



**ELAN**  
European and Latin American  
Business Services

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## Card ELANBiz: For EU investors

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### Overall environment for foreign investment<sup>1</sup>

Peru is open to Foreign Direct Investment (FDI) in most sectors of its economy and is one of the largest recipients of FDI in Latin America. In Peru the system encourages foreign investment. Foreign investors and companies that participate in investment, have the same rights and obligations as national or domestic enterprises.

In consequence, any legal activity can be completed by local or foreign entities, with no limitations other than those related to public health and national security or environmental protection. There are also certain limitations for foreign investment in radio and television companies<sup>2</sup>.

Foreign investment does not require prior approval. The technology transfer contracts, licenses, patents and brands/trademarks are registered before administrative authorities, without means of qualification of the content of its provisions. Foreign investors can freely transfer abroad, without any authorization, the profits from their investment, royalties and considerations for the use and transfer of technology and capital investment. Characteristics:

- ✓ Non-discriminatory treatment: Foreign investors receive the same treatment as local investors.
- ✓ Unrestricted access to most economic sectors (see footnote).
- ✓ Free transfer of capital.
- ✓ Free competition.

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1 Main Source: Inversiones en Perú 2015. © 2015 Caipo y Asociados S. Civil de R. L. y KPMG Asesores S. Civil de R. L., sociedades civiles peruanas de responsabilidad limitada y firmas miembro de la red de firmas miembro independientes de KPMG afiliadas a KPMG International Cooperative ("KPMG International").

2 Investments that require authorization: Located within 50 Km. of the country boundary and those destined to arms, ammunitions and explosives. A majority local partner is required for investments in transport maritime cabotage and air transport companies.

- ✓ Guarantee for Private Property
- ✓ Freedom to purchase locals stocks
- ✓ Freedom to access internal and external credit
- ✓ Freedom to remit or wire royalties
- ✓ Access to international dispute settlement mechanisms.
- ✓ Peru participates in the Investment Committee of the Organization for Economic Cooperation and Development (OECD), Promotes implementation OECD Guidelines for Multinational Enterprises.

According to the latest ranking of the publication "Doing Business" of the World Bank, Peru appears at position 35 in the world and Second (2nd.) In Latin America and the Caribbean.

Area	Ranking
Opening a Business	89
Handling Building Licenses	87
Getting Electricity	86
Property Registration	26
Getting Credit	12
Protection of the Minority Investors	40
Tax payment	57
Cross-border Trade	55
Contract Compliance	100
Resolution of the Insolvency	76

Source: World Bank, <http://www.doingbusiness.org/rankings>

### Investment opportunities<sup>3</sup>

During the last decade, the Peruvian economy grew rapidly and continues to lead the regional growth, it is estimated that Peruvian GDP per capital will exceed the world average by 2020. Economic growth was driven by private investment, which represents near 20% of GDP in June 2015.

FDI registered a value of 9,000 million in 2014 and the announcements of investment increased by US \$ 1.097 million between October 2014 and January 2015. Domestic demand has strengthened; it complements the dynamic trade that is diversifying, both in terms of products and markets.

Peru registers the lowest inflation rate at regional level and has maintained a stable exchange rate and country risk level below the regional average, supporting a healthy

<sup>3</sup> Source: PROINVERSIÓN.



level of debt, reducing it from 44.5% of GDP in 2004 to 19.6% in 2014. In 21 years of existence PROINVERSIÓN has realized processes that have meant more than US\$ 50,000 million in investment commitments.

FDI in Peru 1980-2015 (1)		
Sector	FDI, US\$ Millones	Percentage of total FDI %
<b>MINING</b>	5,637.7	23.3
<b>COMMUNICATIONS</b>	4,569.2	18.9
<b>FINANCE</b>	4,297.9	17.8
<b>INDUSTRY</b>	3,217.5	13.3
<b>ENERGY</b>	3,175.9	13.2
<b>TRADE</b>	803.0	3.3
<b>OIL</b>	679.7	2.8
<b>SERVICES</b>	674.2	2.8
<b>CONSTRUCTION</b>	376.2	1.6
<b>TRANSPORT</b>	364.5	1.5
<b>FISHING</b>	163.0	0.7
<b>TOURISM</b>	83.1	0.3
<b>AGRICULTURE</b>	71.0	0.3

Source: PROINVERSIÓN

(1) Up date 30. 06. 2015



## Main Investors

Spain and the UK are the main investors in Peru. The EU as a whole remains the largest foreign investor in Peru.

Main investors in Peru 2014	
Country	Percentage of total FDI %
Spain	19
UK	18
USA	14
Netherlands	7
Chile	6
Brazil	5
Colombia	5
Canada	5
Panama	4
Luxembourg	2
Mexico	2
Others	13

Source: PROINVERSIÓN

## European Investment and Trade Agreement with Peru<sup>4</sup>

The Agreement provides the liberalization of investment in the form of market access through the establishment and granting national treatment, subject to the commitment set out in Annex VII of the Agreement.

Peru has maintained horizontal exemptions for all sectors, including the right to adopt or maintain any measure according rights or preferences of disadvantaged minorities in

<sup>4</sup> Source: UE Delegation in Peru.

[http://eeas.europa.eu/delegations/peru/eu\\_peru/trade\\_relation/trade\\_related\\_tech\\_assistance/index\\_es.htm](http://eeas.europa.eu/delegations/peru/eu_peru/trade_relation/trade_related_tech_assistance/index_es.htm)

economic or social level and ethnic groups. There are no additional restrictions on national treatment and market access in its mining program and quarrying.

Finally, the Agreement does not cover provisions in investment protection, such as those provisions specifically relating to expropriation and fair and equitable treatment, neither covers procedures for the settlement of Investor-State disputes. The investment protection is covered in different bilateral investment treaties negotiated between the EU and the Member States that remain valid.

### Links of interest

- **PROINVERSIÓN:** (Private Investment Promotion Agency)  
<http://www.proinversion.gob.pe/>
- **Superintendencia Nacional de Administración Tributaria (SUNAT)** (National Superintendency of Tax Administration):  
<http://inversionistaextranjero.sunat.gob.pe/>
- **Organismo Supervisor de Inversión Privada en Telecomunicaciones. (OSIPTEL)** (Supervisory Agency for Private Investment in Telecommunications): <http://www.osiptel.gob.pe>
- **Organismo Supervisor de la Inversión Privada en Infraestructura de Transporte (OSITRAN)** (Supervisory Agency for Private Investment in Transport Infrastructure): <http://www.ositran.gob.pe/>
- **Organismo Supervisor de la Inversión en Energía y Minas (OSINERGMIN)** (Supervisory Agency for Investment in Energy and Mining):  
<http://www.osinerg.gob.pe>
- **Superintendencia de Banca y Seguros (SBS)** (Superintendency of Banking and Insurance) <http://www.sbs.gob.pe/>
- **Superintendencia de Mercados y Valores** (Superintendency of Market and Exchange):  
<http://www.smv.gob.pe/>
- **Banco Central de Reserva (BCR):** (Central Reserve Bank)  
<http://www.bcrp.gob.pe>
- **Comisión de Promoción del Perú (PROMPERU)** (Commission for the Promotion of Peru)  
<http://www.promperu.gob.pe>



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