

EXPORT RÅDDET

SWEDISH TRADE COUNCIL

Country Presentation: Peru

Fact Pack

Swedish Trade Council in Chile
December 2008

THE SWEDISH TRADE COUNCIL MAKES IT EASIER FOR SWEDISH COMPANIES TO GROW INTERNATIONALLY

Sweden:

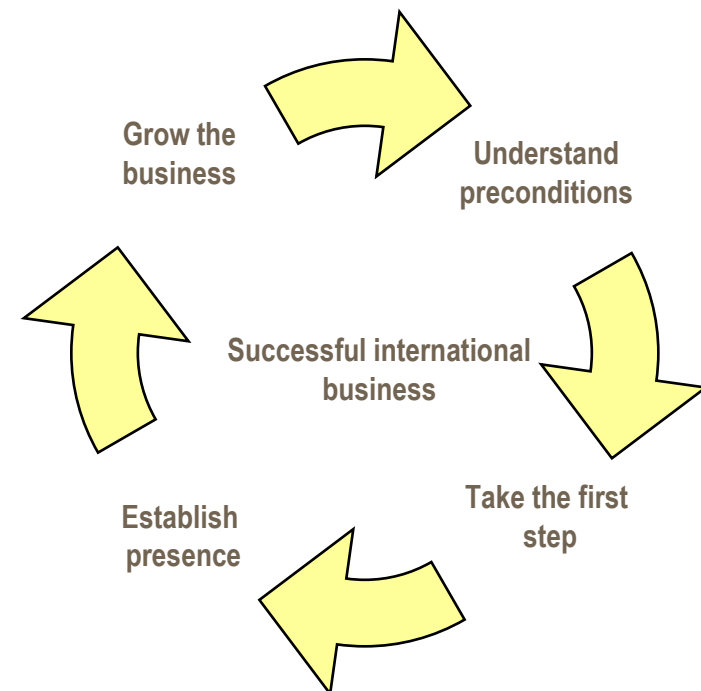
- Headquarters in Stockholm, 80 employees
- 22 regional export advisers
- All Trade Commissioners regularly visit different parts of Sweden

Abroad:

- 65 offices with 400 employees in 55 countries
- Through partners and networks we cover more than 100 countries

Southern Cone (Argentina/Chile/Peru/Uruguay):

- Offices in Buenos Aires and Santiago
- 8 employees



STC is the primary consulting partner for Swedish companies doing business in Peru

PERU IS THE FASTEST GROWING ECONOMY IN THE AMERICAS

Area: 1.285.215 km²

Inhabitants: 29.2 million

Constitution: Democratic republic

Head of State: President Alan Garcia

Languages: Spanish, Quechua, (official), Aymara, English
(increasingly favored as second language)

Inhabitants per km²: 23/km²

Currency: Nuevo Sol

GDP 2007: 109.1 BUSD

GDP per capita 2007: 7600 USD

Real GDP growth (2007): 9.0%

Inflation(2007): 1.8 %

Main exports: Mining products

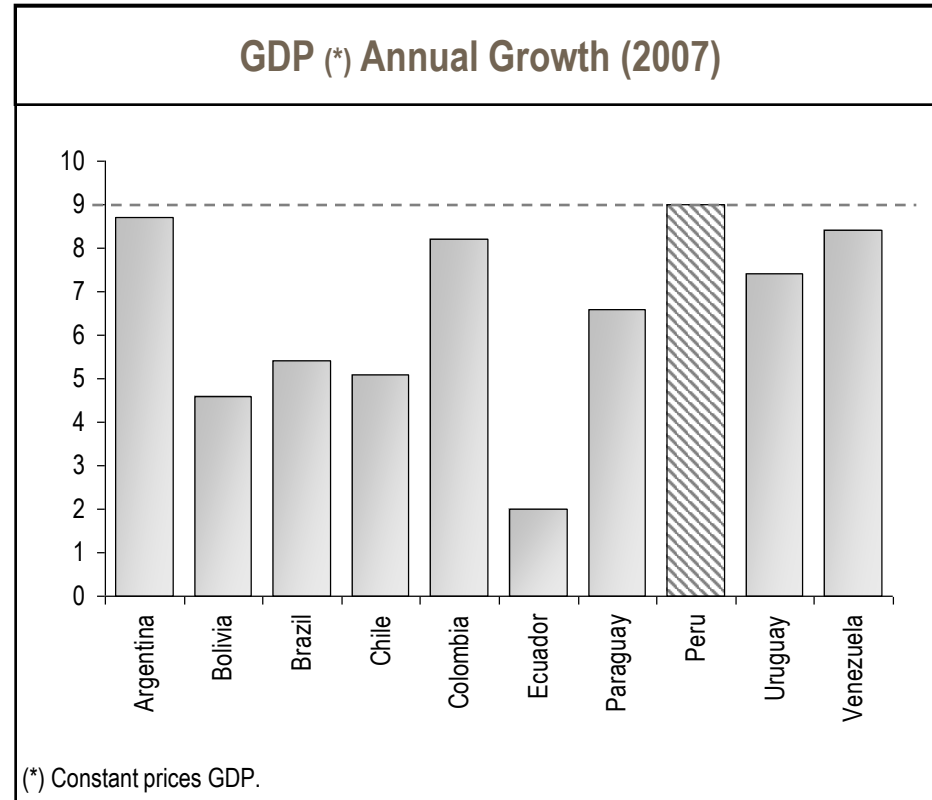
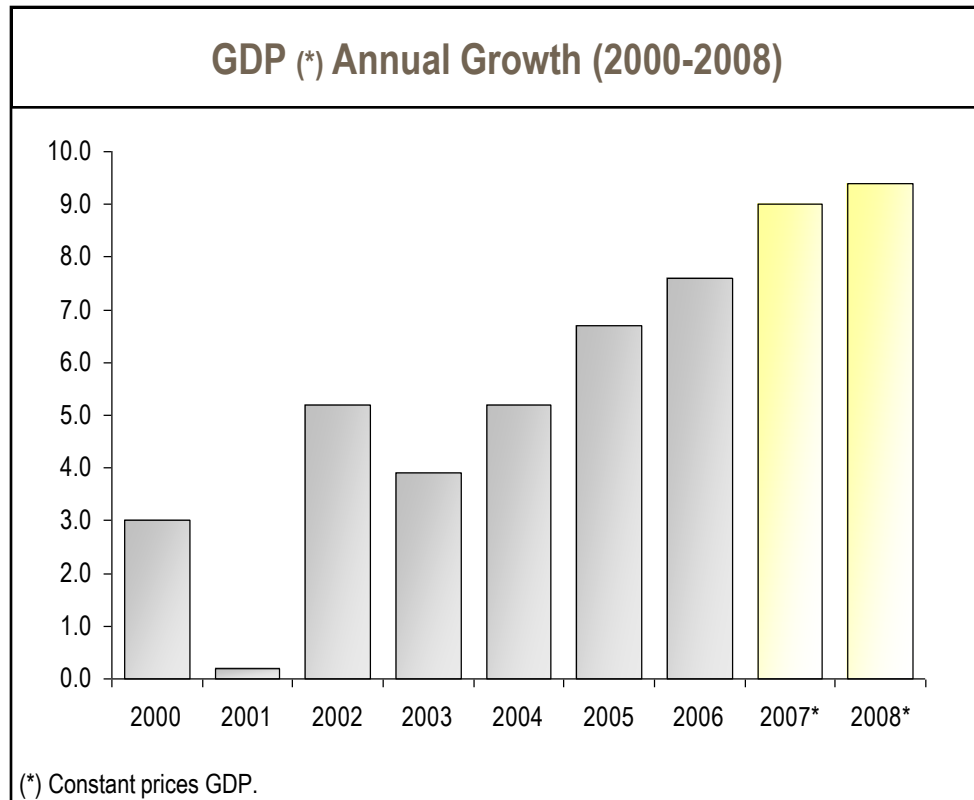
Main imports: Industry inputs

Swedish Exports to Peru 2007: 1000 MSEK

Swedish imports from Peru 2007: 611 MSEK



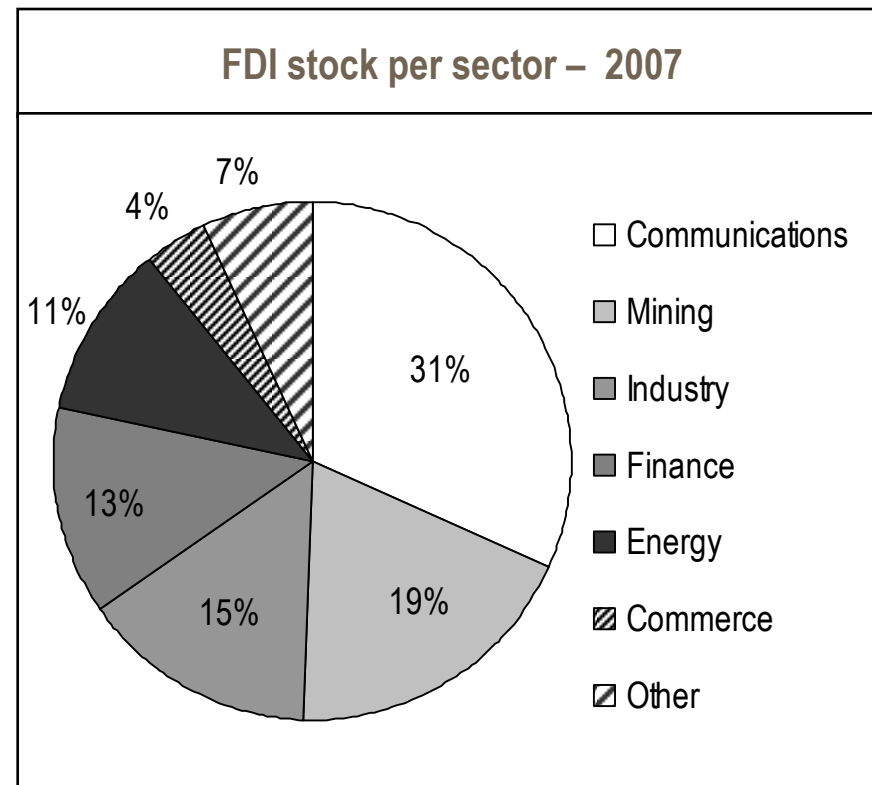
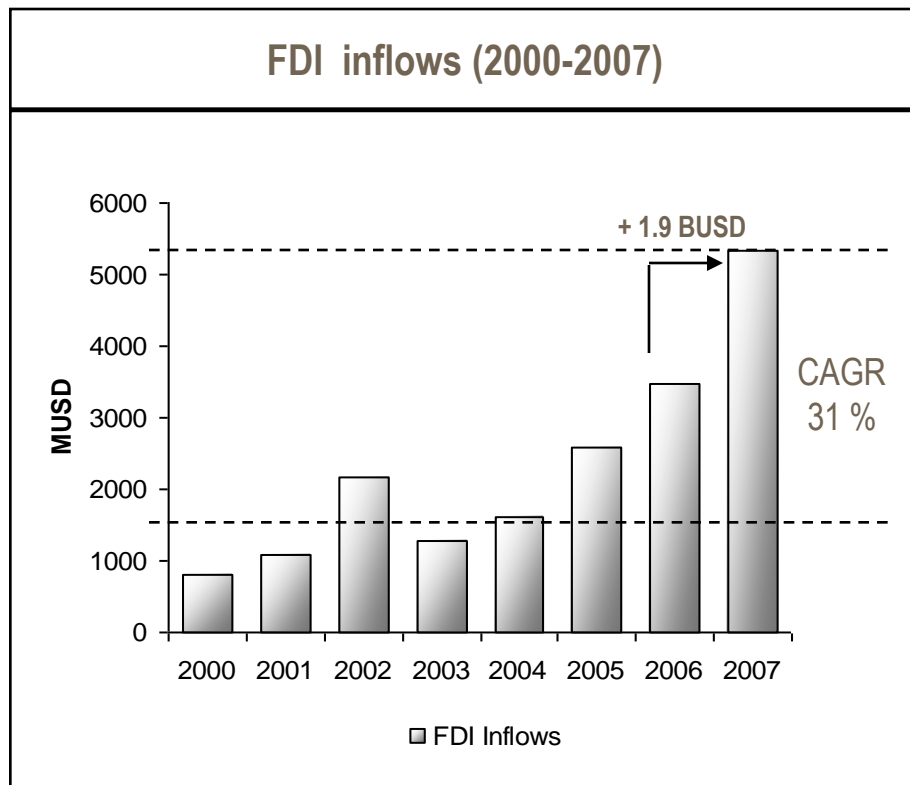
EXPANSION IS EXPECTED TO CONTINUE OVER THE COMING YEARS



Peru achieves a high growth rate with low inflation

FDI INFLOWS INCREASED BY ALMOST 2 BILLION USD IN 2007

- Communications and mining sectors attract the bulk of FDI in Peru



Spain and US are the main countries of origin of FDI in Peru

LARGE COMPANIES ARE EXPANDING THEIR INVESTMENTS

- Total private investment in 2008 was about 26 Billion USD.

BCRP Survey on private investment (MUSD)

Sector	Year	
	2006	2007
Agriculture and Cattle	36	108
Fishing	151	384
Mining	1685	1383
Manufacture	530	944
Electricity, gas and water	184	350
Construction	29	139
Commerce	180	234
Transport and Telecommunications	486	522
Services	44	72
TOTAL	3325	4136

Investment from larger companies is 22% of total private investment

- Large mining companies continue to lead the ranking.
- Private investment is growing fast in Peru: 20% in 2006 and 26% in 2007.
- Public investment is rising and the government achieved its goal of reaching a level of 4% of GDP.
- The growth in public and private investment explain 50% of the GDP growth in the last year.
- A higher rise in investment than in final consumption reassures the basis for sustainable economic development in the long term
- Expanding investment activity has boosted imports from Sweden: 145% increase in iron and steel, and a 97% in engineering products in the first semester of 2007.

11 BUSD investment is expected in 24 announced mining projects

PERU OFFERS NUMEROUS BUSINESS OPPORTUNITIES

- Key regions concentrate a number of sectors

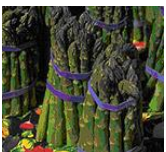
MINING

Ica
Puno
Cajamarca
Pasco La Libertad
TacnaLima
Ancash Junin
Moquegua Cusco
Arequipa Madre de Dios



NON TRADITIONAL AGRICULTURE

La Libertad
Ancash Junin
Lima Piura
Ica Lambayeque
Arequipa



FOREST INDUSTRY

Cajamarca
La Libertad
Ayacucho



TOURISM

Lima
Cusco
Puno Paracas
Arequipa Ica



HEALTH SERVICES

Lima



CONSTRUCTION

Lima
Arequipa
Cusco
Puno
La Libertad
Cajamarca



Arequipa is the second city after the capital Lima

INTERESTING SECTORS FOR SWEDISH COMPANIES

Mining	IT & Telecom	Construction
<ul style="list-style-type: none"> • Peru is a world leader in the mining industry • Steady increase in production and exports in the last years • Mining investments lead the growth in private investment • There are good prospects for mining related equipment imports 	<ul style="list-style-type: none"> • Peru has a modern legislation for telecommunications which soon include application of number portability and triple play. Legislation promotes competition and private investment. • Telecom sector is the main destiny of FDI inflows • Mobile lines and Internet connections are growing fast 	<ul style="list-style-type: none"> • The construction sector has grown at twice the rate of the overall economy • New investments are taking place both in the public and private sectors. • There is a growing market for construction equipment and building products

Peru offers a market with low trade barriers and a great interest to attract FDI

BUSINESS CULTURE – IMPORTANT TO REMEMBER

Importance of good relationships and networks

- Peruvians believe success in business depends on establishing social relationships. Try to accept invitations to dinner or lunch, where no business issues should be discussed.
- English still isn't widely spoken within the business sector. Often its good if you know some Spanish or have an interpreter.
- Local connections are important to achieve good business
- Close relationships with agents and distributors is advisable to assure a correct representation of the product on the market.

Business meetings essentials

- Schedule business meetings at least one week in advance
- For business, it is advisable to dress conservatively
- Address your Peruvian counterparts by their titles
- Start with some preliminary “small talk”: economy, family, news or sports are good subjects. Avoid talking about politics.
- Be punctual to every meeting even though your counterpart might not be.
- Supporting material translated to Spanish should be brought to the meeting.
- Gifts are welcome, i.e. wine and chocolates. Avoid black/purple objects (have religious connotations) and knives and letter openers.

PERU PROVIDES CONSIDERABLE BUSINESS OPPORTUNITIES

- Minimum trade restrictions and promotion of FDI
- Buoyant economic growth
- Low inflation
- Politically stable
- Increasing investments and domestic demand
- Import from Sweden grew by 75% in the first semester of 2007

... which has contributed to...

...the fact that more than **15** Swedish companies are registered in Peru and many others are there as sub suppliers or via distributors.

STC Chile is the natural partner for all Swedish companies who want to establish or develop their business in Peru

USEFUL CONTACTS

Proinversion

Tel: +51 1 612 12 00

www.proinversion.gob.pe

Promperu – Promotion for Tourism and Exports

Tel: +51 1 224 31 31

www.promperu.gob.pe

INEI – National Statistics Bureau

Tel: +51 1 433 42 23

www.inei.gob.pe

CCL – Lima Commerce Chamber

Tel: +51 1 463 34 34

www.camaralima.org.pe

CONFIEP – Confederation of private enterprises in Peru

Tel: +51 1 415 25 55

www.confiep.org.pe

SNI – National Industrial Society

Tel: +51 1 616 44 44

www.sni.org.pe

Swedish Trade Council in Chile

Rosario Norte 615, Office 1101, Las Condes, Santiago

www.swedishtrade.se/chile

+56 2 925 1900

chile@swedishtrade.se