730	5,572	5,794	5,949	7,104
- Rest of the public sector 3/	973	531	768	862	1,417	1,722	5,656	4,292	4,275	2,991
B. Private sector	347	562	588	1,124	1,353	1,378	2,291	2,110	2,338	2,848
C. interbank operations (net)	821	1,083	1,626	2,173	4,256	6,946	12,057	12,034	10,737	12,462
1. BCRP	1,071	1,288	1,635	2,186	4,270	6,966	12,080	12,026	10,449	12,410
- Cash	322	267	221	245	292	324	406	578	572	587
- Deposits and securities	749	1,021	1,414	1,941	3,977	6,642	11,674	11,448	9,877	11,823
- Liabilities	0	0	0	0	0	0	0	0	0	0
2. Banco de la Nación	0	0	-2	-1	-1	0	0	1	-3	-6
- Credits and deposits	0	0	0	0	0	0	0	1	0	0
- Liabilities	0	0	2	1	1	0	0	0	3	6
3. Development bank	-250	-205	-7	-12	-13	-20	-22	7	291	58
- Credits and deposits	7	13	7	3	5	3	4	26	315	94
- Liabilities	256	217	14	15	18	23	26	19	25	36
D. Capital, reserves, provisions and balances	4,032	3,938	3,861	3,800	3,917	3,866	4,565	4,979	4,742	4,759
E. Others Assets and Liabilities (net)	532	602	711	828	621	598	1,084	1,078	1,044	1,261
IV. MONETARY LIABILITIES WITH THE PRIVATE SECTOR										
(I+II+III)	1,066	1,270	1,392	1,857	2,345	2,960	3,587	4,318	5,182	6,380
A. Liquidity in domestic currency	740	900	1,080	1,549	2,017	2,666	3,244	3,950	4,769	5,993
1. Demand deposits	265	330	410	672	799	1,168	1,443	1,904	2,249	2,814
2. Saving deposits	452	540	644	855	1,193	1,466	1,765	2,003	2,438	3,052
3. Term deposits	23	30	26	23	25	31	37	43	82	127
B. Liquidity in foreign currency	326	370	312	308	327	295	344	368	412	387
(Millions of US\$)	95	105	90	94	95	92	115	117	143	138

1/ Foreign currency is valued at the average bid and ask exchange rate at the end of period.

2/ Includes operations with COFIDE.

3/ Preliminary data.

Source: Commercial banks.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 81
NOMINAL AND REAL INTEREST RATES IN DOMESTIC CURRENCY AND FOREIGN CURRENCY
 (Annual effective rate at year-end)

	DOMESTIC CURRENCY										FOREIGN CURRENCY									
	Average lending rate (TAMN)		Loans up to 360 days 1/		Average deposits rate (TIPMN)		Savings		Interbank rate		Average lending rate (TAMEX)		Loans up to 360 days 1/		Average deposits rate (TIPMEX)		Savings		Interbank rate	
	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/
2001	23.0	23.1	17.2	17.3	5.1	5.2	3.0	3.1	3.1	3.3	10.2	7.7	8.7	6.2	2.2	-0.1	1.2	-1.1	2.1	-0.2
2002	20.7	18.9	14.8	13.1	3.6	2.1	1.7	0.2	3.8	2.3	10.2	11.0	8.1	8.9	1.3	2.1	0.7	1.5	2.2	3.0
2003	22.3	19.3	14.0	11.2	2.5	0.1	1.3	-1.2	2.5	0.0	9.3	5.4	7.2	3.4	1.0	-2.7	0.6	-3.0	1.1	-2.6
2004	25.4	21.1	14.7	10.8	2.5	-1.0	1.3	-2.2	3.0	-0.5	9.2	-0.3	7.7	-1.6	1.2	-7.5	0.6	-8.1	2.2	-6.6
2005	23.6	21.8	13.9	12.3	2.6	1.1	1.2	-0.3	3.3	1.8	10.4	13.5	9.4	12.5	1.8	4.7	0.6	3.4	4.2	7.1
2006	23.1	21.7	13.8	12.5	3.2	2.0	1.4	0.3	4.5	3.3	10.8	2.5	10.1	1.8	2.2	-5.5	0.7	-6.8	5.4	-2.5
2007	22.3	17.7	13.2	9.0	3.3	-0.6	1.5	-2.4	5.0	1.0	10.5	-1.2	9.7	-1.8	2.5	-8.3	0.8	-9.8	5.9	-5.2
2008	23.0	15.3	15.2	8.1	3.8	-2.6	1.4	-4.9	6.5	-0.1	10.5	8.3	9.9	7.6	1.9	-0.2	0.8	-1.2	1.0	-1.1
2009	19.9	19.7	11.1	10.9	1.6	1.3	0.7	0.5	1.2	1.0	8.6	0.1	6.4	-1.9	0.9	-7.0	0.4	-7.4	0.2	-7.6
2010	18.7	16.3	4.4	2.3	1.8	-0.3	0.5	-1.5	3.0	0.9	8.5	4.0	2.7	-1.5	0.8	-3.4	0.3	-3.8	1.1	-3.1

1/ Since 2010, corresponds to corporate credits.

2/ Nominal interest rate minus last twelve month inflation.

3/ Nominal interest rate adjusted to last 12-month exchange rate variations minus last 12-month inflation.

Source: SBS and BCRP.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 82
COMMERCIAL BANKS: INDICATORS OF FINANCIAL SOUNDNESS
 (%)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. OPERATIONAL EFFICIENCY										
Global Leverage (Number of times)	7.84	7.98	7.53	7.15	8.35	8.01	8.24	8.44	7.42	7.34
2. PORTFOLIO QUALITY										
Non-performing loans / Direct loans	9.01	7.58	5.80	3.71	2.14	1.63	1.26	1.27	1.56	1.49
Non-performing loans in domestic currency / Direct loans in DC	5.21	5.17	3.99	3.01	2.09	1.88	1.56	1.68	1.99	1.88
Non-performing loans in foreign currency / Direct loans in FC	9.93	8.19	6.32	3.93	2.15	1.49	1.07	0.97	1.16	1.13
Refinanced and restructured loans / Direct loans	7.99	6.97	6.37	5.83	4.13	2.45	1.41	0.90	1.15	1.09
Provisions / Non performing loans	118.93	133.16	141.10	176.46	235.26	251.40	278.39	258.74	242.20	245.62
Provisions / Non performing loans + refinanced and restructured loans)	63.07	69.33	67.24	68.56	80.15	100.30	131.59	151.05	139.34	141.95
3. MANAGEMENT										
Operative expenses / (Financial margin + non financial net revenues)	68.71	64.49	63.70	59.93	52.56	51.81	49.74	47.53	44.98	45.09
4. PROFITABILITY										
Net profit / Average equity (ROE)	4.46	8.43	10.85	11.26	22.16	23.86	27.86	31.06	24.53	24.21
Net profit / Average asset (ROA)	0.43	0.83	1.11	1.18	2.18	2.18	2.49	2.56	2.27	2.35
5. LIQUIDITY 1/										
Liquidity ratio in domestic currency	22.55	23.47	32.85	44.76	38.58	43.08	57.28	26.25	38.77	54.61
Liquidity ratio in foreign currency	45.96	49.26	43.90	44.32	49.23	44.99	36.95	52.96	41.67	41.11
<small>1/ Monthly averages of liquid assets divided by banks' short term liabilities in domestic currency and foreign currency. Source: Banks, and SBS. Elaborated by the Department of Monetary Operations and Financial Stability, BCRP..</small>										

APPENDIX 83
PRIMARY BOND MARKET
(Millions of nuevos soles)



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
I. BONDS ISSUED BY THE PRIVATE SECTOR1/										
BALANCE BY TYPE OF BOND	8,173	8,302	9,931	11,538	12,898	14,193	16,300	18,260	20,087	20,359
Leasing bonds	2,761	2,302	1,708	1,412	1,401	1,067	1,105	1,422	1,372	1,326
Subordinate bonds	953	882	1,034	976	1,010	965	1,024	1,286	1,589	1,426
Mortgage-backed bonds	86	105	104	180	240	212	220	210	193	188
Securitization bonds	859	865	1,029	1,449	2,215	2,158	2,226	2,251	1,880	1,622
Corporate	3,514	4,148	6,055	7,521	8,032	9,792	11,725	13,091	15,053	15,798
BALANCE BY MATURITY	8,173	8,302	9,931	11,538	12,898	14,193	16,300	18,260	20,087	20,359
Up to 3 years	1,518	1,639	2,062	2,185	2,046	2,008	2,266	2,398	2,608	2,681
More than 3 years, up to 5 years	3,373	2,899	2,702	3,015	3,689	3,911	4,350	4,533	5,339	4,554
More than 5 years	3,283	3,764	5,167	6,339	7,163	8,274	9,685	11,645	12,139	13,114
PARTICIPATION BY CURRENCIES	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Fixed-income bonds in nuevos soles	4.7	7.1	11.0	12.3	15.8	25.4	34.6	38.4	41.9	42.1
Variable-income bonds in nuevos soles	19.2	19.1	19.7	18.6	15.2	10.1	9.7	10.3	9.4	9.2
US dollars	76.1	73.8	69.3	69.1	69.0	64.5	55.7	51.2	48.8	48.6
NUMBER OF ISSUERS 2/	25	25	29	36	40	44	47	46	46	48
II. TREASURY BONDS 3/										
1. BALANCE OF FIXED-INCOME BONDS	1,200	1,884	2,461	2,685	8,096	9,728	16,668	17,384	18,731	25,838
Up to 3 years	1,200	1,884	2,018	1,350	1,543	1,133	1,064	1,968	1,573	289
More than 3 years, up to 5 years	--	--	443	634	1,067	1,563	1,424	9	-	1,587
More than 5 years, up to 10 years	--	--	--	700	1,830	1,626	4,070	4,070	4,250	10,121
More than 10 years	--	--	--	--	3,655	5,405	10,110	11,337	12,908	13,842
2. BALANCE OF VARIABLE INCOME BONDS	--	49	199	1,066	1,982	2,034	2,124	2,124	2,115	2,260
Up to 10 years	--	49	199	600	600	267	267	267	196	247
More than 10 years, up to 20 years	--	--	--	466	1,025	811	811	811	107	902
More than 20 years, up to 30 years	--	--	--	--	357	911	911	911	1,678	911
More than 30 years	--	--	--	--	--	45	135	135	135	200
TOTAL BALANCE: (1)+(2)	1,200	1,933	2,660	3,751	10,077	11,762	18,792	19,508	20,846	28,097
Memo:										
Sovereign bonds (% of GDP)	0.6	1.0	1.2	1.6	3.9	3.9	5.6	5.3	5.5	6.5

1/ Includes only bonds negotiated through auctions.

2/ Includes only corporate and securitisation bonds issued by non-financial entities.

3/ Sovereign bonds are classified according to their residual maturity term.

Source: Corporate issuers, CONASEV, and MEF.

Elaborated by the Department of Economic Studies, BCRP.

**APPENDIX 84
PRIVATE PENSION SYSTEM**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
I. FUND VALUE										
Millions of nuevos soles	12,350	15,754	21,844	25,651	32,223	45,547	60,406	49,380	68,595	86,391
Annual % growth	28.7	27.6	38.7	17.4	25.6	41.4	32.6	-18.3	38.9	25.9
% of GDP	6.5	7.9	10.2	10.8	12.3	15.1	18.0	13.3	17.9	19.9
II. NUMBER OF MEMBERS										
In thousands	2,732	2,994	3,193	3,397	3,637	3,882	4,101	4,296	4,458	4,642
Annual % growth	10.5	9.6	6.6	6.4	7.1	6.7	5.6	4.8	3.8	4.1
III. ANNUAL YIELD1/										
Nominal	10.9	12.9	24.3	9.3	20.2	28.3	25.0	-21.9	33.2	18.4
Real	11.1	11.2	21.2	5.6	18.4	26.8	20.2	-26.7	32.9	16.0
IV. COMPOSITION OF INVESTMENT PORTFOLIO										
In %s										
<u>Government securities</u>	<u>13.8</u>	<u>12.9</u>	<u>19.5</u>	<u>24.2</u>	<u>20.3</u>	<u>19.1</u>	<u>21.9</u>	<u>25.2</u>	<u>20.1</u>	<u>16.1</u>
Central government securities	6.3	8.6	12.9	11.9	14.6	17.0	20.6	24.3	19.6	16.1
Central Bank securities	3.2	2.7	4.2	10.4	4.7	1.3	1.3	0.9	0.5	0.0
Brady bonds	4.3	1.6	2.4	1.9	1.0	0.8	0.0	0.9	0.0	0.0
<u>Financial institutions</u>	<u>39.4</u>	<u>34.7</u>	<u>23.2</u>	<u>13.4</u>	<u>14.0</u>	<u>11.7</u>	<u>8.1</u>	<u>17.4</u>	<u>11.7</u>	<u>15.4</u>
Deposits in domestic currency	14.8	14.7	11.5	5.9	4.5	4.9	2.1	4.3	1.8	5.0
Deposits in foreign currency 2/	7.5	10.8	5.3	1.9	3.0	0.6	0.3	3.7	0.7	1.2
Shares	1.7	0.6	0.4	0.6	0.8	0.8	1.6	1.6	2.7	2.5
Bonds	14.4	7.7	4.8	3.6	2.9	2.4	2.4	4.2	3.4	3.4
Other 3/	1.1	0.9	1.1	1.4	2.8	3.0	1.7	3.6	3.1	3.3
<u>Non-financial institutions</u>	<u>42.0</u>	<u>45.3</u>	<u>48.9</u>	<u>52.2</u>	<u>55.6</u>	<u>60.7</u>	<u>56.8</u>	<u>45.0</u>	<u>47.2</u>	<u>42.2</u>
Common and investment stocks	23.5	30.7	35.2	37.0	35.6	41.6	39.7	22.9	29.3	29.2
Corporate bonds	14.3	11.4	11.5	11.3	10.7	12.0	13.0	18.2	14.2	9.5
Other 4/	4.2	3.2	2.1	3.9	9.3	7.1	4.1	3.9	3.7	3.5
<u>Investment abroad</u>	<u>4.8</u>	<u>7.1</u>	<u>8.7</u>	<u>10.2</u>	<u>10.1</u>	<u>8.5</u>	<u>13.2</u>	<u>12.4</u>	<u>21.0</u>	<u>26.3</u>
Other countries' debt bonds	3.1	2.9	1.2	1.2	0.6	2.2	0.3	2.4	1.2	2.5
Foreign mutual funds	1.4	4.2	0.0	8.9	9.5	6.3	10.4	6.4	5.8	7.4
Foreign shares	0.0	0.0	7.4	0.1	0.0	0.0	0.2	0.8	5.4	5.9
American Depository Shares (ADS)	0.2	0.0	0.0	0.0	0.0	0.0	0.2	0.7	5.1	5.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	2.0	2.2	3.4	5.6

1/ Since December 2005, annual yields correspond to the yield of Type 2 Fund.

2/ Includes current account and certificates in foreign currency.

3/ Includes mortgage bonds and guaranteed promissory notes.

4/ Includes commercial bonds, repos, and promissory notes.

Source: SBS.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 85
LIMA STOCK EXCHANGE



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
I. STOCK EXCHANGE INDICES										
(Base: 31/12/91 = 100)										
General Index	1,176.5	1,392.0	2,435.0	3,710.4	4,802.3	12,884.2	17,524.8	7,048.7	14,167.2	23,374.6
Blue Chip Index	1,917.2	2,202.3	3,993.9	6,159.6	7,681.1	22,159.3	29,035.5	11,691.3	22,434.1	32,050.4
II. SECTOR INDICES										
(Base: 10/31/98 = 100)										
Agriculture and livestock	56.4	59.2	57.5	89.8	127.3	434.4	816.3	284.7	599.6	1,071.1
Banks	71.6	64.7	57.5	79.2	162.5	296.7	351.3	259.2	571.0	738.1
Industry	99.8	144.7	173.9	254.9	350.9	599.9	1,016.1	461.0	607.6	900.8
Mining	101.2	138.8	386.3	569.7	743.5	2,701.6	3,395.5	1,222.4	3,071.0	5,205.2
Services	94.9	91.2	142.5	202.5	203.2	263.0	375.9	291.8	367.9	524.5
III. ANNUAL TRADED VOLUME										
(Millions of nuevos soles)										
Variable-income instruments	4,048	4,915	3,963	5,316	8,754	17,916	35,197	18,655	13,707	16,873
Fixed-income instruments	6,468	5,040	3,873	3,099	3,268	2,708	3,657	4,386	3,228	2,142
Total	10,516	9,954	7,836	8,415	12,023	20,625	38,853	23,041	16,946	19,015
IV. MARKET CAPITALIZATION										
Millions of nuevos soles										
	37,384	44,107	55,883	66,326	124,062	192,364	324,118	179,163	310,116	451,796
Millions of US\$	10,861	12,593	16,084	20,108	36,196	60,020	108,220	57,231	107,325	160,867
% of GDP	19.8	22.1	26.2	27.9	47.4	63.6	96.6	48.3	81.1	104.0
V. DEMATERIALIZED HOLDINGS 1/										
(Millions of nuevos soles)										
Variable-income instruments	17,375	19,346	27,175	31,017	48,929	69,776	131,453	76,790	121,468	187,112
Fixed-income instruments	15,585	15,696	17,646	19,753	28,147	29,793	39,370	46,852	51,022	54,170
Total	32,960	35,042	44,821	50,770	77,076	99,569	170,822	123,642	172,491	241,282
% of GDP	17.4	17.6	21.0	21.3	29.5	32.9	50.9	33.3	45.1	55.5
VI. NON-RESIDENTS SHARE 2/										
(%s)										
Variable-income instruments	43.3	45.7	48.6	42.9	47.3	42.7	47.6	53.7	51.0	45.2
Fixed-income instruments	1.8	1.8	1.3	1.5	11.4	12.3	14.1	12.8	8.9	22.4
Total	23.7	26.1	30.0	26.8	34.2	33.6	39.9	38.2	38.6	40.0

1/ Dematerialized holdings listed at CAVALI.

2/ Relative to securities listed at CAVALI.

Source: Lima Stock Exchange, CAVALI ICLV

Elaborated by the Department of Economic Studies, BCRP.

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