



# Peru... a Mining Country

Luis Cabello  
Trade Counsellor  
Embassy of Peru in India



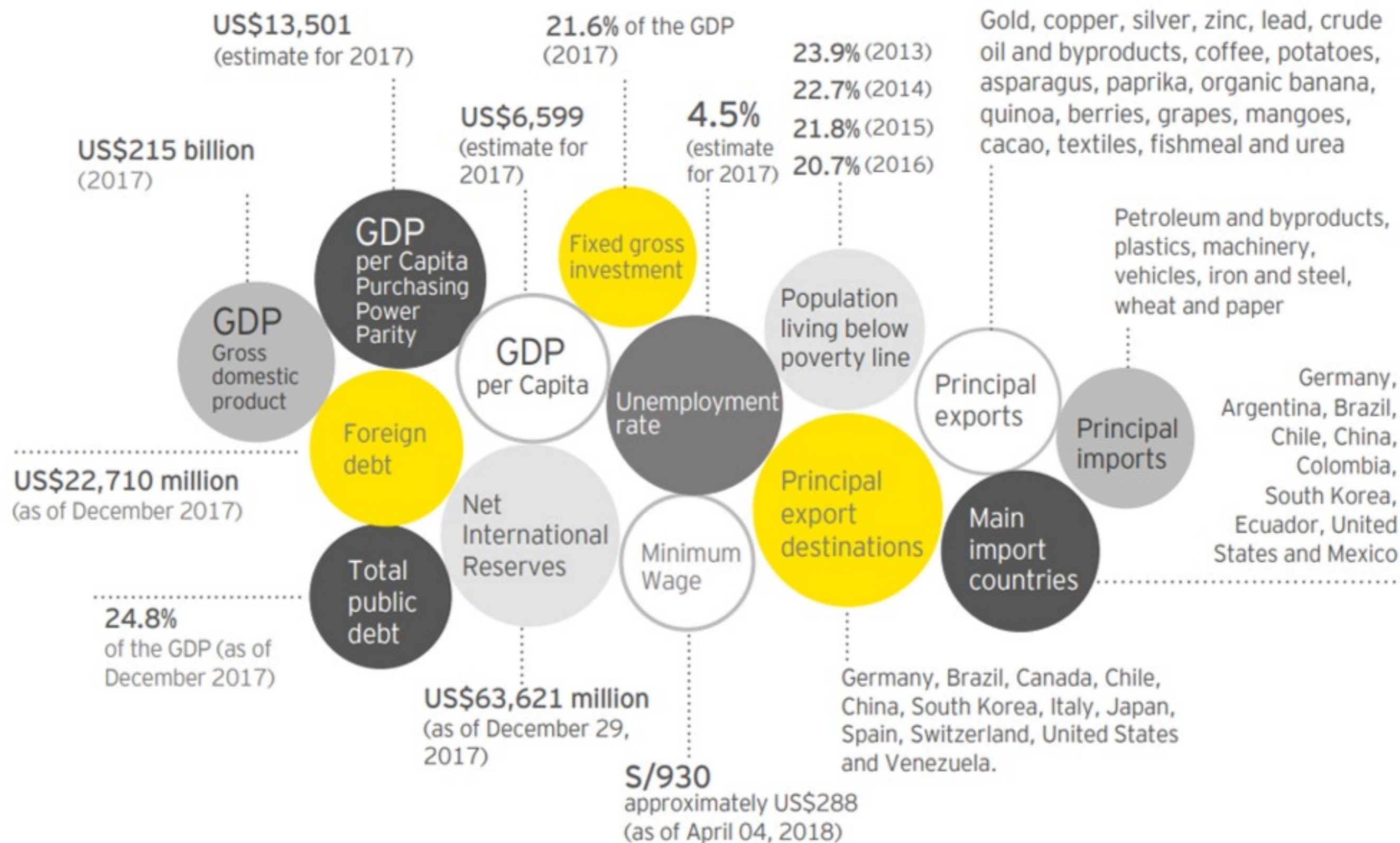
Dry – Coast  
Cold - Highlands



# Macro-Economic strengths



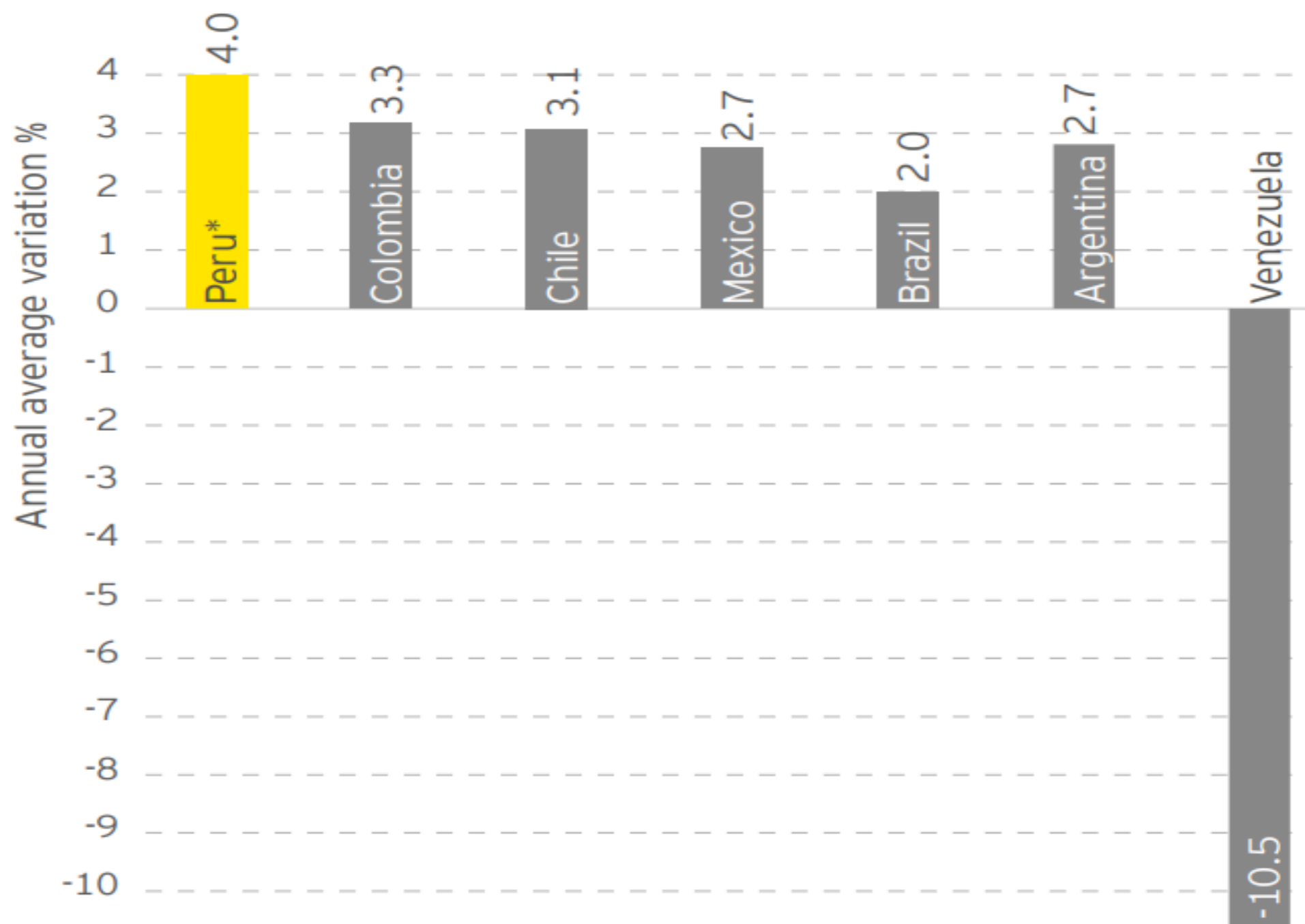
# Peru: Economic overview



# Peru: Economic overview



## Economic Growth Rates Latin America projections: 2018-2019 (Annual average variation %)



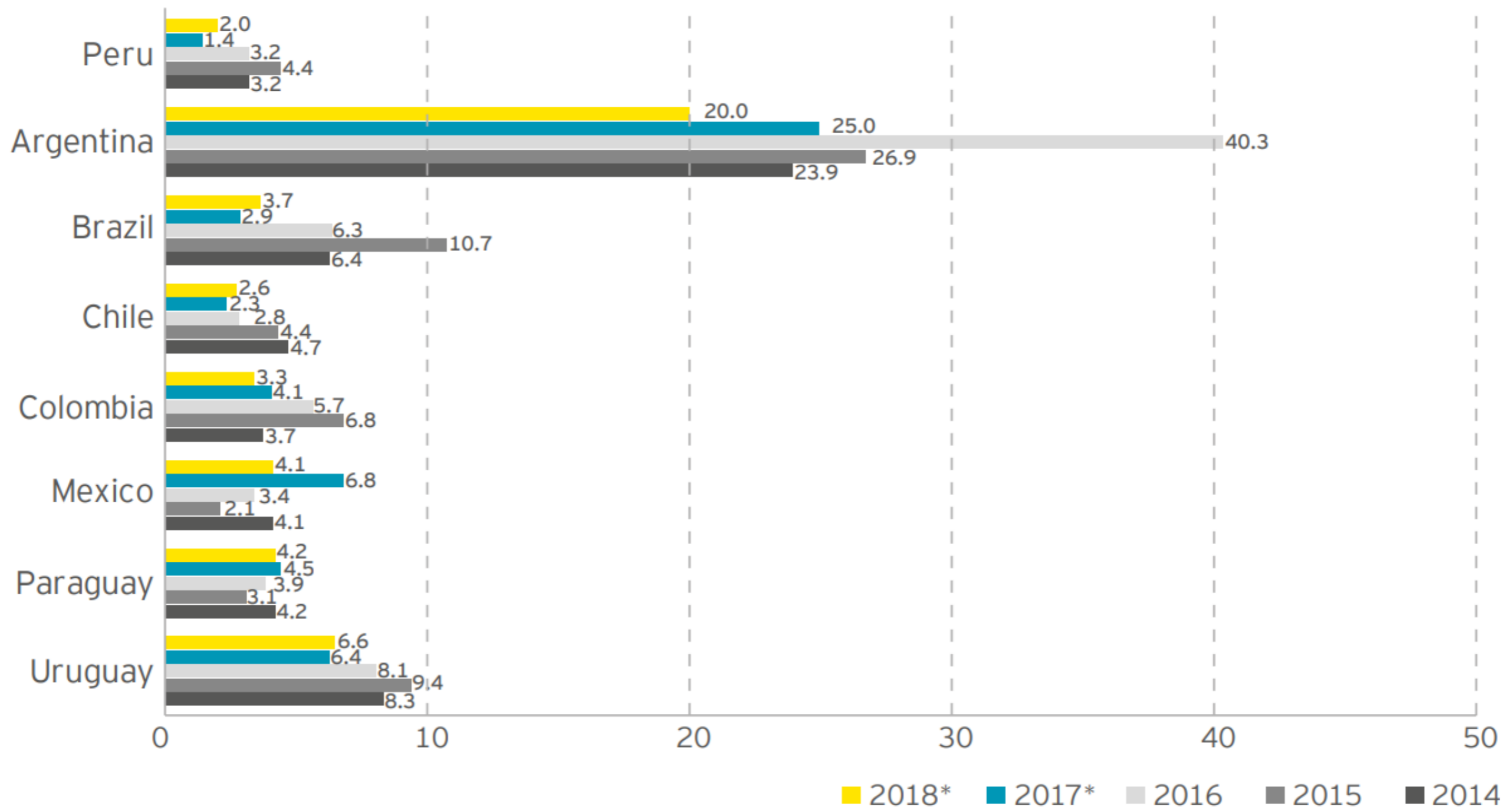
\*As of March 2018.

Sources: International Monetary Fund (IMF) / For Peru, BCRP

... all this, in a frame of macro-economic stability,  
Peru records the LOWEST inflation rate at the regional level...



## Estimated inflation rates in Latin America



\*Estimated

Sources: Latin America Consensus Forecast (March 2018)/BCRP

# Peru: Main economic activities by region



	Fishery		Textile industry
	Petroleum		Cement plant
	Oil refinery		Chemical plant
	Sugar refinery		Metal industry
	Fishmeal plant		Smelting
	Natural gas		Metallurgical industry
	Gold		Zinc
	Silver		Lead
	Copper		Iron



# Friendly investment environment





1

Strengths and Opportunities



## SOUND FRAMEWORK FOR FOREIGN INVESTMENT

Unlimited access to most economic sectors\*

Free movement of capitals

Freedom to buy shares from country nationals

Free competition

Non-discriminatory treatment



Freedom to access domestic and foreign credit

Guarantee to private property

Access to international dispute settlement mechanisms

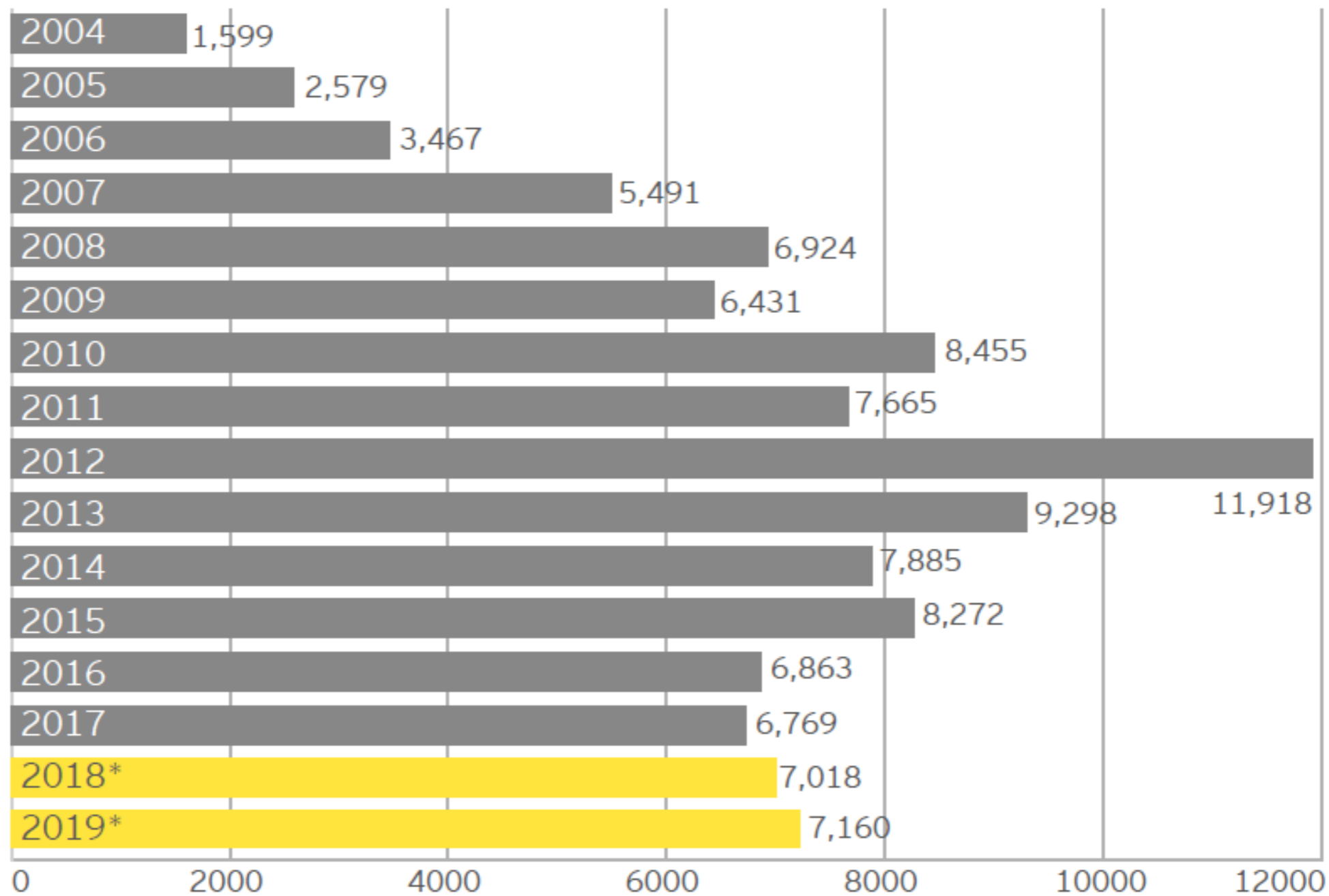
Takes part in the Investment Committee and promotes the implementation of Guidelines for Multinational Companies of the OECD

\* Investments that require authorization: Investments located within 50 Km. From the border line and investments in weapons, ammunitions and explosives. Similarly, a local majority shareholder is required for the investment in maritime cabotage investment, as well as in air transport companies.

# Trends for foreign investment in Peru



## Foreign direct investment inflows (US\$ billions)

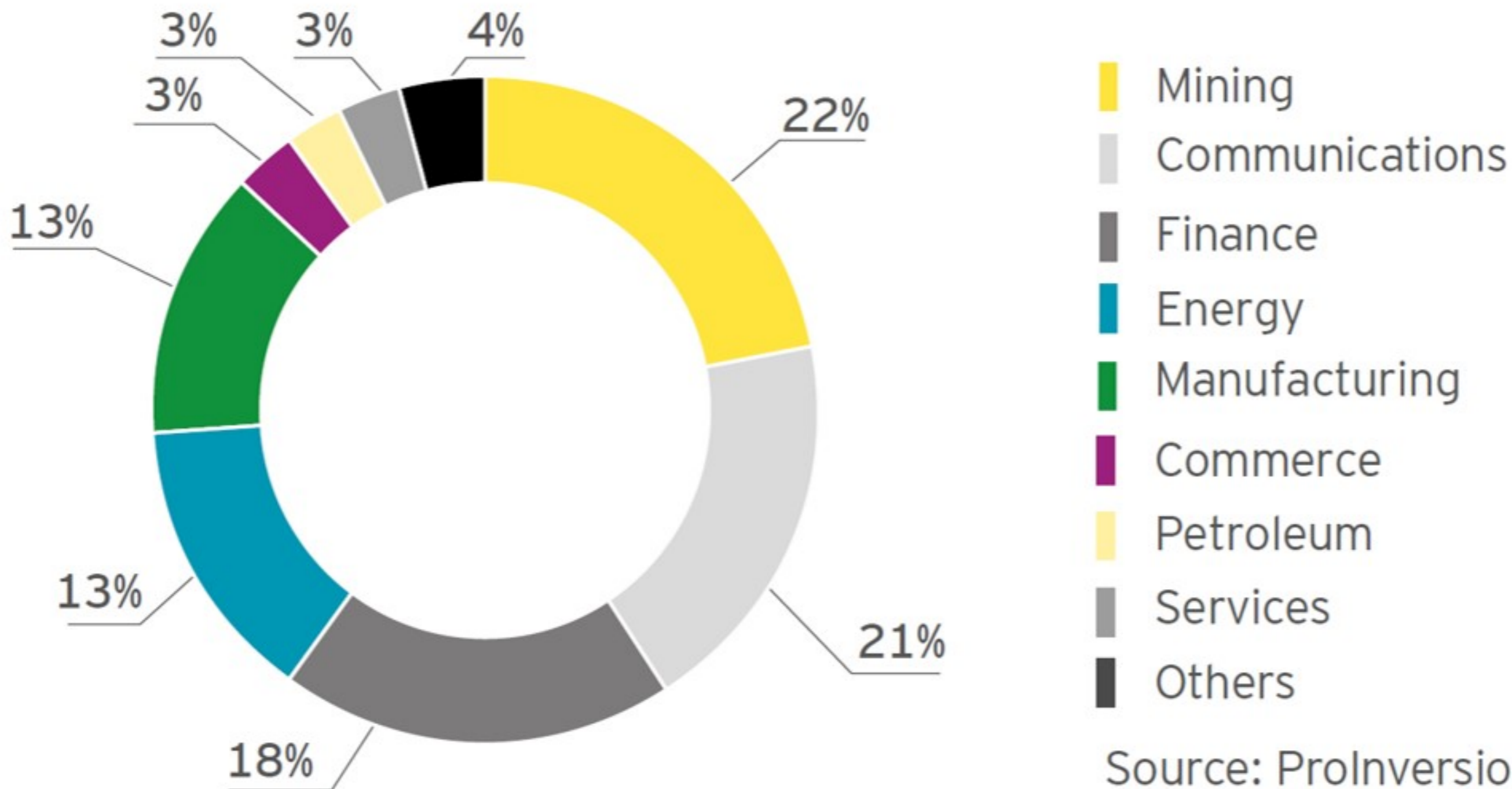


\*Estimated

Source: BCRP



## Foreign direct investment stock by sector (2017)





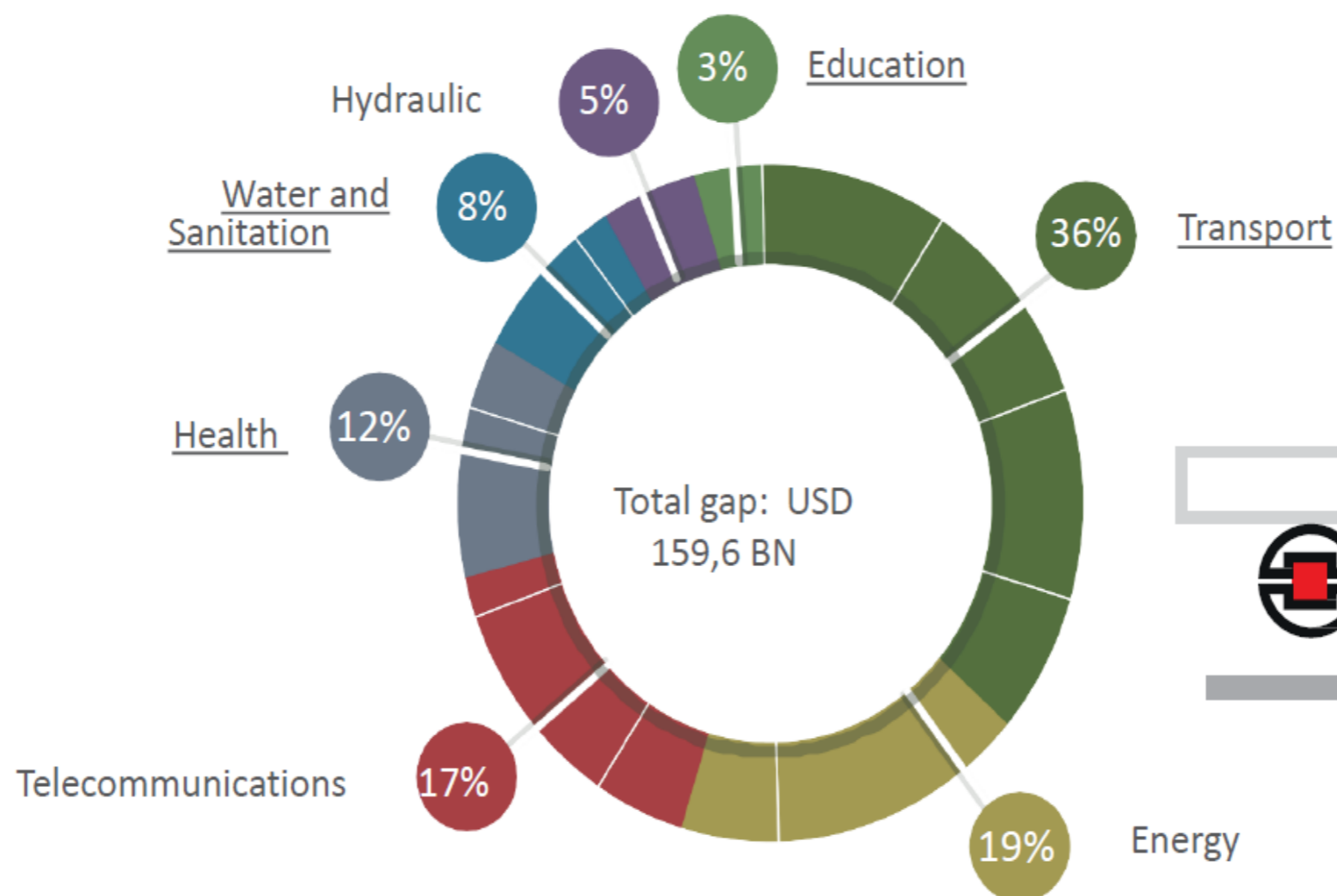
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Strengths and Opportunities



## GAP IN INFRASTRUCTURE 2016-2025

### SECTORAL GAP AS AT 2025



Strategic pillar:

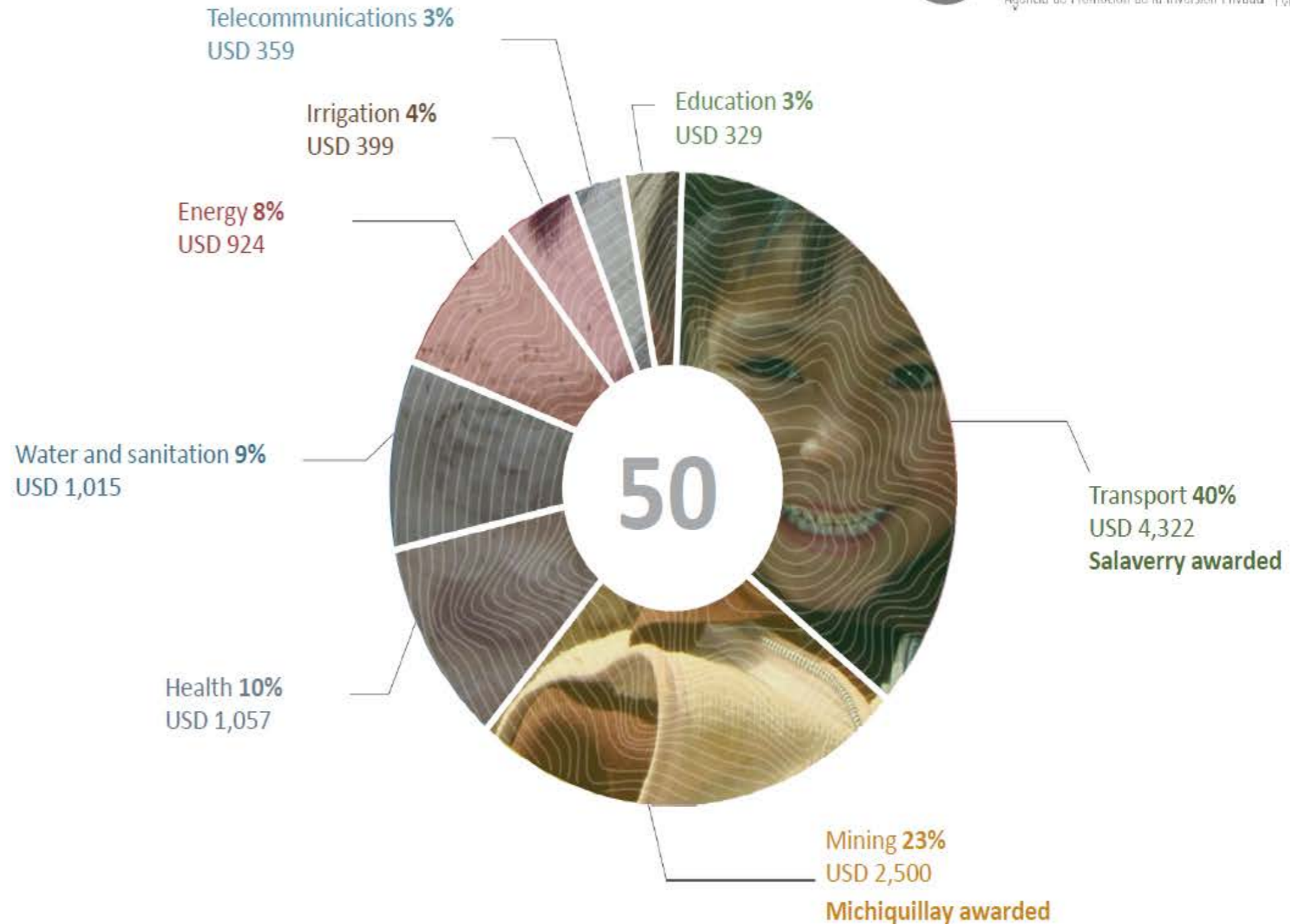


**ProInversión**

Agencia de Promoción de la Inversión Privada Perú



# PORTFOLIO 2018-2020



**50 PROJECTS**  
Estimated investment:  
**USD 10.9 billion\***

# A steady tax regime:



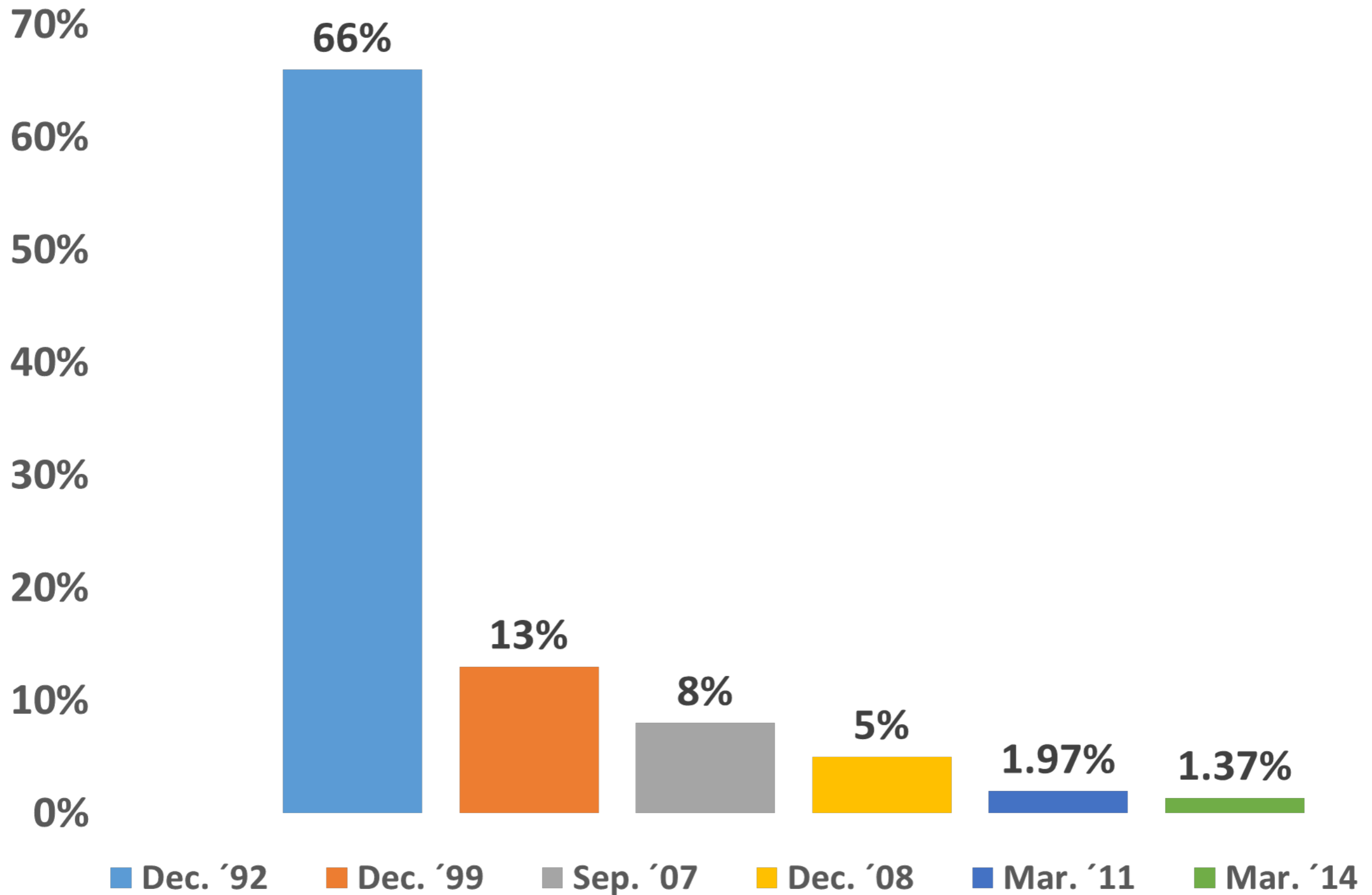
Tax		Applicable Rate
INCOME	Corporate profits	29.5%
	Agriculture and agribusiness	15%
	Dividends	5.0%
	Royalties	30.0%
	Interest rate on loans from abroad	4.9%
Value Added Tax (VAT)		18.0%
Financial Transactions Tax		0.005%
Temporary to net assets, applicable to the excess of S/. 1 000 000		0.4%



# **Open Trade and Market Access**

# Peru opens its doors to world trade...

## Effective customs tariff evolution



Source: SUNAT

## Reduced tariff structure with low tariff dispersion

LEVELS OF AD- VALOREM	TARIFF LINES 2/	
	NUMBER	PROPORTION (%)
<b>0</b>	4,224	55.9%
<b>6%</b>	2,538	33.6%
<b>11%</b>	792	10.5%
<b>Total</b>	<b>7,554</b>	<b>100 %</b>
<b>EFFECTIVE AVERAGE TARIFF %</b>		<b>3.2</b>
<b>EFFECTIVE TARIFF %</b>		<b>1.1</b>
<b>STANDARD DEVIATION %</b>		<b>3.8</b>

# Working to become a global economy, with preferential access to the world's largest markets

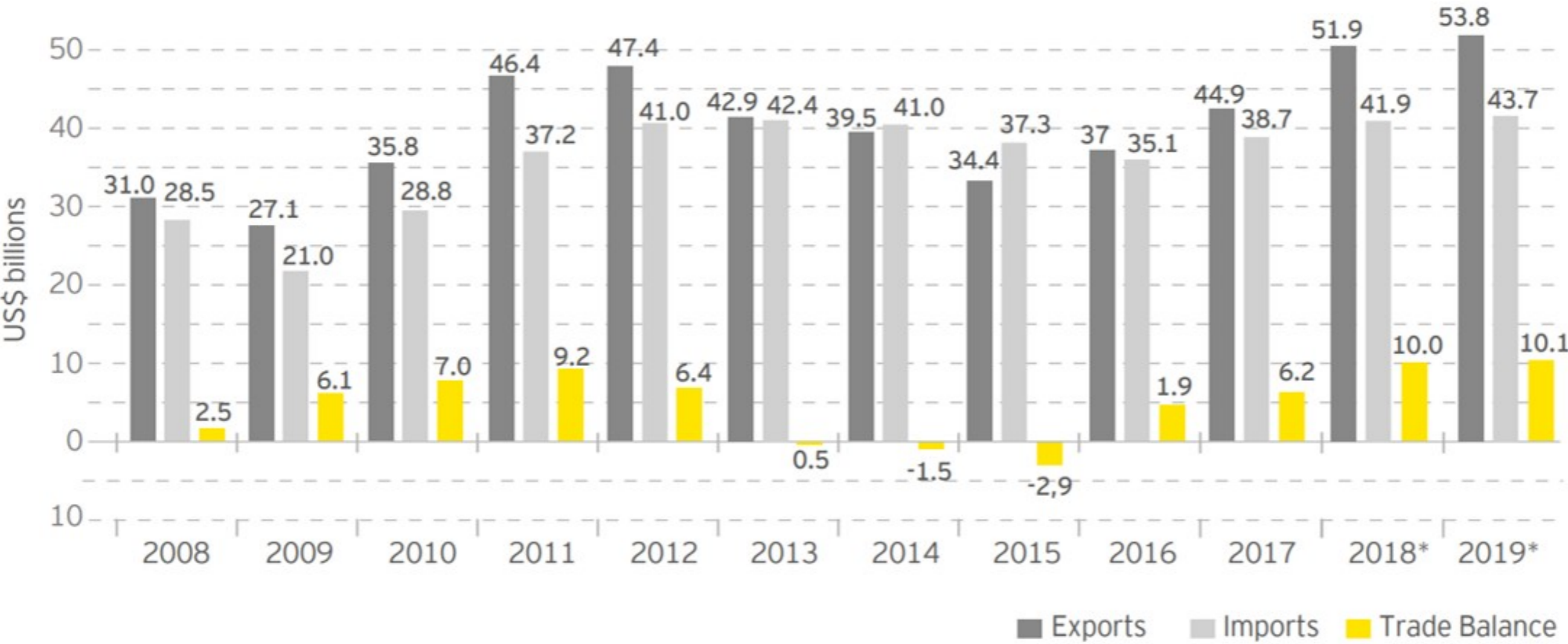
+ 2.5 billion of consumers



+ 55 world economies

+ 95% of Peruvian exports with trade preferences

# Peru: Trade Balance



\*Estimated. Sources: BCRP





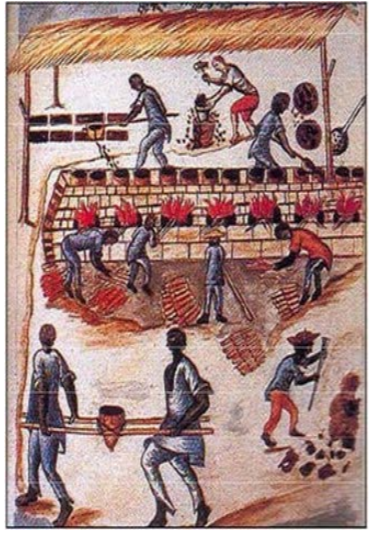
# Mining sector



# Peru: Mining country since ancient times.



Pre Inca      Inca      Colony      Republic      Today



# MINING SECTOR









- ❖ **Polymetallic country**
- ❖ 35% of land suitable for mining activities.
- ❖ Opportunity: only 1.2% is used in exploration + exploitation
- ❖ Products: Copper, silver, tin, **gold**, zinc, lead, molybdenum among others.
- ❖ Peru is one of the few countries with non-metallic mineral deposits, including diatomite, bentonite, limestone and phosphates.



# Peru: world ranking in mining reserves



		World reserves	
		World Position	LAC Position
Copper		3	2
Gold		7	2
Zinc		3	1
Silver		1	1
Lead		4	1
Tin		11	3
Molibdenum		3	1



# Peru: World ranking in mining production

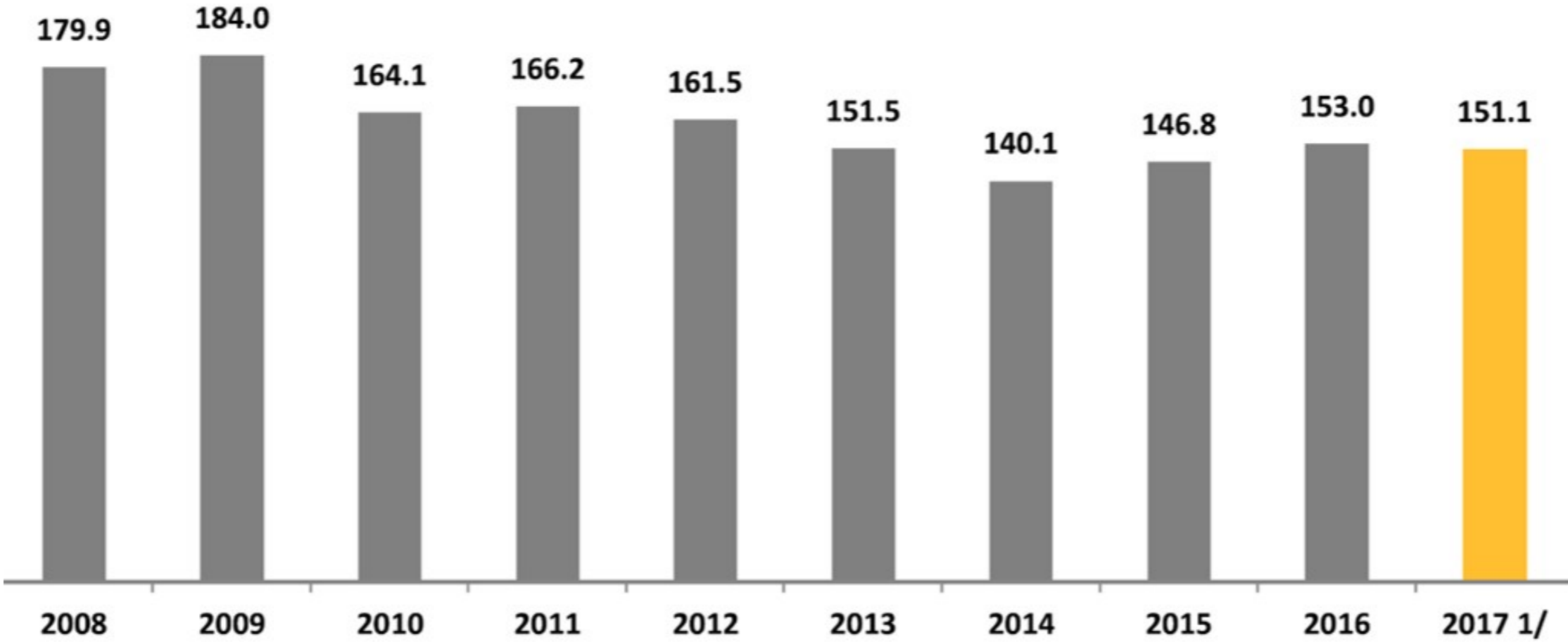


	World production	
	World Position	LAC Position
Gold	6	1
Copper	2	2
Silver	2	2
Zinc	2	1
Lead	4	1
Tin	6	3
Molibdenum	4	2
Cadmium	8	2
Phosphate rock	10	2
Boro	2	1
Diatomite	6	2
Indium	7	1
Andalusite	4	1
Selenium	10	1

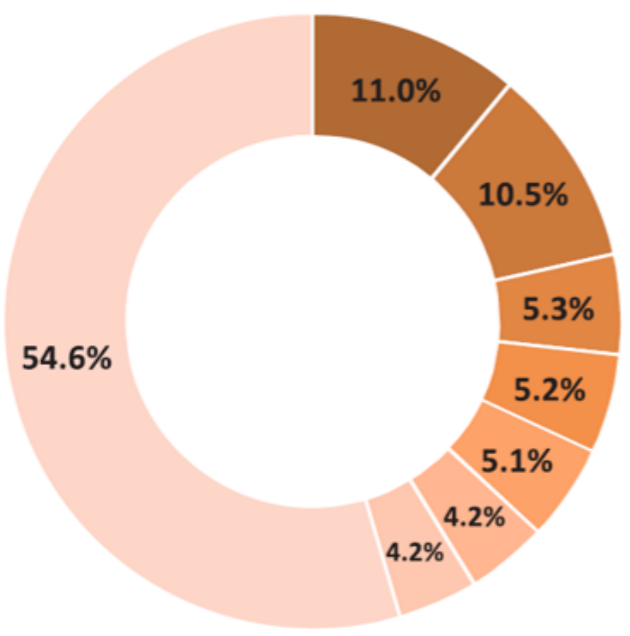


# Peruvian GOLD

## Metal mining production (FMT)

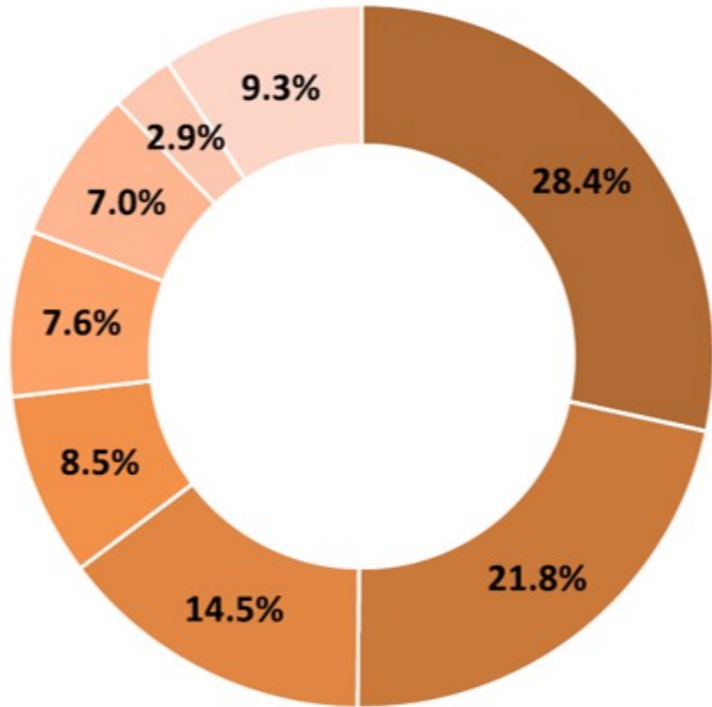


### 2017 - Gold: Main Peruvian producers



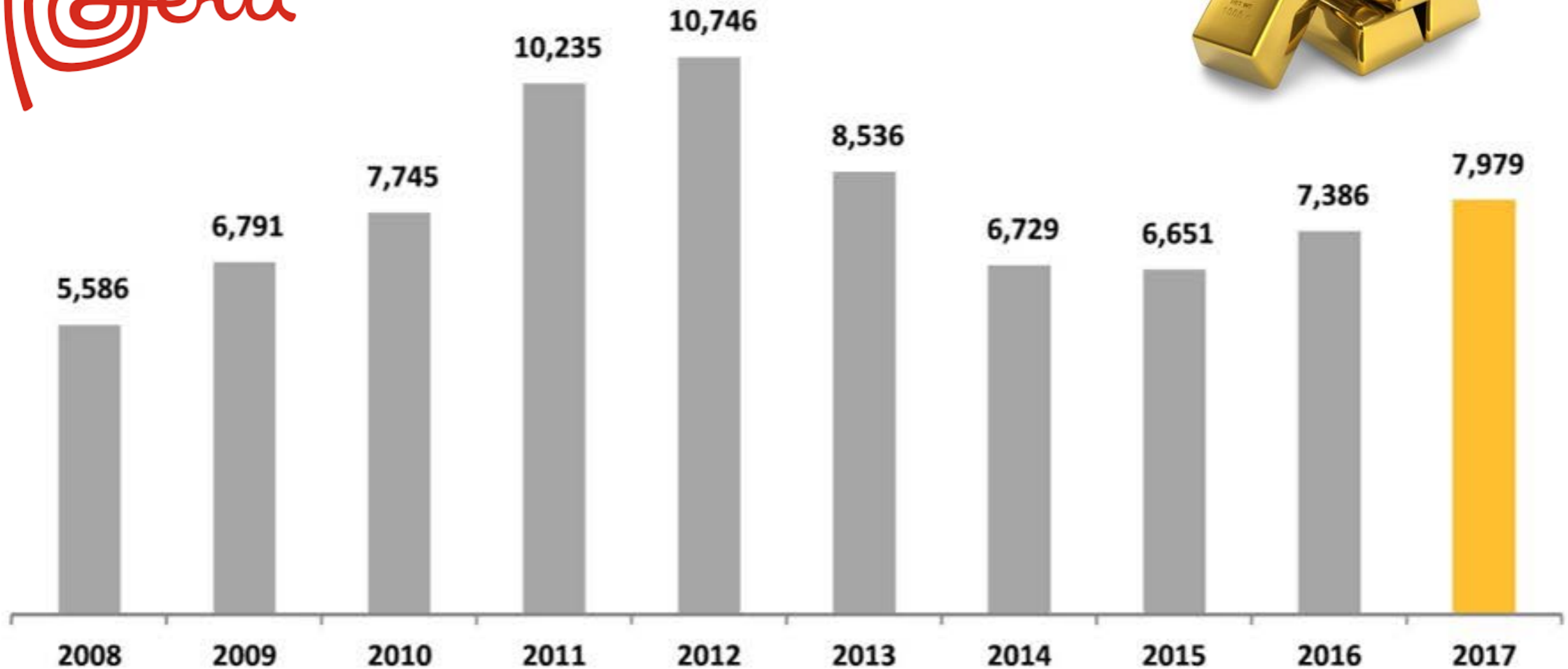
- MINERA YANACOCHA S.R.L.
- MINERA BARRICK MISQUICHILCA S.A.
- CONSORCIO MINERO HORIZONTE S.A.
- COMPAÑÍA MINERA PODEROSA S.A.
- COMPAÑÍA DE MINAS BUENAVENTURA S.A.A.
- MINERA AURÍFERA RETAMAS S.A.
- COMPAÑÍA MINERA ARES S.A.C.
- OTROS

### 2017 - Gold: Production by Region



- LA LIBERTAD
- CAJAMARCA
- AREQUIPA
- MADRE DE DIOS
- AYACUCHO
- PUNO
- CUSCO
- OTROS

# 2008 – 2017: Peruvian exports of GOLD

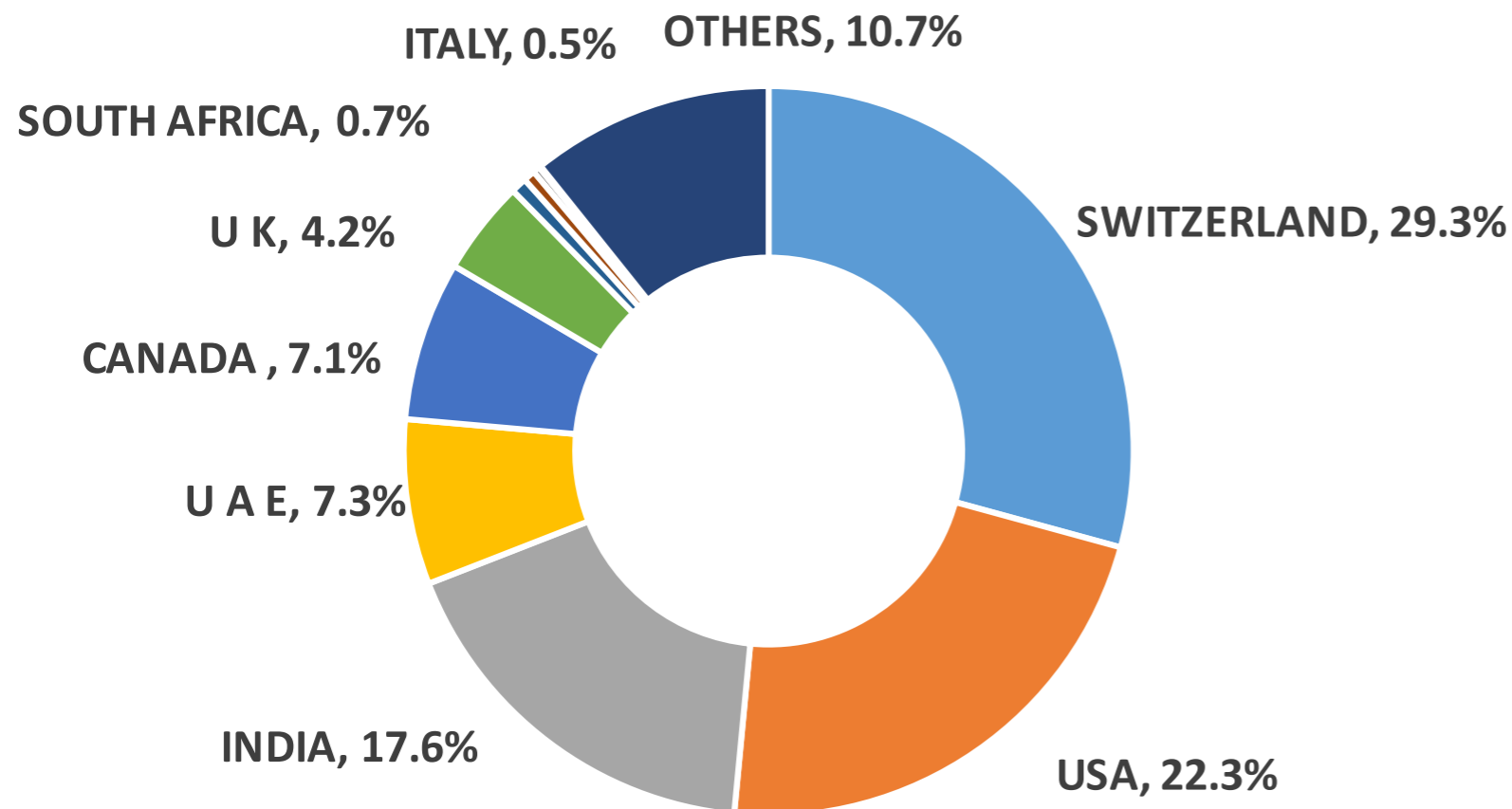


ORO	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
VALUE (US\$MM)	5,586	6,791	7,745	10,235	10,746	8,536	6,729	6,651	7,386	7,979
QUANTITY (MILES OZ. TR.)	6,418	6,972	6,335	6,492	6,427	6,047	5,323	5,744	5,915	6,336

# Peruvian GOLD: Main markets in 2017



## 2017: PERUVIAN GOLD - MAIN MARKETS



COUNTRY	US\$ MILLION	%
SWITZERLAND	2,334	29.3%
USA	1,776	22.3%
INDIA	1,402	17.6%
U A E	584	7.3%
CANADA	564	7.1%
U K	333	4.2%
SOUTH AFRICA	56	0.7%
ITALY	42	0.5%
CHINA	24	0.3%
GEORGIA	7	0.1%
OTHERS	857	10.7%
<b>TOTAL</b>	<b>7,979</b>	<b>100%</b>



# Trade Peru - India



**Total trade**  
**US \$ 2,75 billion**



**Superavit Peru**  
**US \$ 1,184 million**



**BALANCE OF TRADE PERU-INDIA (January - December 2013 - 2017)**  
**(Million US\$ FOB)**

Years	2013	2014	2015	2016	2017	2018*
Exports	593	321	664	924	1,964	1,096
Imports	680	787	883	766	781	361
Balance of Trade	-87	-466	-218	158	1,184	734
Total Trade	1,273	1,108	1,547	1,690	2,745	1,457





# GOLD Exports from Peru to India



PERUVIAN EXPORTS TO INDIA - 2017	1,964.0
PERUVIAN GOLD EXPORTS TO INDIA - 2017	1,401.5
	71%



FOB (US\$ millions)

1,600  
1,400  
1,200  
1,000  
800  
600  
400  
200  
0

2011 2012 2013 2014 2015 2016 2017

106.6

263.6

92.8

355.4

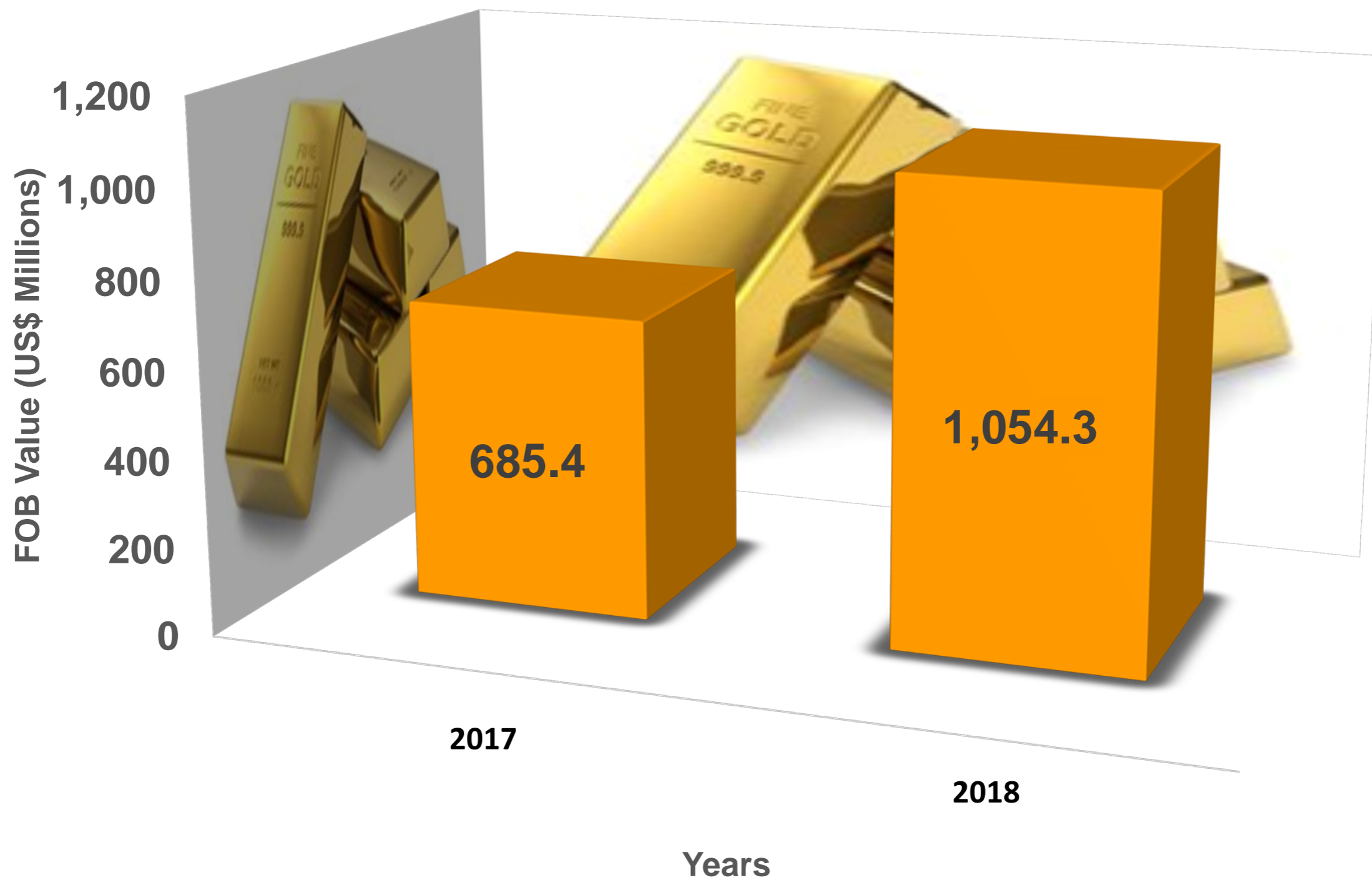
449.1

1,401.5

Years



# GOLD exports from Peru to India Jan - May



Perú

Finally, do not forget...



# PERUMIN: MINING CONVENTION

SEPT. 16 – 20, 2019  
AREQUIPA - PERU





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13 SIMPOSIUM INTERNACIONAL  
 DEL ORO Y DE LA PLATA  
 INTERNATIONAL GOLD & SILVER  
 SYMPOSIUM



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 Magdalena del Mar, Lima

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2018 LIMA, PERÚ  
 29, 30 Y 31 MAYO / MAY

SEDE / VENUE: THE WESTIN LIMA HOTEL & CONVENTION CENTER



13 SIMPOSIUM INTERNACIONAL  
 DEL ORO Y DE LA PLATA  
 INTERNATIONAL GOLD & SILVER  
 SYMPOSIUM

ORGANIZADO POR / ORGANIZED BY:



PROMUEVE / PROMOTED BY:



**14 th. INTERNATIONAL GOLD & SILVER SYMPOSIUM**  
**May 26 – 28, 2020**  
**Lima - Peru**



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Gracias!

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