



INFOCARD ELANBiz

Computer Services in Peru¹

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**The purpose of this infocard is to provide an overview
of the computer services industry in Peru**

Description of the Sector

The computer services sector includes all activities aimed at the study, design, development, implementation, support and management of information technologies.

In Peru, this sector includes the software industry, and its development, production, marketing, use and maintenance activities; as well as other Information Technology (IT) related activities and services.

The software industry in Peru is 23 years old. During this time, around 350 formal companies have been incorporated, of which approximately 85% are micro and small enterprises.² In regional terms, the information and communication technology (ICT) industry in Peru is small in comparison to other countries in the region³; nevertheless, **it displays an accelerated growth rate**.

Indeed, the software industry in Peru has grown at a higher average rate than that of the economy's, reaching a compound annual growth rate of 14.1% between 2010 - 2017⁴. According to Microsoft estimates, growth was expected to reach 9.7% in 2019, with an increase of USD 2.289 billion.⁵ In addition, it should be noted that the contribution of the telecommunications sector to the GDP rose from 2.7% in 2007 to 4.5% in 2018⁶, with the commercial software industry generating USD 396.8 million in 2017 according to official SUNAT figures.⁷

On the other hand, in regional terms, the projected growth of Peru's ICT industry for 2020 represents an increase of 6.4% in comparison to 2019, amounting to total investment in the sector of USD 5.5 billion, as well as a 5.3% increase in investments in the telecommunications sector, reaching a total

¹ The information contained in this infocard is only general. For more detailed information and commercial promotion events, as well as possible business contacts, please contact the Commercial Offices of the Member States and the bilateral Chambers in Lima.

² Andalusian Society for the Development of Telecommunications:

<https://www.andaluciaesdigital.es/documents/20182/145492/GuiaInternacionalizacionPeru>

³ Source: ProChile. Market Study of ICT Services Peru - 2017

⁴ <https://elcomercio.pe/economia/negocios/microsoft-nube-factura-cerca-us-273-millones-2020-noticia-614146-noticia/>

⁵ <https://gestion.pe/economia/empresas/mercado-informatica-peru-crecera-9-7-ano-260535-noticia/?ref=gesr>

⁶ Source: INEI

⁷ <https://gestion.pe/economia/empresas/mercado-informatica-peru-crecera-9-7-ano-260535-noticia/?ref=gesr>



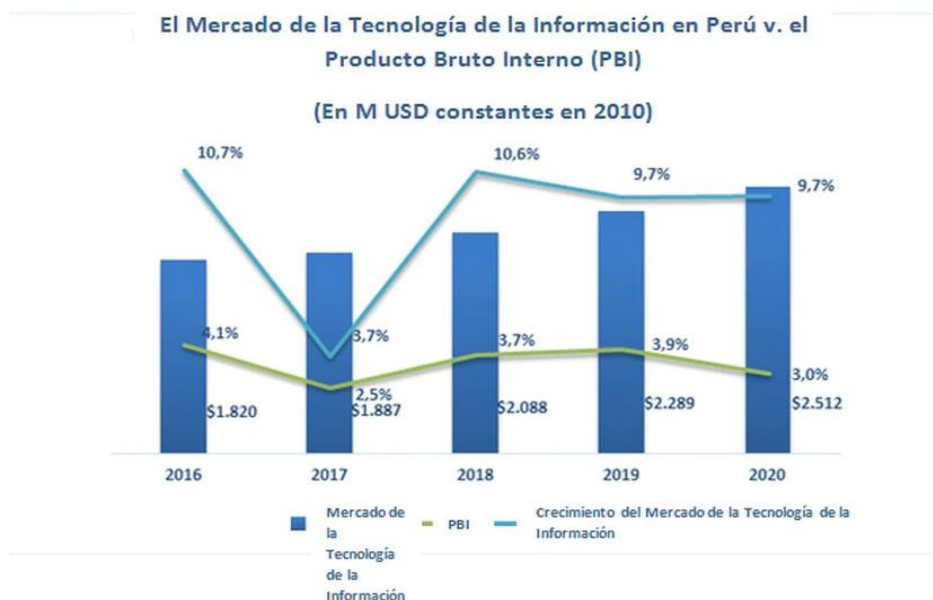
investment of USD 6.9 billion in the sector.⁸

In terms of opportunities for European companies, “the largest consumer of specific software solutions in Peru is (...) the financial sector, although the needs for departments such as **human resources, ad hoc solutions for labs and pharmaceutical companies, as well as the mining and energy sector (...)**”⁹. In addition to the aforementioned, the use of cloud services has kept growing. In 2016 alone, 44.8% of big and medium companies (annual sales of at least PEN 10 million) required these services, and invested around USD 20 million in cloud technologies.¹⁰ Likewise, Peru is projected to have the highest increase in cloud computing expenditure in 2020 in comparison to the rest of Latin American countries, surpassing the regional average increase of 31%.¹¹

These growth rates are due to global increase in demand for software solutions both at industry and individual-consumer levels on the one hand and due to domestic reasons as a result of the country’s current technological deficit on the other hand., **Demand is particularly high for web design, custom programming (including planning, design, development and maintenance), general software solutions and online marketing.**

Evolution of Sector Activity

The growth rate of the ICT industry has exceeded the GDP growth rate:



Source: IDC - commissioned by Microsoft

⁸ <https://gestion.pe/blog/disrupcion-en-la-nube/2020/01/la-nube-la-apuesta-de-peru-en-el-2020.html/?ref=gesr>

⁹ Source. Economic and Trade Office of the Spanish Embassy in Lima. The ICT Market in Peru. December 2013.

¹⁰ Oxford Business Group: The Report – Peru 2017. P 174.

¹¹ <https://gestion.pe/blog/disrupcion-en-la-nube/2020/01/la-nube-la-apuesta-de-peru-en-el-2020.html/?ref=gesr>



This growth is not only tied to direct demand for software, but also to other areas of ICT business, which are becoming more frequent, such as:¹²

- Computer security and data privacy: Ranks as top priority for IT departments in the region given the high dependency of companies on IT solutions for business operations in addition to the complexity of technological infrastructure. Security solutions are sought to ensure continuous and safe operations.
- Business Process Management (BPM) or Process Optimization.
- Enterprise Resource Planning (ERP): Enterprise resource planning systems, management information systems. There is a trend of strong investment in these IT solutions due to a higher demand of multinational providers (SAP: Business One and All In One, Oracle, Microsoft: Microsoft Dynamics) as well as a need to replace existing solutions (tailor made development).
- Business Intelligence (BI), Customer Relationship Management (CMR) and other Business Intelligence Applications.
- E-learning and virtual classrooms.
- Cloud storage (Cloud computing) and document management.
- Transparency, efficiency and/or saving resources of government agencies.
- Migration services and general data quality.
- Multimedia and digital animation: several companies dedicated to graphic and visual design.

Characteristics of Local Companies in the Sector

The **Peruvian market is almost exclusively aimed at the corporate sector**, in particular the financial, retail, education, mining, industrial and construction sectors.

Piracy is a significant challenge affecting the future growth of the computer services industry in Peru. According to several studies “*Peru ranks among the Latin American countries with more challenges concerning piracy*” with high levels of informality in the information technology sectors, a lack of culture regarding intellectual property¹³ and a rate of piracy of 62%, which meant losses of USD 190 million in 2017. This figure is above the global average for piracy in Latin America, which was 52%.¹⁴ Nevertheless, it should be noted that piracy in Peru went down 5% in the last 3 years, due to the efforts undertaken by the government to fight this crime.¹⁵

¹² Source: Uruguay XXI, Promotion of Investment and Exports. Peru File – Services Sector. September 2014.

¹³ According to the declarations of the former General Manager of Microsoft, see Oxford Business Group: The Report – Peru 2017. P 174.

¹⁴ BSA – The Software Alliance: 2018 BSA Global Software Survey. P 10.

¹⁵ The National Institute for the Defense of Competition and Intellectual Property (Indecopi) has carried out many campaigns for the protection of software. See https://www.indecopi.gob.pe/web/tienda-virtual/mapa-del-sitio?p_p_id=101&p_p_lifecycle=0&p_p_state=maximized&p_p_mode=view&_101_struts_action=%2Fasset_publisher%2Fview_content&_101_assetEntryId=342288&_101_type=content&_101_groupId=20182&_101_urlTitle=labor-que-realiza-el-indecopi-a-favor-del-uso-del-software-legal-es-reconocida-por-organizacion-mundial&inheritRedirect=true



Almost all multinational companies in the computer services sector have a presence the Peruvian market including:

- Oracle Peru <https://www.oracle.com/pe/index.html>
- IBM, <https://www.ibm.com/pe-es>
- Microsoft Peru <https://www.microsoft.com/es-pe/store/b/home>
- Hewlett Packard Peru <https://www8.hp.com/pe/es/hp-information/index.html>
- Epson <https://epson.com.pe/>
- Lenovo <https://www.lenovo.com/pe/es/>
- Dell Peru SAC <https://www1.la.dell.com/pe/es/gen/df.aspx?refid=df&s=gen>

Regulations Applicable to Foreign Investment

The sector **has a legal regime open to private companies, whether local or foreign**. Regulation concerning foreign investment do pose obstacles considering that, in general, there are no limitations of any kind for companies that wish to invest in Peru¹⁶.

It should be noted that **the free trade agreement between the EU, Peru and Colombia**, which is applied provisionally since March 1st 2013 and which Ecuador joined in November of 2016 (the “Agreement”), has liberalized the computer services sector under Title IV and Chapters: 2 (Establishment), 3 (Cross-border supply of services) and 4 (Temporary presence of natural persons for business purposes). The Parties signed a mutual understanding concerning Computer Services in Article 132 of said title.

Concerning the protection of intellectual property rights – for the creation and/or development of software, Peru has local regulations¹⁷ which guarantee its protection and due registry in the country before the National Institute for the Defense of Competition and the Protection of Intellectual Property – [INDECOPI](#).

Tax incentive, the Law N° 30309 – Law which promotes Scientific Investigation, Technological Development and Innovation – has established a system for the deduction of costs that benefit natural and/or legal persons carrying out scientific investigation as well as technological development and innovation (I+D).¹⁸

¹⁶ For a detailed list of regulations on the topic of Foreign Investment, please check the Infocard “Invest in Peru”.

¹⁷ See in particular [Legislative Decree N° 822 – Law of Copyright](#)

¹⁸ Law N° 30309. See in detail: <http://orientacion.sunat.gob.pe/index.php/empresas-menu/impuesto-a-la-renta-empresas/preguntas-frecuentes-impuesto-a-la-renta-empresas/6757-05-preguntas-frecuentes-beneficio-tributario-ley-n-30309-gastos-en-investigacion-desarrollo-tecnologicoe-innovacion-tecnologica-i-d-i>



Application of Income Tax (IR) - the payment for the acquisition of a software user license and the definitive transfer of any or all the property rights over the software, is exempt from income tax (29.5% annually).¹⁹

Value Added Tax (VAT) - some operations are exempt from the VAT, mainly: i) the definitive transfer of software when the proprietor is a natural or legal person, non-domiciled in Peru ii) the development of software by commission or the transfer for use (user's license) when the software is used abroad.²⁰

Opportunities for European Companies

The following are opportunities for **European companies to utilize**:

- **Need for specific solutions in certain sectors, mainly banking and finance.** Peru's financial system has a wide variety of companies, presenting a great opportunity for SMEs in the EU software industry. For example, in the financial sector alone, there are multiple traditional banks, financial companies, municipal banks, rural credit unions and SME development agencies. Also, there is a large and assorted number of financial leasing companies, insurance companies, fiduciary service companies, mortgage management companies, factoring companies, complementary and related services companies in addition to general warehouses, fund transfer companies including cooperatives, etc. Almost all these companies are required by law and by the National Superintendence of Banking and Insurance to have software solutions for their operations.
- **The outsourcing of big companies as a business opportunity for European SMEs.**
- **Lack of qualified programmers in Peru.** The yearly number of college graduates is not enough to cover the demand for skilled labor in the sector.
- **Local software companies do not provide more complex services,** which are provided by foreign companies in the country.
- **Development of technologies for business management.** Specifically, specialized software technologies for managing large amounts of information, business intelligence, human resources, higher education, services for the mining, engineering and construction industries to mention just a few.

Main Sector Fairs

- **Peru Digital Summit 2020:** International Conference on Digital Transformation, with more than 50 speakers and panelists from all over the world which took place at the LCC – Centro

¹⁹ Check in detail [Article 16° of the Rules of Procedure of the Law of Income Tax](#).

²⁰ See in detail [article 12 sub-section e\) of the Rules of Procedure of the VAT Law](#).



de Convenciones 27 de Enero, Av. Arqueología 174, San Borja, Lima from 19 -22 February 2020.

<https://www.eventbrite.com.pe/e/entradas-peru-digital-summit-2020-89197555289?aff=erelexpmlt>

- **Expo TIC:** International Technology, Informatic and Communications Fair, organized by the Information and Communications Technology Committee of the Chamber of Commerce of Lima. <http://www.expotic.com.pe/>
- **EXPOTEC:** <https://www.expotecperu.com/>

Main Sector Associations

- **CONCYTEC** is the governing institution of the National System of Science and Technology and Technological Innovation (SINACYT) composed by Academia, the Peruvian State Research Institutes, business organizations, communities and civil society. It is regulated under the Framework Law for Science and Technology N° 28303. It promotes complementarity between the programs and projects in the field of science, technology and technological innovation of public institutions, academia, business social organizations and SINACYT members. <http://portal.concytec.gob.pe/>
- **La Asociación Peruana de Productores de Software (APESOFT)** is a private nonprofit organization with the aim of promoting the national software industry, improving competitiveness of its members and promoting the export of Peruvian software. <http://apesoft.org/quienes.htm>
- **Asociación de Empresas de Electrónica, Tecnologías de la Información, Telecomunicaciones y Contenidos Digitales (AMETIC)** [is the association of Spanish companies dedicated to computer services, digital technology and telecommunications; with the aim of promoting the digitalization of services and growth of the industry.](http://www.ametic.org)
- **Information Technology Association of America (ITAA)** [.www.itaaworld.org](http://www.itaaworld.org)

Recommendations for European Companies

- ✓ The Peruvian government is a big buyer of IT products and services. Foreign companies may register with the National Registry of Providers at <http://www.rnp.gob.pe/>
- ✓ The general rule of contracting in Peru for this type of contract is for a fixed term.
- ✓ It is preferable that all final agreements and conditions be specifically written.
- ✓ Peruvian business people usually make sure that the services they are hiring are trustworthy and efficient. Thus, in many cases, these services are subject to evaluation by specialized



personnel. Consequently, it is not uncommon for them to ask for prior tests before closing a deal.

- ✓ It is usual for contracts to include a clause stating that the service provider undertakes the obligation to provide the necessary training on how to use the service as well as tech support where applicable.
- ✓ Software is protected as a literary work and fruit of human ingenuity. Registration of software is simple and can be done in just one day before the National Institute for the Defense of Competition and Intellectual Property (INDECOPi), www.indecopi.gob.pe.²¹

Useful Links

- **Ministry of Foreign Trade and Tourism - (MINCETUR):**
www.mincetur.gob.pe
- **Chamber of Commerce of Lima – CCL:**
www.camaralima.org.pe
- **National Superintendence of Customs and Tax Administration – SUNAT :**
www.sunat.gob.pe
- **Tariff States, Trade Agreements – Statistical Import and Export Rebates, Market Access:**
www.aduanet.gob.pe
- **National Institute for the Defense of Competition and the Protection of Intellectual Property (INDECOPi):**
www.indecopi.gob.pe
- **National Institute of Statistics and Informatics (INEI)**
www.inei.gob.pe
- **National Office of Electronic and Informatic Governance (ONGEI)**
www.ongei.gob.pe

**This infocard has been prepared by the experts of the project UE MAT Peru,
which provides updated information for the platform ELANBIZ**

²¹ https://www.indecopi.gob.pe/documents/20182/143803/GDA_CreadoresDeSoftware.pdf

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