

Peru's Economic and Business Report

Fourth Quarter 2025

March 2026



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The Peru's Economic and Business Report presents quarterly progress and projections of the main macroeconomic indicators.

Peru is considered one of the most important countries in Latin America and one of the world's leading emerging markets, with a solid recent history of economic and business stability.

Peru's macroeconomic strengths - low levels of debt, inflation and fiscal deficit, while maintaining high levels of international reserves - are widely recognized, not only by credit rating agencies but also by worldwide investors.





1

COUNTRY OVERVIEW

Government

Peru is a democratic constitutional republic with a multiparty system. The President is the Chief of State and Head of Government and is elected every five years.

► President: José María Balcázar.

The President appoints the Prime Minister and the members of the Cabinet. There is a unicameral Congress of 130 members elected for a five-year period.

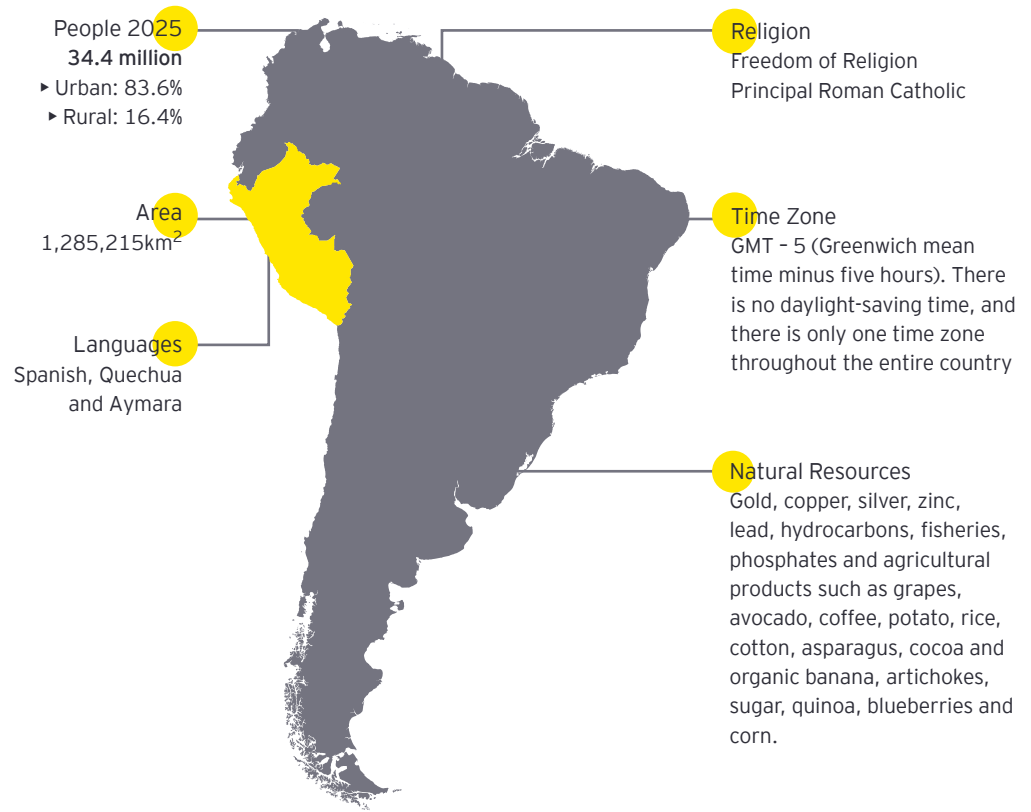
The legislative proposals can be submitted by both the executive and legislative branch and will become law once they are approved by the Congress and promulgated by the President. The judicial and electoral bodies are independent.

Geography

► Located on the west central coast of South America, Peru is bordered by the Pacific Ocean to the west, by Chile to the south, by Brazil and Bolivia to the east, and Colombia and Ecuador to the north.

► Peru is divided geographically into three natural regions: the coast, a narrow strip measuring approximately 3,080 km long that accounts for 11.7% of Peru's territory; the highlands, site of the Andean mountain range covering 27.9% of the national territory; and the Amazon rainforest, which occupies 60.4% of the territory and is rich in petroleum and forest resources.

GENERAL INFORMATION



Source: National Institute of Statistics and Information (INEI).



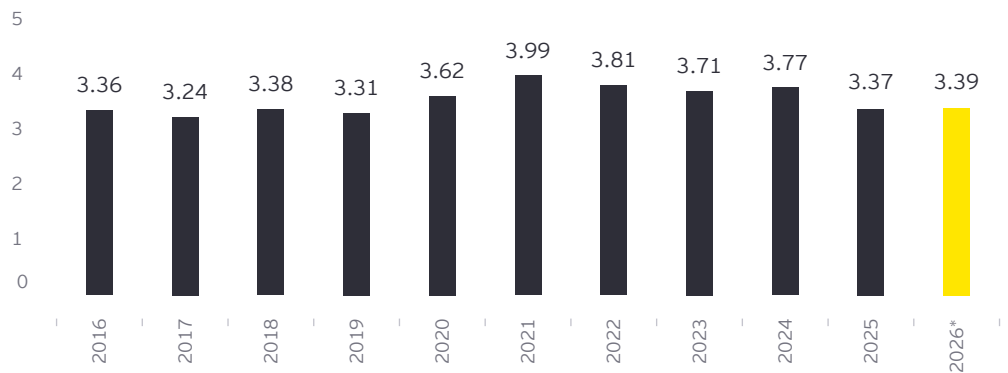
MACROECONOMIC INDICATORS AND PROJECTIONS

Currency

The official currency of Peru is the Sol (PEN - S/). The country has a free-floating exchange rate regime, with the Central Reserve Bank of Peru (BCRP) occasionally intervening for purposes of stabilization. As at December 31, 2025 banks were buying US Dollars at PEN3.361 and selling them at PEN3.363. The expectation of the exchange rate for 2026 is PEN3.39.

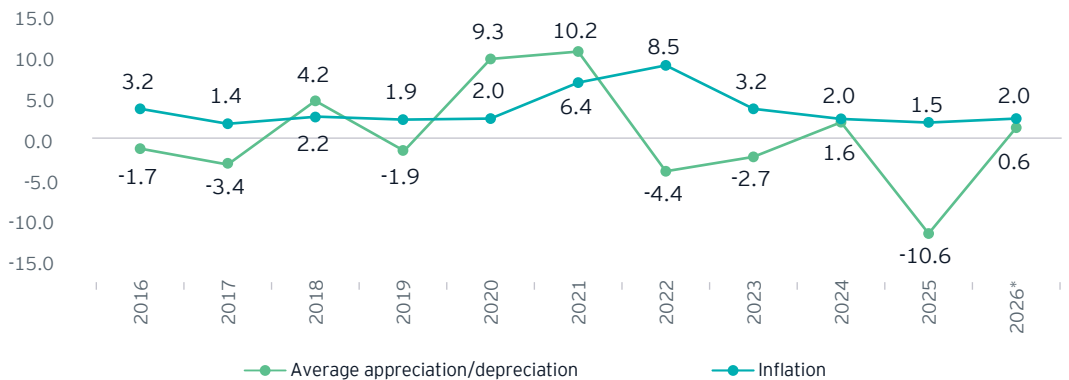
As of the end of 2025, the inflation rate in Peru was 1.5% and the appreciation rate of the Sol against the US Dollar for the same period was 10.6%. According to the Central Reserve Bank of Peru (BCRP) it is projected that at the end of the year 2026, the inflation rate will be 2.0%.

EXCHANGE RATE EVOLUTION: SOLES PER USD1 (END OF EACH YEAR)



*January 2026 Macroeconomic Expectations Survey.
Source: Central Reserve Bank of Peru (BCRP).

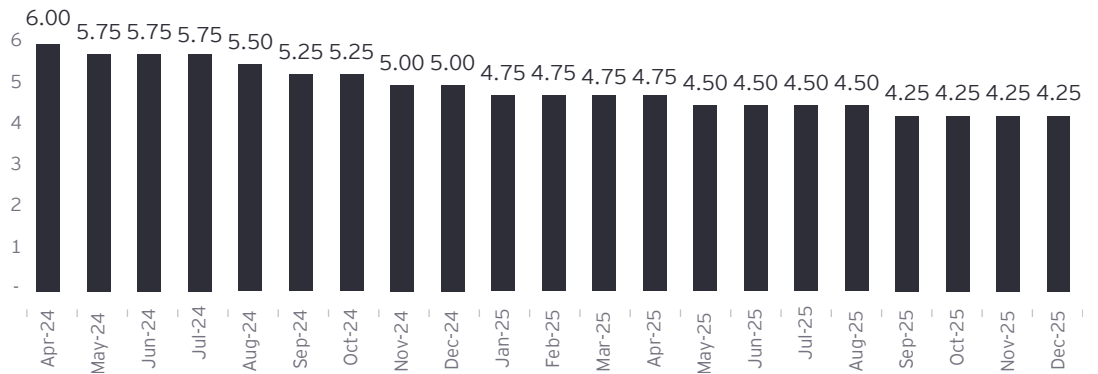
AVERAGE APPRECIATION/DEPRECIATION AND INFLATION (PERCENTAGE)



*Projection. December 2025 Inflation Report. Inflation in Metropolitan Lima.
Source: Central Reserve Bank of Peru (BCRP).

The reference interest rate in December was 4.25%, staying close to the level estimated as neutral.

MONETARY POLICY INTEREST RATE (PERCENTAGE)



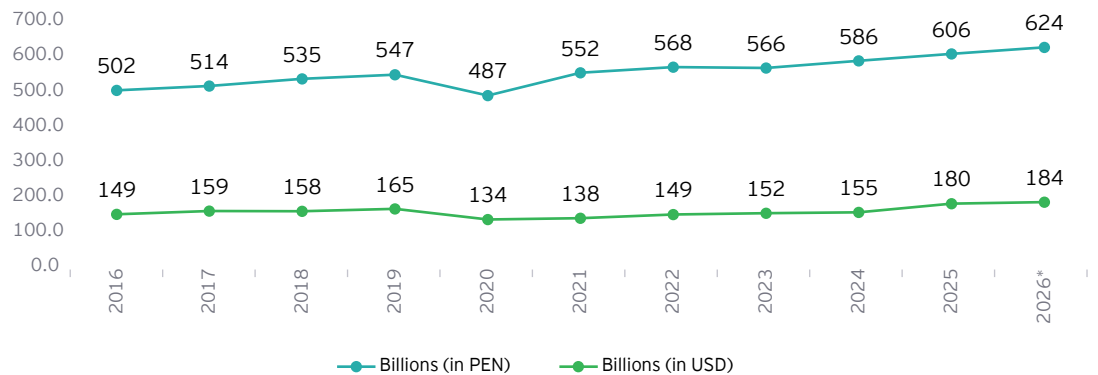
Source: Central Reserve Bank of Peru (BCRP).

Gross Domestic Product (GDP) and International Reserves

Peru's GDP increased 3.4% in 2025, and it is projected to grow 3.0% in 2026 according to the Central Reserve Bank of Peru (BCRP). Additionally, the Peruvian economy would grow 3.2% annually

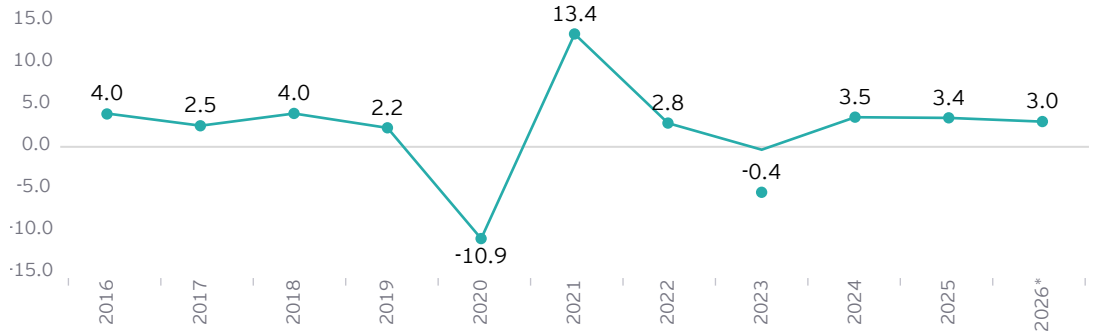
on average between 2027 and 2029, according to estimates by the Ministry of Economy and Finance (MEF).

GROSS DOMESTIC PRODUCT (CONSTANT GDP)



*Projection. December 2025 Inflation Report.
Source: Central Reserve Bank of Peru (BCRP).

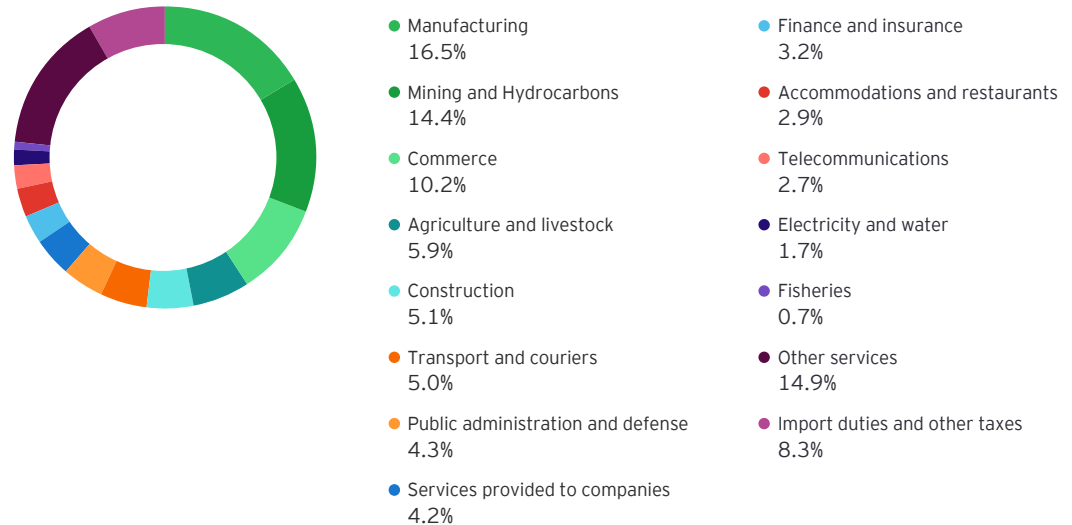
GROSS DOMESTIC PRODUCT (CONSTANT GDP) (PERCENTAGE CHANGE)



*Projection. December 2025 Inflation Report.
Source: Central Reserve Bank of Peru (BCRP).

Note: The 2025 GDP measured in current price amounted to USD340.9 billion.

PERU'S GROSS DOMESTIC PRODUCT (GDP) BY ECONOMIC SECTOR, BASED ON THE ECONOMIC STRUCTURE OF THE YEAR 2007



Source: National Institute of Statistics and Information (INEI).

GROSS DOMESTIC PRODUCT (CONSTANT GDP) BY INDUSTRY (PERCENTAGE CHANGE)

Industry	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Q42025	2026*
Agriculture and Livestock	2.7	2.9	7.7	3.5	1.0	4.6	4.6	-2.1	5.6	4.8	1.0	3.0
Fisheries	-10.1	4.7	47.7	-17.2	4.2	9.9	-11.4	-21.2	27.2	2.9	-3.3	2.0
Mining	21.2	4.5	-1.7	-0.8	-13.8	10.5	-0.0	10.9	3.2	1.8	0.1	0.5
Hydrocarbons	-5.1	-2.4	-0.0	4.6	-11.0	-4.6	4.0	0.7	2.1	-1.6	-3.3	4.9
Manufacturing **	-1.4	-0.2	5.9	-1.7	-12.5	18.6	1.0	-6.5	4.6	2.7	2.4	3.0
Electricity and Water	7.3	1.1	4.4	3.9	-6.1	8.5	3.9	3.7	2.4	2.0	2.5	2.7
Construction	-3.2	2.1	5.3	1.4	-13.4	35.0	3.1	-8.2	3.6	6.7	9.0	2.5
Commerce	1.8	1.0	2.6	3.0	-16.0	17.8	3.3	2.4	3.0	3.6	4.4	3.0
Services	4.0	3.3	4.3	3.8	-10.2	11.5	3.6	-0.3	3.1	3.6	3.5	3.5
GDP	4.0	2.5	4.0	2.2	-10.9	13.4	2.8	-0.4	3.5	3.4	3.2	3.0

*Projection. December 2025 Inflation Report. Q4 = Fourth Quarter of 2025.

** The projection is a weighted average of Primary GDP and Non-Primary GDP.

Source: Central Reserve Bank of Peru (BCRP), National Institute of Statistics and Information (INEI).

GROSS DOMESTIC PRODUCT (CONSTANT GDP) BY TYPE OF EXPENDITURE (PERCENTAGE CHANGE)

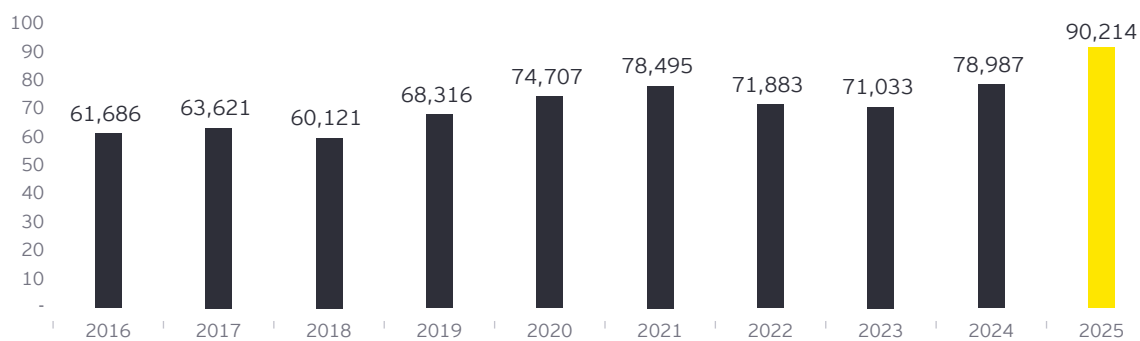
Variables	2017	2018	2019	2020	2021	2022	2023	2024	2025	Q42025	2026*
Domestic Demand	1.7	3.6	2.8	-9.3	13.9	2.4	-1.0	4.0	5.8	5.1	3.5
a. Private Consumption	2.6	3.8	3.2	-9.9	12.5	3.5	0.1	2.8	3.6	3.4	3.0
b. Public Consumption	2.9	2.4	4.3	7.9	4.8	-0.2	4.9	2.1	2.8	-1.3	2.5
c. Private Investment	-0.2	3.8	5.1	-16.4	35.2	0.0	-6.1	3.3	10.0	10.1	5.0
d. Public Investment	-1.8	5.5	-1.5	-15.1	24.7	6.0	2.4	14.7	5.7	5.6	1.0
Exports	7.0	2.9	0.9	-19.8	12.7	5.5	4.1	6.6	4.4	4.0	2.5
Imports	3.7	1.3	3.1	-13.6	14.8	3.6	1.3	8.4	12.8	10.9	4.4
GDP	2.5	4.0	2.2	-10.9	13.4	2.8	-0.4	3.5	3.4	3.2	3.0

*Projection. December 2025 Inflation Report. Q4 = Fourth Quarter of 2025.

Source: Central Reserve Bank of Peru (BCRP).

Peru is estimated to maintain a comfortable level of international reserves, representing 26.5% of GDP in 2025. At the end of the 2025, these reserves reached USD90.2 billion.

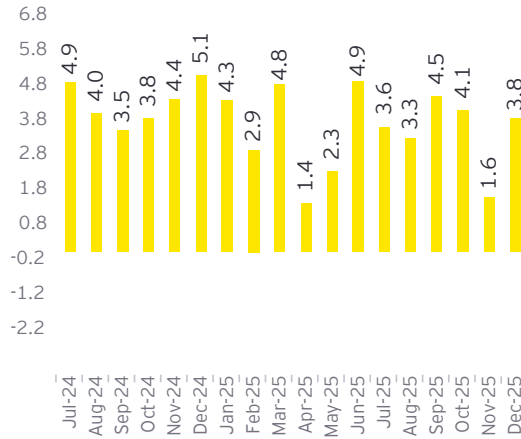
NET INTERNATIONAL RESERVES (IN USD MILLIONS)



Source: Central Reserve Bank of Peru (BCRP).

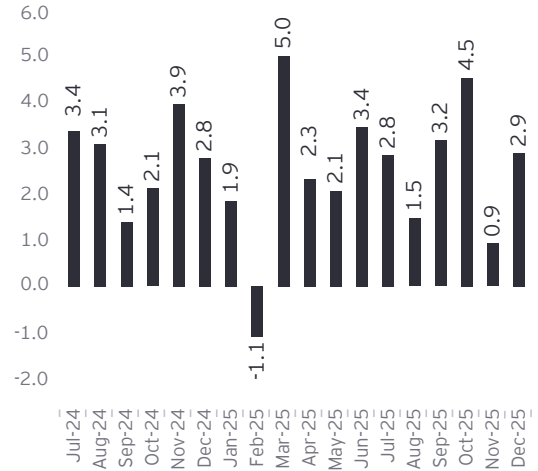
The economy grew 3.4% in 2025, primarily driven by robust private spending, which was supported by rising employment, low inflation, and declining interest rates, which boosted both consumption and private investment.

GROSS DOMESTIC PRODUCT (YEAR-OVER-YEAR PERCENTAGE CHANGE)



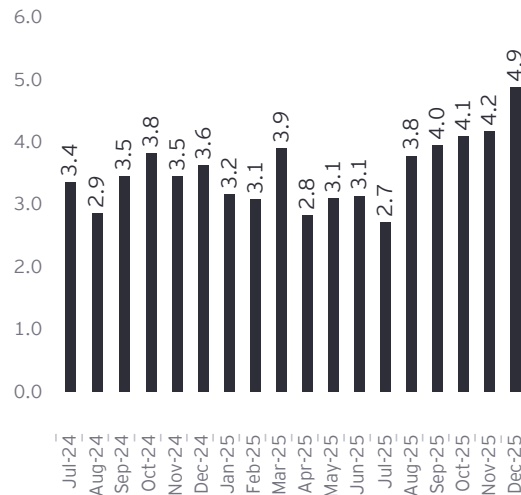
Source: National Institute of Statistics and Information (INEI).

ELECTRICITY PRODUCTION (YEAR-OVER-YEAR PERCENTAGE CHANGE)



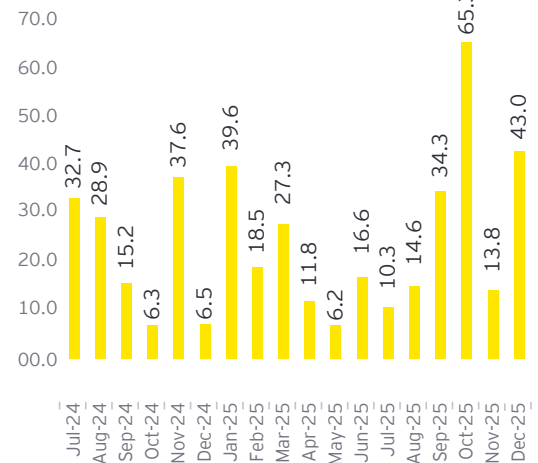
Source: Central Reserve Bank of Peru (BCRP), National Institute of Statistics and Information (INEI).

COMMERCE SECTOR GDP EVOLUTION (YEAR-OVER-YEAR PERCENTAGE CHANGE)



Source: Central Reserve Bank of Peru (BCRP).

TRADITIONAL EXPORTS (YEAR-OVER-YEAR PERCENTAGE CHANGE)

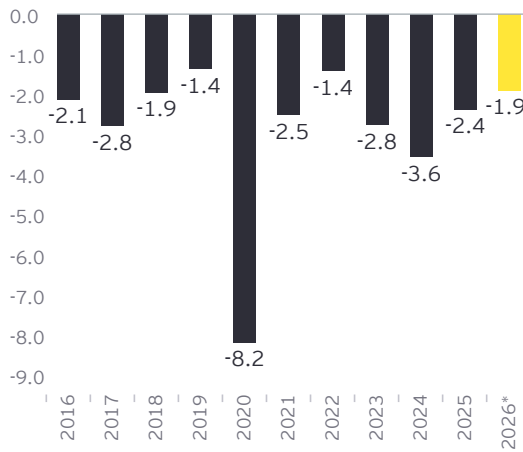


Source: Central Reserve Bank of Peru (BCRP).

Public Sector

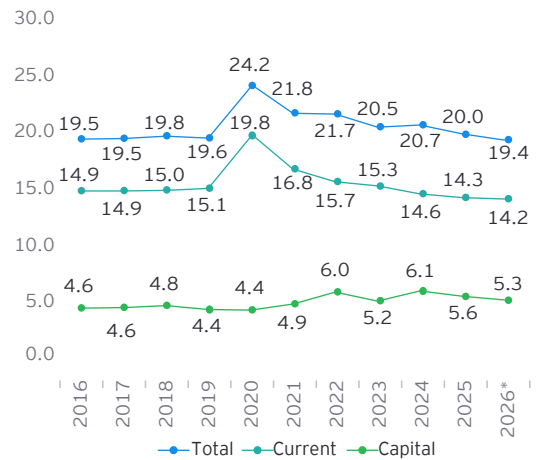
The non-financial public sector cumulative fiscal deficit declined from 3.6% of GDP in 2024 to 2.4% in 2025, driven by increased current revenues, higher export prices and tax enforcement measures from robust economic activity. It is expected to reach 1.9% by the end of the year. Public spending is projected to be around 19.4% of GDP in 2026.

ECONOMIC RESULTS (TAX SURPLUS / DEFICIT) OF THE NON-FINANCIAL PUBLIC SECTOR (PERCENTAGE OF THE GDP)



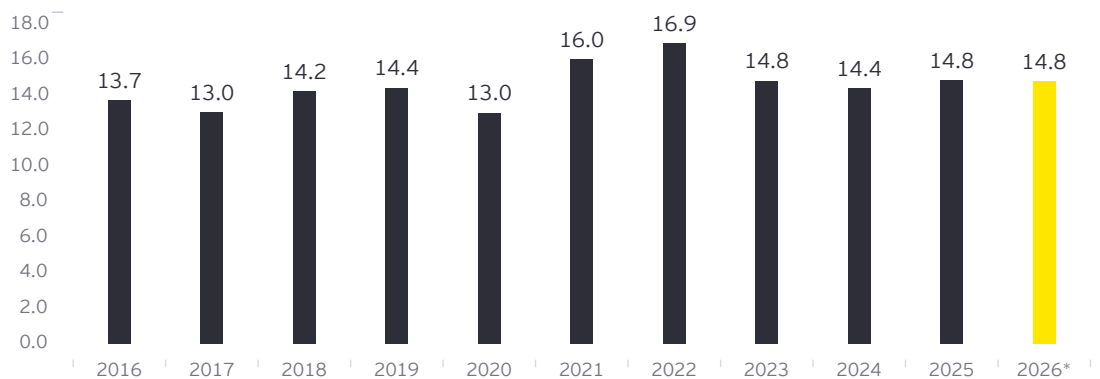
*Projection. December 2025 Inflation Report.
Source: Central Reserve Bank of Peru (BCRP).

NON-FINANCIAL PUBLIC SPENDING (PERCENTAGE OF THE GDP)



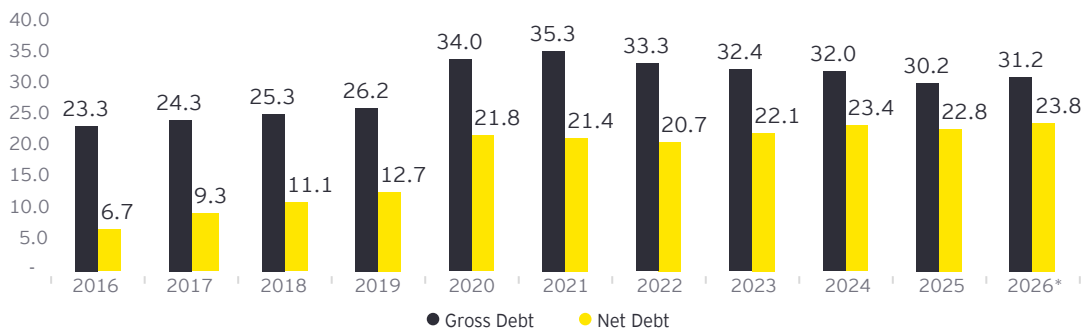
*Projection. December 2025 Inflation Report.
Source: Central Reserve Bank of Peru (BCRP).

TAX BURDEN - GENERAL GOVERNMENT CURRENT REVENUES (PERCENTAGE OF THE GDP)



*Projection. December 2025 Inflation Report.
Source: Central Reserve Bank of Peru (BCRP).

DEBT OF NON-FINANCIAL PUBLIC SECTOR (PERCENTAGE OF GDP)



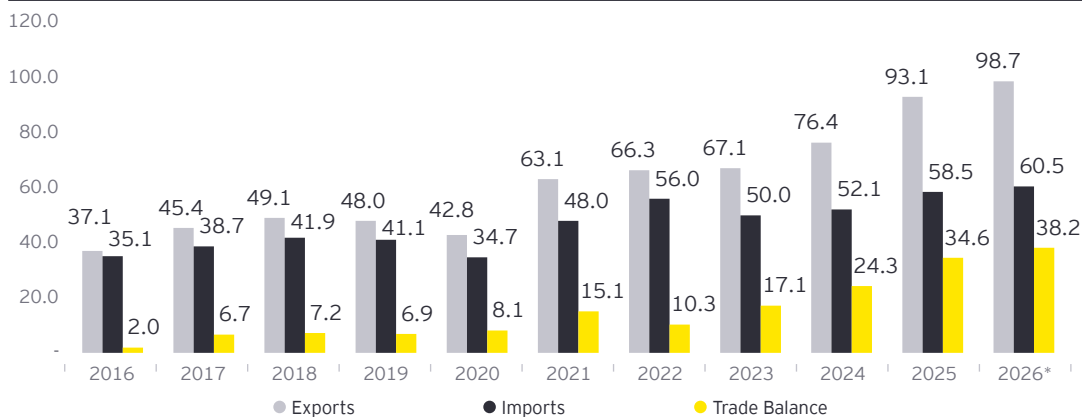
*Projection. December 2025 Inflation Report.
Source: Central Reserve Bank of Peru (BCRP).

International Trade

At the end of 2025, total exports amounted to USD93.1 billion, while total imports reached USD58.5 billion. The terms of trade improved by 19.2% in the same period, reflecting higher export prices and a 2.1% decline in import prices. According to estimates,

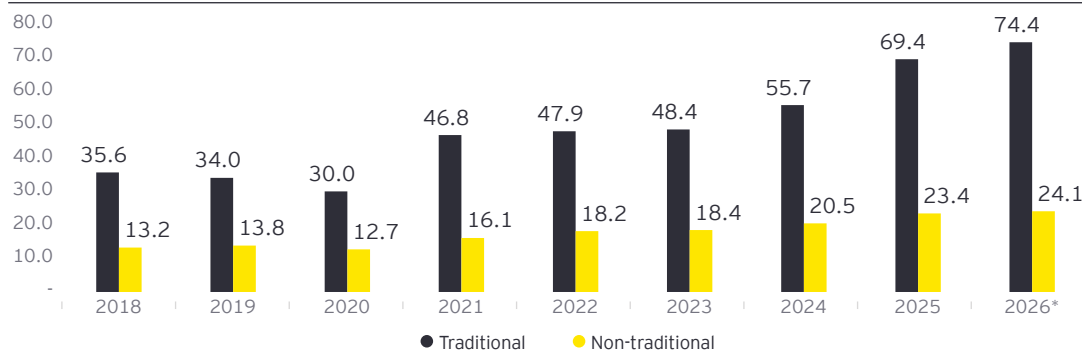
exports would reach USD98.7 billion in 2026, and imports, USD60.5 billion. Traditional exports reached USD69.4 billion and non-traditional exports, USD23.4 billion in 2025. It is expected that in 2026, traditional exports will reach USD74.4 billion and non-traditional exports, USD24.1 billion.

TRADE BALANCE (IN USD BILLIONS)



*Projection. December 2025 Inflation Report.
Source: Central Reserve Bank of Peru (BCRP).

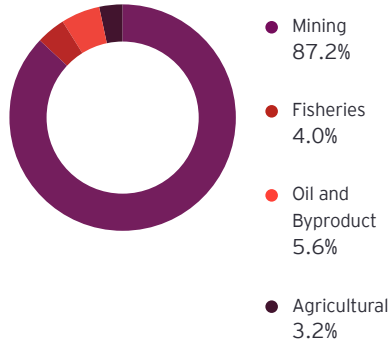
TRADITIONAL AND NON-TRADITIONAL EXPORTS (IN USD BILLIONS)



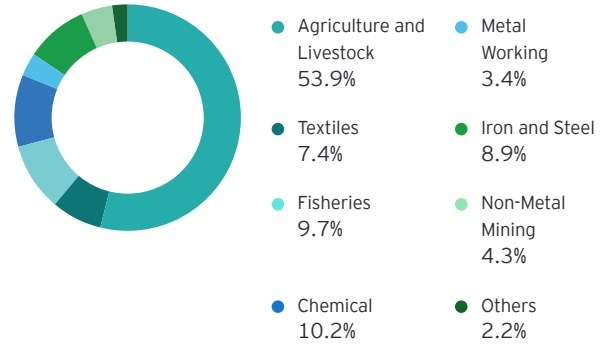
*Projection. December 2025 Inflation Report.
Source: Central Reserve Bank of Peru (BCRP).

FINAL EXPORTS BY ECONOMIC SECTOR 2025 (PERCENTAGE STRUCTURE)

Traditional (72%)

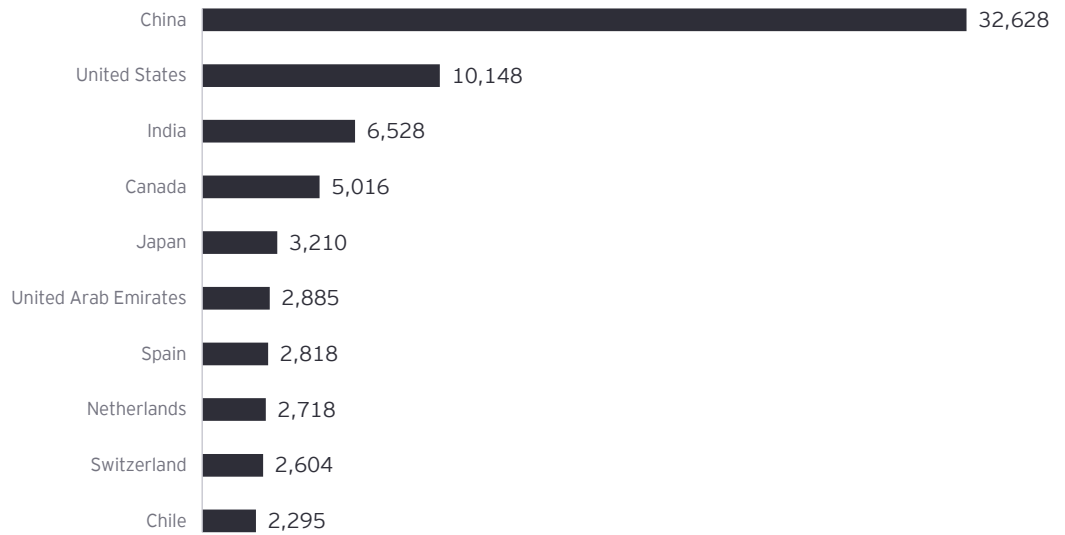


Non-Traditional (28%)



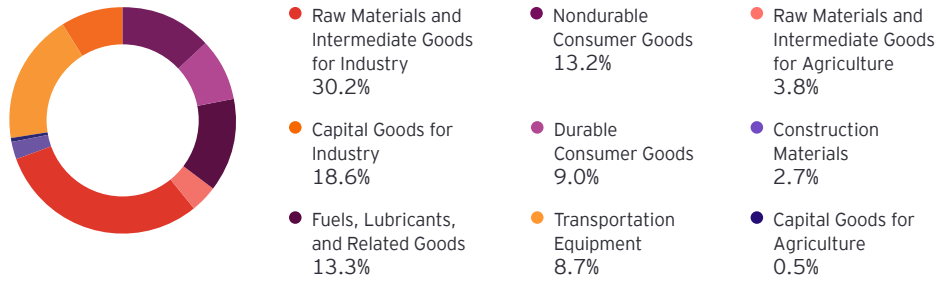
Source: National Superintendency of Customs and Tax Administration (SUNAT).

EXPORTS BY TRADING PARTNER, TOP TEN PARTNERS 2025 (IN USD MILLIONS)



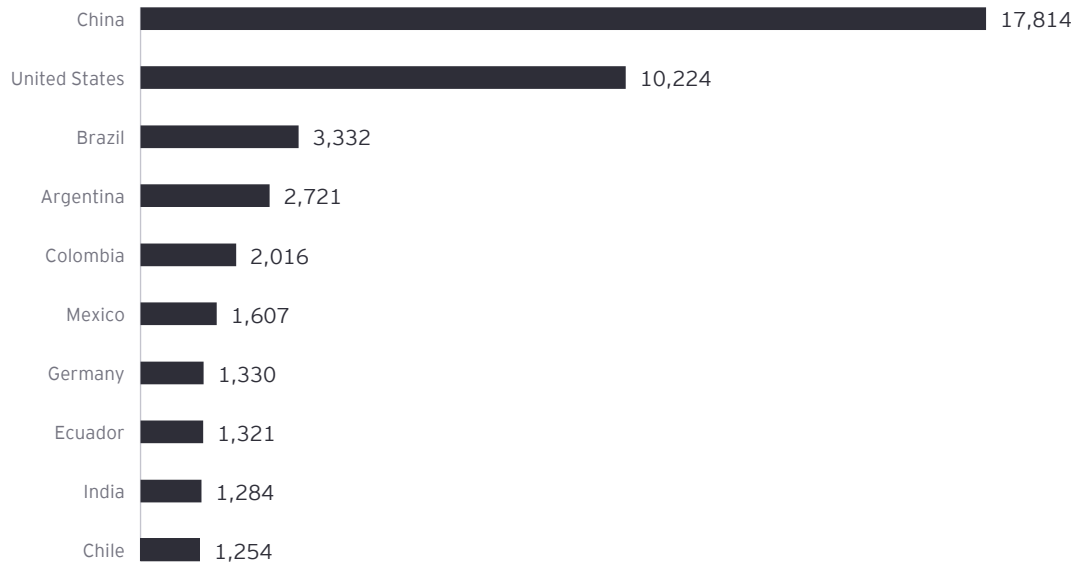
Source: Ministry of Foreign Trade and Tourism (MINCETUR).

IMPORTS OF CONSUMER GOODS ACCORDING TO CUODE CLASSIFICATION 2025 (PERCENTAGE STRUCTURE)



Source: National Superintendency of Customs and Tax Administration (SUNAT).

IMPORTS BY TRADING PARTNER, TOP TEN PARTNERS 2025 (IN USD MILLIONS)



Source: Ministry of Foreign Trade and Tourism (MINCETUR).

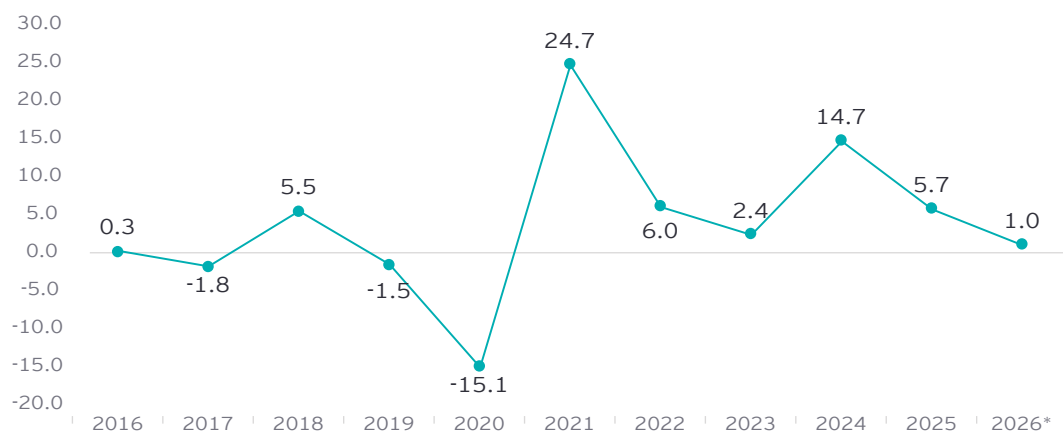


3 INVESTMENT ENVIRONMENT

Whilst in 2025 public investment increased by 5.7%, private investment grew 10.0%, primarily due to a business trust environment, better financial conditions—reflected in lower interest rates—, a

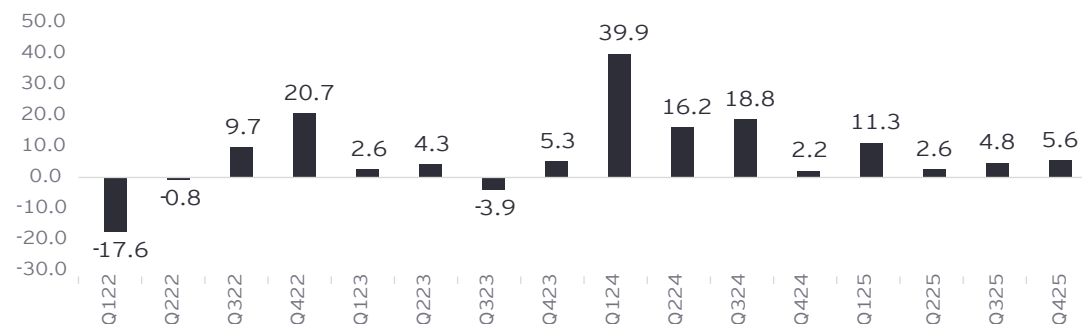
reduction in construction material prices, and an increase in imports of capital goods. In 2026, it is projected that public and private investment will grow 1.0% and 5.0% respectively.

PUBLIC INVESTMENT (PERCENTAGE CHANGE)



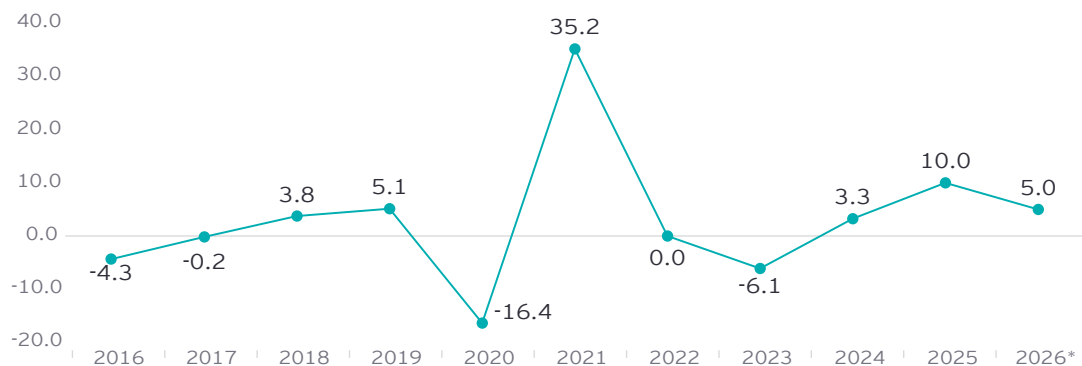
*Projection. December 2025 Inflation Report.
Source: Central Reserve Bank of Peru (BCRP).

QUARTERLY PUBLIC INVESTMENT (ANNUALIZED PERCENTAGE CHANGE)



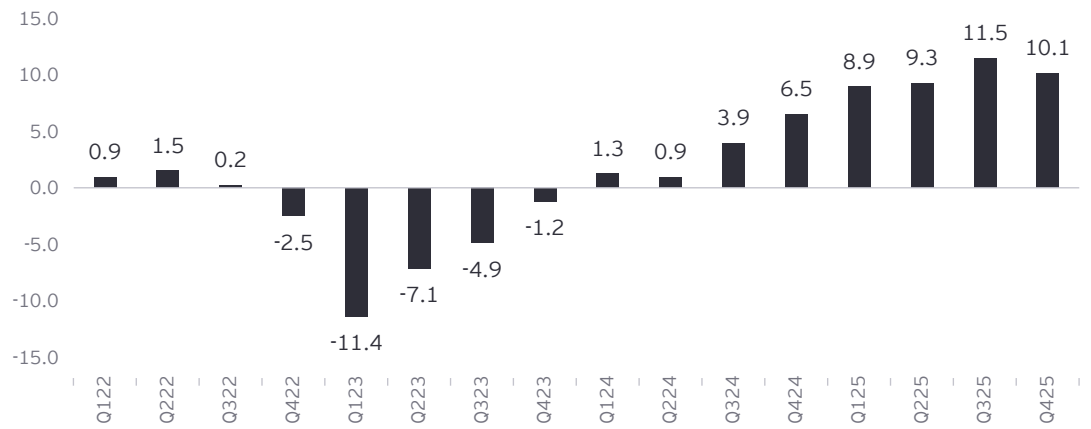
Source: Central Reserve Bank of Peru (BCRP).

PRIVATE INVESTMENT (PERCENTAGE CHANGE)



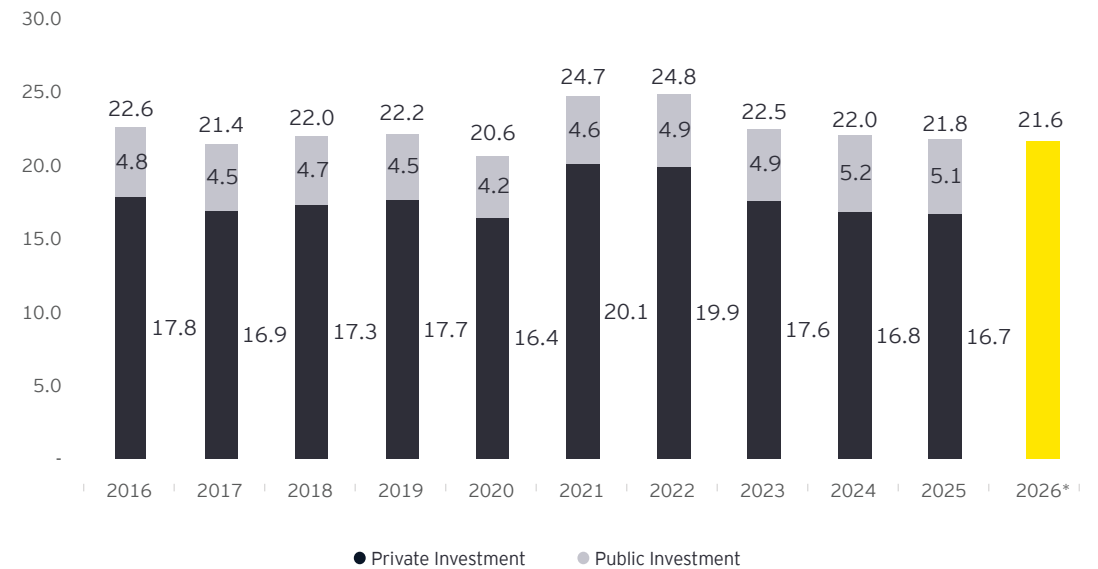
*Projection. December 2025 Inflation Report.
Source: Central Reserve Bank of Peru (BCRP).

QUARTERLY PRIVATE INVESTMENT (ANNUALIZED PERCENTAGE CHANGE)



Source: Central Reserve Bank of Peru (BCRP).

FIXED GROSS INVESTMENT (PERCENTAGE OF GDP)

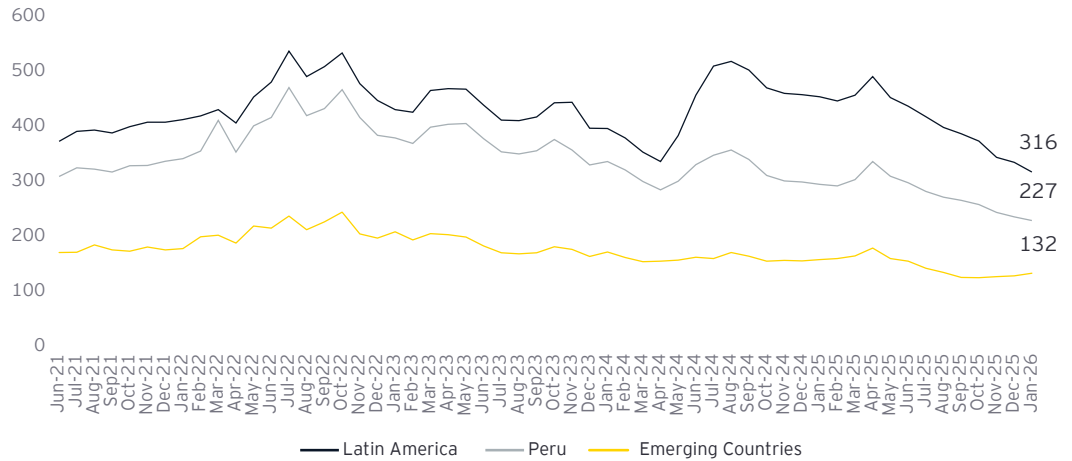


*Projection. December 2025 Inflation Report.
Source: Central Reserve Bank of Peru (BCRP).

Country Risk and Investment Grade

As of January 2026, Peru had a country risk of 132 basis points. This score is lower than Emerging Countries (227) and of the regional average (316). As a result, Peru has been positively rated by the best-known risk rating agencies, thereby ratifying the country's investment grade and attracting international attention.

COUNTRY RISK INDICATOR - EMBIG (IN BASIS POINTS)



Source: Reuters, Central Reserve Bank of Peru (BCRP).

EVOLUTION OF THE LONG-TERM DEBT RATING IN FOREIGN CURRENCY

Agency	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026*
S&P	BBB+	BBB+	BBB+	BBB+	BBB+	BBB	BBB	BBB	BBB-	BBB-	BBB-
Fitch	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB	BBB	BBB	BBB	BBB
Moody's	A3	A3	A3	A3	A3	Baa1	Baa1	Baa1	Baa1	Baa1	Baa1

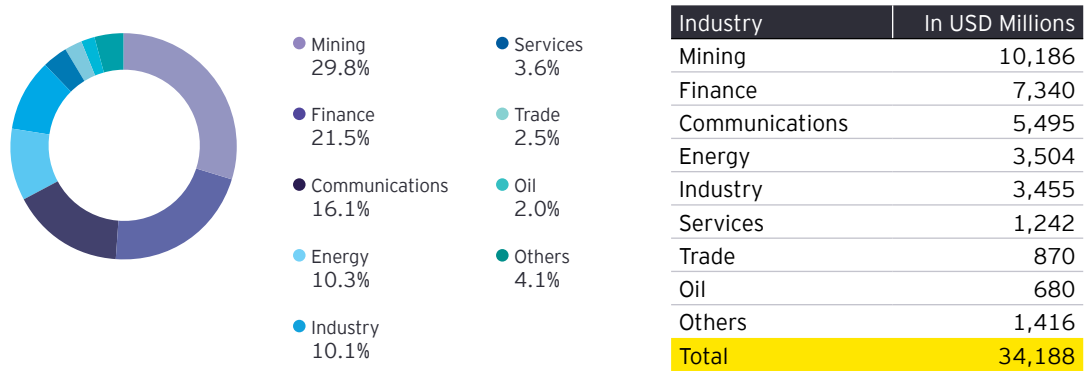
*As of January 2026.

Source: Standard & Poor's, Fitch Ratings, Moody's.

Foreign Direct Investment

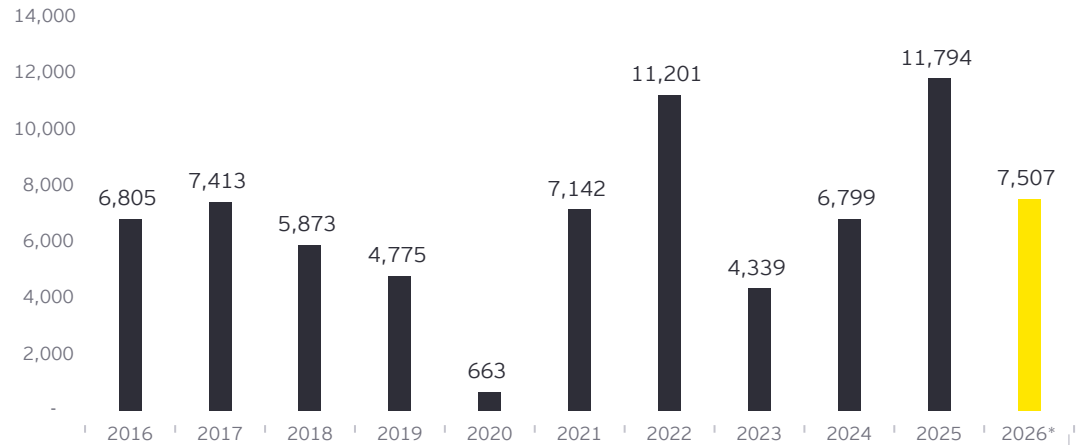
In 2025, the Foreign Direct Investment (FDI) flow reached USD11.8 billion, increasing 73% compared to the previous year. The Mining, Communications and Finance sectors represent the 67% of total FDI in 2025.

BALANCE OF FOREIGN DIRECT INVESTMENT BY INDUSTRY 2025



Source: Private Investment Promotion Agency (ProInversion).

FOREIGN DIRECT INVESTMENT FLOW (IN USD MILLIONS)



*Projection. December 2025 Inflation Report.
Source: Central Reserve Bank of Peru (BCRP).



4 INTERNATIONAL RELATIONS

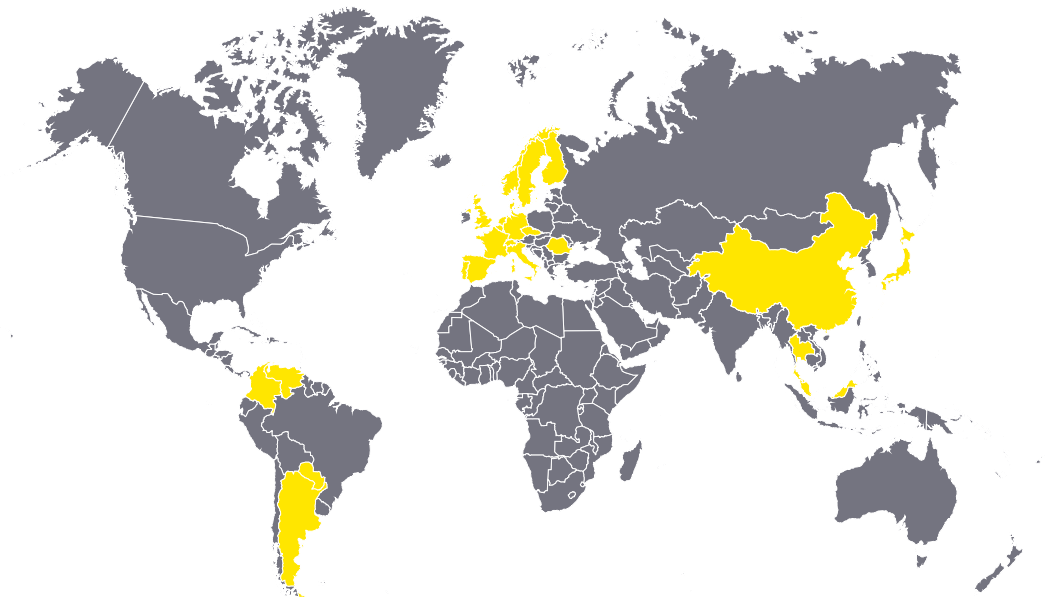
Peru has been a member of the World Trade Organization (WTO) since 1995, and in 1998 it became a member of the Asia-Pacific Economic Cooperation Forum (APEC). In 2011, it formed the Pacific Alliance with Chile, Colombia, and Mexico. It is also a member country of the Latin American Integration Association (ALADI) and an associated state of the Southern Common Market (MERCOSUR). Peru has begun to follow a Country Program to join the Organization for Economic Cooperation and Development (OECD). This is a key tool to ensure Peru's successful entrance into the organization.

It is important to mention that foreign investors are protected against inconvertibility, expropriation, political violence, and other non-business risks via access to multilateral and bilateral agreements. Peru has signed an agreement with the Overseas Private Investment Corporation (OPIC) and the Convention Establishing the Multilateral Investment Guarantee Agency (MIGA). Peru has also acceded to the World Bank's International Convention on the Settlement of Investment Differences (ICSID) as an alternative for the settlement of any disputes that may arise between investors covered by the ICSID and the Peruvian Government.

Bilateral Investment Treaties (BITs)

Peru has signed 25 Bilateral Investment Treaties (BITs) with:

- ▶ Argentina
- ▶ China
- ▶ Colombia
- ▶ Cuba
- ▶ Czech Republic
- ▶ Denmark
- ▶ El Salvador
- ▶ Finland
- ▶ France
- ▶ Germany
- ▶ Italy
- ▶ Japan
- ▶ Malaysia
- ▶ Norway
- ▶ Paraguay
- ▶ Portugal
- ▶ Romania
- ▶ Spain
- ▶ Sweden
- ▶ Switzerland
- ▶ Thailand
- ▶ The Belgium-Luxembourg Economic Union
- ▶ The Netherlands
- ▶ The United Kingdom
- ▶ Venezuela



Free Trade Agreements and Economic Integration Agreements

Peru's current trade architecture comprises a total of 23 Free Trade Agreements (FTAs) in force with Canada, Chile, Costa Rica, Cuba, United States, Honduras, Mexico, Panama, Venezuela, China, South Korea, Japan, Singapore, Thailand, Australia, the United Kingdom, the Pacific Alliance, the Andean Community (CAN), MERCOSUR, European Union, EFTA, the Pacific Alliance-Singapore, and with the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which has given Peru access to four countries with which it previously had no trade agreements: New Zealand, Vietnam, Brunei and Malaysia.

Likewise, Peru is a party to five economic integration agreements (EIAs) with the Pacific Alliance, the Andean Community (CAN), MERCOSUR, the Latin American Integration Association (ALADI), and the Community of Latin American and Caribbean States (CELAC).

These agreements enhance Peru's global trade presence, boost competitiveness and facilitate regulatory cooperation with key partners. In addition, Peru is in the midst of ongoing negotiations with Turkey, India, El Salvador and Thailand to further the expansion of its trade network.

Double Taxation Avoidance Agreements

Currently, Peru has signed and ratified agreements to avoid double taxation with the following countries: Brazil, Chile, Canada, Japan, Mexico, Portugal, South Korea, Switzerland and the Andean Community (together with Colombia, Ecuador and Bolivia). In addition to these nine agreements, Peru signed a double taxation avoidance agreement with the United Kingdom. This agreement has already been ratified by both parties, and it entered into force in January 2026.

On June 27, 2018, Peru signed the Multilateral Convention against base erosion and profit shifting, result of the OECD/G20 BEPS Project. On June 9, 2025, Peru deposited its instrument of ratification, and the BEPS Convention entered into force, for Peru, on October 1, 2025.

Additionally, an agreement was signed with Spain and is currently pending ratification. There are also negotiations underway with Qatar and France.



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For more information, find the Peru's Business, and Investment Guide 2024 and other specialized investment guides at:

<https://www.gob.pe/institucion/rree/colecciones/146-guias-de-negocios-e-inversion>



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About EY

EY is a global leader in assurance, tax, strategy, transaction and consulting services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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Ministry of Foreign Affairs (MRE)

The Executive Office for Economic Promotion (DPE) is the institution of the Ministry of Foreign Affairs (MRE) responsible for coordinating with Peruvian missions abroad in an effort to promote Peru as a country capable of providing goods and services in international markets, as well as positioning it as a world-renowned tourist destination, and a country with interesting business and investment opportunities in different economic sectors.

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