



**REPUBLIC OF PERU**

**MINISTRY OF ECONOMY AND FINANCE**

**2018-2021 MACROECONOMIC  
PROJECTIONS UPDATE REPORT**

**APRIL 27<sup>TH</sup>, 2018**

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## EXECUTIVE SUMMARY

The 2018-2021 macroeconomic projections update is consistent with the implementation of the **Economic Impulse Plan**, which includes measures to strengthen fiscal accounts and to boost economic growth in the short and medium term.

### *Public Finances*

**Fiscal projections are consistent with the current macro-fiscal framework<sup>1</sup>, which establishes a fiscal deficit of 3.5% of GDP in 2018, that will gradually converge to 1.0% of GDP in 2021.** Under this path, the public debt will stabilize at around 27% of GDP, remaining below the median of countries in the region and countries with similar credit ratings. Compliance with the fiscal rules is a sign of responsible and prudent management of fiscal policy, and it also enhances the reaction capacity to changes in external and domestic conditions. This will allow preserving the credit rating, a necessary condition to keep low financing costs for investment projects, a key element to foster medium-term economic growth.

**Peru has many macro-fiscal strengths, but they have slightly deteriorated in recent years.** Among the main fiscal strengths are sound public finances, low level of public debt compared to countries with similar credit ratings, and significant accumulation of fiscal assets. Indeed, Peru is the only country in the region that has maintained its credit rating with a stable outlook in the three main credit rating agencies<sup>2</sup>. However, in recent years the fiscal outlook has deteriorated, mainly due to low revenue collection and a continuous increase in all components of current expenditure. These trends pose challenges to maintain orderly and sustainable public finances, especially in a context of credit ratings revisions in other countries due to fiscal issues.

**In this context, the implementation of the Economic Impulse Plan is key to meet fiscal targets, to restructure fiscal tools, and to boost the fiscal policy impact in the economy.** Under this general guideline, the government will take measures to increase permanent revenues and improve the efficiency of current expenditure to ensure space for public investment deployment, in order to close infrastructure gaps and increase potential output.

**To March 2018, annualized fiscal deficit reached 3.1% of GDP.** By the end of the year the fiscal deficit is expected to increase to 3.5% of GDP due to the strong impulse of public investment (+17.5% in real terms), in a context of modulation of current expenditure (in pursuance of the fiscal rule of 4.0% growth – without maintenance- in real terms) and an increase of fiscal revenues. This mix of fiscal instruments will allow public investment to become a significant engine of economic recovery in 2018, contributing 0.8 pp. to economic growth.

**In 2018, general government revenues will grow 7.4% (in real terms) and will amount to 18.5% of GDP, in a context of favorable external conditions (export prices will grow 10.2%) and the adoption of tax administration and policy measures.** The Economic Impulse Plan embraces actions to increase permanent revenues and to correct distortions in the current tax system, so that its implementation does not affect the investment expectations of economic agents. To reach this goal, these measures will have four broad fields of actions: (i) institutionality and transparency, (ii) tax policy measures, (iii) tax administration measures, and (iv) rationalization of tax benefits. The Plan contains immediate tax policy and administrative measures to be implemented in the short-term. Thus, for 2018, immediate tax measures seek to improve the spot regime<sup>3</sup>, to revise the impact of Excise Tax so as to reflect the negative externalities in affected

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<sup>1</sup> Legislative Decree N° 1276 (Fiscal Responsibility and Transparency Framework of the Non-Financial Public Sector), Supreme Decree N°. 150-2017-EF (regulation) and Law N°. 30637 (activation of the exception clause in 2017 for the macro-fiscal rules of the Non-Financial Public Sector).

<sup>2</sup> The top three risk rating agencies: Moody's, S&P, and Fitch ratings ratified the grade of Peru in A3, BBB, and BBB with a stable outlook on August 2017, June 2017 and March 2018, respectively.

<sup>3</sup> "*Sistema de pago de obligaciones tributarias*" by its Spanish translation. It refers to the administrative tax regime that tackles avoidance in the most informal transactions.

goods, to approve the regulation of the General Anti-Elusive Rule<sup>4</sup> and the Global Forum on Transparency and Exchange of Information for Tax Purposes (the Global Forum<sup>5</sup>) by Congress plenary, and to promote transparency.

**In this context, it is expected that public investment will display dynamic growth in 2018 (17.5% in real terms).** The Economic Impulse Plan has measures to increase fiscal revenues and to reduce non-critical current expenditures, which generate more space to propel public investment. Besides that, the Plan includes special measures to reactivate reconstruction spending and to accelerate traditional public works. In particular, a bill is being prepared to redesign the reconstruction process and to improve management capacity and regulation of the investment processes. With respect to traditional public investment, the Plan includes the following measures: (i) budget reallocations to ensure resources for fast-running projects, (ii) incentive mechanisms to stimulate public investment in Regional Governments, (iii) reform of the “Promotion Fund of the Regional and Local Public Investment” (FONIPREL), giving a more comprehensive funding to project studies and simplifying the procedures, (iv) permanent Ministry of Economy and Finance team assigned to key sectors and regions (one-stop window between the Ministry and other institutions), and (v) strengthening investment management and flexibilization of aspects of the normative framework of the contracting law that currently limits investment execution.

**Starting in 2019, and consistent with the fiscal consolidation path, a gradual process of reducing fiscal deficit will begin, reaching 1.0% of GDP in 2021.** Fiscal consolidation will develop through a reduction in current expenditures (excluding maintenance) and an increase in fiscal revenues with the objective to minimize its impact on economic activity. The strategy to stabilize current expenditure growth will focus on categories with low multiplier effect in the economy and employment. In this context, a key challenge of the consolidation strategy is to control the expansion of non-critical and rigid-in-nature expenditures.

**In the case of fiscal revenues, the tax burden is expected to increase from 12.9% of GDP in 2017 to nearly 15.3% of GDP in 2021 through a four-pillar strategy.** This includes measures such as: increase the tax base through formalization, reduction of tax evasion and tax avoidance, and a reduction of non-compliance of key taxes, such as the value-added and income tax. Furthermore, it also includes the design of a new strategy to rationalize tax exemptions and benefits, by following a special mechanism to promote higher investment and to improve the control processes of SUNAT, among others.

**The fiscal deficit will be financed through a combination of indebtedness and the use of financial assets.** By 2018, the fiscal deficit will be financed via debt (2.4% of GDP) and financial assets (1.1% of GDP). For the period 2019-2021, the financing of the fiscal deficit (average 2.0% of GDP) will be supported by public debt (1.5% of the GDP on average) and by the use of financial assets (0.5% of GDP on average). Thus, the public debt of Non-Financial Public Sector (NFPS) will reach 26.3% of GDP in 2018 and will stabilize around 27.0% of GDP towards 2021, below the legal debt ceiling (30.0% of GDP), lower than the median of the Pacific Alliance (43.9% of GDP), the countries with similar credit ratings (47.4% of GDP) and emerging markets (55.6% of GDP).

It should be noted that by the end of 2017, the financial assets of the NFPS were equivalent to 15.3% of GDP, including the important participation of the Fiscal Stabilization Fund with 3.0% of GDP. Part of these financial assets will be transferred to the Fondes to finance the post-Coastal Reconstruction (FEN) process, within the framework of the integral financing strategy.

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<sup>4</sup> In 2012, Legislative Decree amending the Tax Code was approved and it introduced the standard XVI to start punishing tax evasion. Currently, it is pending the approval of the regulation that establishes the complementary rules that will allow giving operability to the anti-elusive standard.

<sup>5</sup> On 25 October 2017, the Peruvian Government joined the Convention on Mutual Administrative Assistance in Tax Matters (CAAMT), a framework promoted by OECD that establishes various forms of mutual management assistance such as the exchange of information (by request, automatic or spontaneous), and carrying out audit actions (simultaneous or abroad); etc. In March 2018, the Ministry of Foreign Affairs introduced a draft legislative Resolution N° 2565/2017-PE, which was submitted for approval by Congress (still pending) and subsequent ratification by Supreme Decree (where the date of entry into force will be established).

Peru's GDP growth for 2018 is estimated at 3.6%, higher than the previous year (2017: 2.5%). This is mainly due to the recovery of domestic demand, supported by the implementation of the Economic Impulse Plan, whose aim is to reach the public investment growth target (17.5% in real terms) established in the Multiannual Macroeconomic Framework 2018-2021 (MMM) and to boost private investment growth to 4.5% in real terms (MMM: 3.5%). However, this projection represents a downward revision from the MMM (4.0%), mainly due to lower volume of traditional exports, in line with the lower expected growth of the mining sector. Despite a better external environment, this adjustment takes place in a context of recent political uncertainty.

**However, external conditions will remain favorable for the Peruvian economy and they might be better than expected in the MMM. Accordingly, it is essential to take measures to ensure that Peru will benefit from this favorable global environment.** During the period 2018-2021, the world's GDP will grow at a synchronized pace of 3.8%, the highest rate since 2011. Our trading partners are forecast to grow 3.6% in 2018 and 3.3% on average during 2019-2021. On one hand, in advanced economies, United States (US) and Euro Zone stand out due to the positive impact of the fiscal impulse and higher investment outlook and the favorable monetary conditions, respectively. On the other hand, among emerging economies China stands out, as its economic moderation will be more gradual than expected in the MMM, and also Latin America and the Caribbean, whose recovery is driven by the higher than expected growth of large countries such as Brazil and Argentina.

**In contrast to 2017, the recovery in domestic demand will take place within a context of high commodity prices, strong external demand and favorable financial conditions.** In fact, the average prices of the main commodities will remain at high levels not seen for the past three years due to: (i) perception of lower physical supply of minerals and (ii) the uncertainty generated by geopolitical risks and trade policies that the US government seeks to adopt, which could trigger a trade war and raise the gold price due to its quality as a safe haven. Furthermore, despite the gradual withdrawal of the expansive monetary policy in the US and Euro Zone, the financial environment will be favorable due to large global liquidity and low-level interest rates of the main central banks.

**The boost of public investment will be sustained through the Economic Impulse Plan, which will accelerate FEN reconstruction projects and will establish other measures to promote the execution of public works.** At the same time, the continuity of mega projects will favor the dynamism of investment, among which stand out the Pan American Games, consisting of eight sports infrastructure projects (five awarded and under construction according to their initial schedule and three to be awarded), the Lima Metro Line 2, among others. It should be noted that provisions have already been approved to promote execution, such as the injection of additional resources to the budget equivalent to 0.3% of GDP (Emergency Decree N° 004-2018), intended to guarantee the continuity of investment projects.

**Private investment will sustain economic activity growth, due to the acceleration of mining investment related to the construction of new projects and the acceleration in the execution of infrastructure projects.**

- **Infrastructure investment will grow at a higher pace because of the start of construction of new projects, the acceleration of the execution of projects already awarded, and the allocation of new projects.** Between 2018 and 2021, several transportation projects will begin construction, such as the expansion of the Jorge Chávez airport and the General San Martín port terminal. Likewise, it is expected that the construction of Chavimochic and the South Peruvian Gas Pipeline will restart. In addition, the execution of transportation projects will be accelerated, such as Line 2 of the Lima Metro favored by the advance in access to land, a reduction of interference, and the approval of technical studies. Additionally, the Government is working to guarantee compliance with ProInversión's project award schedule, which includes 40 projects for US\$ 5.6 billion set to be awarded between 2018 and 2021.

- **Mining investment will be more dynamic due to the favorable external environment, the high prices of metals, and the measures taken by the Government to increase regulatory competitiveness.** With this improved context, it is expected that a group of projects for around US \$15 billion such as Quellaveco (US \$ 4,882 million), Mina Justa (US \$ 1,348 million) and the expansion of Toromocho (US \$ 1,300 million) will start construction between 2018 and 2021. It should be noted that to ensure the social license of these projects, there is a need to allocate public investment in areas with mining potential in order to improve the quality of life of the populations located in areas of mining influence and compliance with environmental regulations.
- Law N° 30737 will be implemented to ensure that Public-Private Partnership (PPP) projects and public works not be affected by the "Lava Jato" and "Construction Club" cases. This law is expected to restore the operational capacity of construction companies, to ensure the immediate collection of civil compensation in favor of the Government, and to promote efficient collaboration and project continuity.

**On the sectoral side, the primary sector will grow 3.7% in 2018 (higher than 2017) thanks to an impulse from the fishing sector, which will help offset the lower dynamism of mining and hydrocarbon production. Growth is expected to moderate between 2019-2021.** The fishing sector will register this strong growth due to the normalization of sea temperature and a return of anchoveta biomass in line with historical levels. In particular, there will be a solid boost from the sector in 2H2018 due to the normalization of anchovy landings, after the 2017-second season deferment. However, the mining sector will moderate its dynamism due to the reduction of copper and gold production plans of important companies such as Las Bambas, Cerro Verde, Barrick, and Yanacocha.

**The non-primary sector will reach its highest rate in four years (3.9%, on track with the projection made in the MMM) driven by strengthening domestic demand.** In particular, the construction sector is of particular importance in line with the largest public and private investments.

**In the period 2019-2021, Peru's GDP growth target of 4.0% in the MMM is revised up to 4.6% on average, and it will reach 5.0% in 2021 driven by the strengthening of domestic demand.** The consolidation of private investment would favor the gradual withdrawal of the fiscal impulse as early as 2019 and it would allow the reactivation of the investment-employment-consumption virtuous circle. In fact, private investment will consolidate its growth by an average of 7.6% between 2019 and 2021 due to the recovery of infrastructure investment and greater mining investment associated with the execution of new mining projects. Furthermore, the consolidation of the investment-employment-consumption virtuous circle will promote a gradual improvement of formal employment and private consumption in the following quarters. In this context of consolidation, the GDP will grow 5.0% by 2021 and will reduce monetary poverty to 18.0% in 2021. For that purpose, the current administration will take action to boost competitiveness, productivity, and thus achieve higher potential growth. In this regard, medium-term momentum measures are based on three lines of action that will be implemented: (i) the strengthening of the National Competitiveness Council (CNC), (ii) the development of strategic platforms for sector competitiveness improvement, and (iii) the promotion of the microenterprises and small business development (MYPE, referring to its Spanish acronym).

#### *Macroeconomic Balances*

**The external accounts will remain at stable levels.** The current account deficit will be 1.3% of GDP in 2018, similar to the level reached in 2017, and a greater trade surplus is expected in 2018 (3.3% of GDP) compared to 2017 (2.9% of GDP), as a response of higher export prices in products such as copper, gold and zinc, and favorable external demand. Moreover, the current account deficit will continue to be fully financed by private capital, coming from foreign direct investment flows associated with the reinvestment of higher company profits (mainly mining companies).

By 2019-2021, the current account deficit will amount, on average, to 1.6% of GDP, which will continue to be financed entirely by foreign direct investment from the execution of the investment projects portfolio. In this environment, an average trade surplus of 2.8% of GDP is projected.

## **ECONOMIC IMPULSE PLAN 2018-2021**

### **SUMMARY**

Economic activity has not yet shown signs of sustained recovery, thus it needs to be supported. Between January and February of 2018, the economy grew 2.8%, slightly above what was registered in the second half of 2017. In this context of slow recovery, the consensus of analysts has been reducing its 2018 growth expectations from 4.2% in January 2017 to 3.6% in April 2018. In addition, the domestic demand indicator in annualized seasonally adjusted terms has reversed its acceleration trend that began in 2Q2017, and even it registers declines in 1Q2018. This deterioration is associated, mainly, with the political noise of the last months and the unstable dynamics of the primary sectors, which would indicate that the economic recovery is still vulnerable.

Fiscal accounts have weakened in recent years as a result of falling fiscal revenues and the persistent increase in current spending. In 2017, the preliminary fiscal deficit of the NFPS reached its highest level in 17 years (3.1% of GDP). In this context, it is necessary to take actions to give space to the impulse of public investment without compromising fiscal sustainability. Maintaining sound fiscal accounts will contribute to preserve the credit rating, which enables favorable financing conditions for investment projects, with positive consequences on the potential of economic growth.

With the aim of boosting the economy in the short term and defining the basis for greater growth in the medium term, this administration is working on an Economic Impulse Plan that will achieve a GDP growth of 5.0% towards the end of 2021, in compliance with fiscal rules. This plan contains five pillars, associated with the strengthening of fiscal accounts to generate pro-growth fiscal space and the boost of the economy in the short and medium term.

- **Measures to strengthen fiscal accounts and generate fiscal space**
  - Immediate measures of tax policy and administration
  - Reduction of non-critical expenses
  
- **Measures to boost the economy in the short and medium term**
  - Public investment shock
  - Impulse to private investment
  - Increasing of productivity

**Table 1**  
**MAIN MACROECONOMIC INDICATORS**

	2017	2018	2019	2020	2021	Avg. 2018 - 2021
<b>TRADE PARTNERS GDP</b>						
World (Real percentage change)	3.8	3.9	3.9	3.8	3.8	3.8
United States (Real percentage change)	2.3	2.6	2.5	2.0	2.0	2.3
Euro Zone (Real percentage change)	2.3	2.3	1.9	1.8	1.7	1.9
China (Real percentage change)	6.9	6.6	6.3	6.2	6.0	6.3
Trade partners (Real percentage change) <sup>1</sup>	3.5	3.6	3.4	3.3	3.3	3.4
<b>COMMODITY PRICES</b>						
Gold (\$/oz.tr.)	1,257	1,315	1,320	1,325	1,325	1,321
Copper (¢\$/lb.)	280	310	315	315	315	314
Lead (¢\$/lb.)	105	109	107	110	110	109
Zinc (¢\$/lb.)	131	148	136	130	130	136
Oil (\$/bar.)	50	61	58	58	58	59
<b>PRICES</b>						
Terms of Trade (Percentage change)	7.3	5.6	0.3	0.0	0.0	1.5
Export Price Index (Percentage change)	13.1	10.2	0.5	0.1	0.0	2.7
Import Price Index (Percentage change)	5.4	4.3	0.2	0.1	0.0	1.2
<b>GROSS DOMESTIC PRODUCT</b>						
Gross Domestic Product (Billion of Nuevos soles)	702	755	809	868	935	842
Gross Domestic Product (Real percentage change)	2.5	3.6	4.3	4.5	5.0	4.3
Domestic Demand (Real percentage change)	1.6	3.8	4.5	4.6	5.1	4.5
Private Consumption (Real percentage change)	2.5	2.9	3.8	4.0	4.2	3.7
Public Consumption (Real percentage change)	1.0	4.6	2.0	2.0	2.0	2.6
Private Investment (Real percentage change)	0.3	4.5	7.2	7.5	8.0	6.8
Public Investment (Real percentage change)	-2.3	17.5	9.0	6.0	5.0	9.4
Private Investment (Percentage of GDP)	17.1	17.2	17.8	18.4	19.1	18.1
Public Investment (Percentage of GDP)	4.5	5.1	5.3	5.4	5.5	5.3
<b>EXTERNAL SECTOR</b>						
Current Account Balance (Percentage of GDP)	-1.3	-1.3	-1.5	-1.6	-1.7	-1.5
Trade Balance (\$ Million)	6,266	7,559	7,094	7,177	6,717	7,137
Exports (\$ Million)	44,918	49,644	51,889	54,532	57,618	53,420
Imports (\$ Million)	-38,652	-42,085	-44,795	-47,355	-50,900	-46,284
<b>NON-FINANCIAL PUBLIC SECTOR (NFPS)</b>						
General Government Revenues (Percentage of GDP)	18.2	18.5	19.2	19.7	20.4	19.4
Interest of the NFPS (Percentage of GDP)	1.2	1.3	1.4	1.5	1.5	1.4
Primary Balance (Percentage of GDP)	-1.9	-2.1	-1.5	-0.6	0.5	-0.9
Overall Balance (Percentage of GDP)	-3.1	-3.5	-2.9	-2.1	-1.0	-2.3
Structural Overall Balance (Percentage of GDP) <sup>2</sup>	-2.5	-3.0	-2.6	-1.9	-1.0	-2.1
<b>PUBLIC DEBT STOCK</b>						
Foreign (Percentage of GDP)	8.7	9.1	9.5	9.4	8.9	9.2
Domestic (Percentage of GDP)	16.0	17.2	18.5	18.2	18.2	18.0
Total (Percentage of GDP)	24.7	26.3	28.0	27.6	27.0	27.2
<i>Memo: projected figures from the Monthly Survey of Macroeconomic Expectations of the BCRP.</i>						
Prices (Cumulative percentage change) <sup>3</sup>	1.6	2.2	2.5	2.5	2.5	2.4
Exchange Rate end of period (Soles per dollar) <sup>4</sup>	3.26	3.25	3.28	3.33	3.35	3.30

1/ 20 main trade partners based on the 2015 weighting.

2/ The estimation was based on the methodology approved in Ministerial Resolution N° 024-2016-EF/15.

3/ 2018-2020, consistent with the exchange rate of the final period of "Macroeconomic Expectations Montly Survey: March 2018 - BCRP", published on April 05th.

4/ 2018-2020, consistent with the exchange rate of the final period of "Macroeconomic Expectations Montly Survey: March 2018 - BCRP", published on April 05th.

Sources: International Monetary Fund (IMF), Central Reserve Bank of Peru (BCRP), Ministry of Economy and Finance (MEF) and MEF forecasts.



**Table 2**  
**GROSS DOMESTIC PRODUCT BY SECTORS**  
(Real percentage change)

	Weight Baseline Year 2007	2017	2018	2019	2020	2021	Avg. 2018 -2021
<b>Agriculture and livestock</b>	<b>6.0</b>	<b>2.6</b>	<b>4.0</b>	<b>4.2</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>
Agriculture	3.8	2.6	4.4	4.3	3.9	3.9	4.1
Livestock	2.2	2.7	3.3	4.2	4.2	4.2	4.0
<b>Fishing</b>	<b>0.7</b>	<b>4.7</b>	<b>24.8</b>	<b>4.0</b>	<b>4.2</b>	<b>4.4</b>	<b>9.3</b>
<b>Mining and fuel</b>	<b>14.4</b>	<b>3.2</b>	<b>2.2</b>	<b>1.9</b>	<b>1.8</b>	<b>2.6</b>	<b>2.1</b>
Metals	12.1	4.2	2.2	2.4	1.6	3.5	2.4
Fuel	2.2	-2.4	0.9	0.8	4.2	0.0	1.5
<b>Manufacturing</b>	<b>16.5</b>	<b>-0.3</b>	<b>3.7</b>	<b>3.6</b>	<b>4.0</b>	<b>4.3</b>	<b>3.9</b>
Primary	4.1	1.9	7.6	3.3	3.4	3.5	4.4
Non-Primary	12.4	-0.9	2.8	3.8	4.2	4.5	3.8
<b>Electricity and water</b>	<b>1.7</b>	<b>1.1</b>	<b>3.0</b>	<b>3.5</b>	<b>4.5</b>	<b>4.5</b>	<b>3.9</b>
<b>Construction</b>	<b>5.1</b>	<b>2.2</b>	<b>9.0</b>	<b>7.8</b>	<b>7.8</b>	<b>7.8</b>	<b>8.1</b>
<b>Commerce</b>	<b>10.2</b>	<b>1.0</b>	<b>2.6</b>	<b>4.0</b>	<b>4.2</b>	<b>4.5</b>	<b>3.8</b>
<b>Services</b>	<b>37.1</b>	<b>3.4</b>	<b>3.8</b>	<b>4.8</b>	<b>5.2</b>	<b>5.5</b>	<b>4.9</b>
<b>GDP</b>	<b>100.0</b>	<b>2.5</b>	<b>3.6</b>	<b>4.3</b>	<b>4.5</b>	<b>5.0</b>	<b>4.3</b>
<b>Primary Sectors</b>	<b>25.2</b>	<b>2.9</b>	<b>3.7</b>	<b>2.7</b>	<b>2.6</b>	<b>3.1</b>	<b>3.0</b>
<b>Non-Primary Sectors<sup>1</sup></b>	<b>66.5</b>	<b>2.2</b>	<b>3.9</b>	<b>4.8</b>	<b>5.1</b>	<b>5.4</b>	<b>4.8</b>

1/ Excludes import tariffs and other taxes.

Sources: BCRP, MEF forecasts.

**Table 3**  
**GLOBAL DEMAND AND SUPPLY**  
(Real percentage change)

	Structure of GDP 2017	2017	2018	2019	2020	2021	Avg. 2018 -2021
<b>I. Domestic Demand<sup>1</sup></b>	<b>98.0</b>	<b>1.6</b>	<b>3.8</b>	<b>4.5</b>	<b>4.6</b>	<b>5.1</b>	<b>4.5</b>
<b>1. Private Spending</b>	<b>82.0</b>	<b>2.0</b>	<b>3.2</b>	<b>4.6</b>	<b>4.8</b>	<b>5.1</b>	<b>4.4</b>
a. Private Consumption	64.8	2.5	2.9	3.8	4.0	4.2	3.7
b. Private Investment	17.1	0.3	4.5	7.2	7.5	8.0	6.8
<b>2. Public Spending</b>	<b>16.2</b>	<b>0.1</b>	<b>8.1</b>	<b>4.1</b>	<b>3.2</b>	<b>3.0</b>	<b>4.6</b>
a. Public Consumption	11.7	1.0	4.6	2.0	2.0	2.0	2.6
b. Public Investment	4.5	-2.3	17.5	9.0	6.0	5.0	9.4
<b>II. Net External Demand</b>							
<b>1. Exports<sup>2</sup></b>	<b>24.0</b>	<b>7.2</b>	<b>3.0</b>	<b>3.6</b>	<b>4.0</b>	<b>4.4</b>	<b>3.7</b>
a. Traditionals	15.4	7.3	1.2	2.4	3.0	3.4	2.5
b. Non traditionals	5.4	7.0	6.5	5.8	5.8	5.8	6.0
<b>2. Imports<sup>2</sup></b>	<b>22.0</b>	<b>4.0</b>	<b>3.6</b>	<b>4.3</b>	<b>4.6</b>	<b>4.8</b>	<b>4.3</b>
<b>III. GDP</b>	<b>100.0</b>	<b>2.5</b>	<b>3.6</b>	<b>4.3</b>	<b>4.5</b>	<b>5.0</b>	<b>4.3</b>

1/ Includes inventories.

2/ Goods and non-financial services.

Sources: BCRP, MEF forecasts.

**Table 4**  
**GLOBAL DEMAND AND SUPPLY**  
(Percentage of GDP)

	2017	2018	2019	2020	2021	Avg. 2018 -2021
<b>I. Domestic Demand<sup>1</sup></b>	<b>98.0</b>	<b>96.9</b>	<b>97.1</b>	<b>97.3</b>	<b>97.5</b>	<b>97.2</b>
<b>1. Private Spending</b>	<b>82.0</b>	<b>80.4</b>	<b>80.6</b>	<b>80.8</b>	<b>80.9</b>	<b>80.7</b>
a. Private Consumption	64.8	63.2	62.8	62.4	61.8	62.6
b. Private Investment	17.1	17.2	17.8	18.4	19.1	18.1
<b>2. Public Spending</b>	<b>16.2</b>	<b>16.9</b>	<b>16.9</b>	<b>16.8</b>	<b>16.6</b>	<b>16.8</b>
a. Public Consumption	11.7	11.8	11.6	11.4	11.1	11.5
b. Public Investment	4.5	5.1	5.3	5.4	5.5	5.3
<b>II. Net External Demand</b>						
<b>1. Exports<sup>2</sup></b>	<b>24.0</b>	<b>25.1</b>	<b>24.6</b>	<b>24.3</b>	<b>23.8</b>	<b>24.5</b>
<b>2. Imports<sup>2</sup></b>	<b>22.0</b>	<b>22.0</b>	<b>21.7</b>	<b>21.6</b>	<b>21.2</b>	<b>21.6</b>
<b>III. GDP</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

1/ Includes inventories.

2/ Goods and non-financial services.

Sources: BCRP, MEF forecasts.

**Table 5**  
**BALANCE OF PAYMENTS**  
(US\$ million)

	2017	2018	2019	2020	2021	Avg. 2018 -2021
<b>I. CURRENT ACCOUNT BALANCE</b>	<b>-2,716</b>	<b>-2,936</b>	<b>-3,735</b>	<b>-4,067</b>	<b>-4,825</b>	<b>-3,891</b>
<b>1. Trade balance</b>	<b>6,266</b>	<b>7,559</b>	<b>7,094</b>	<b>7,177</b>	<b>6,717</b>	<b>7,137</b>
a. Exports	44,918	49,644	51,889	54,532	57,618	53,420
b. Imports	-38,652	-42,085	-44,795	-47,355	-50,900	-46,284
<b>2. Services</b>	<b>-1,434</b>	<b>-1,632</b>	<b>-1,825</b>	<b>-2,114</b>	<b>-2,344</b>	<b>-1,979</b>
a. Exports	7,394	8,026	8,525	9,194	9,706	8,863
b. Imports	-8,828	-9,658	-10,350	-11,308	-12,050	-10,841
<b>3. Investment income</b>	<b>-11,260</b>	<b>-12,723</b>	<b>-13,134</b>	<b>-13,705</b>	<b>-14,131</b>	<b>-13,423</b>
<b>4. Current transfers</b>	<b>3,712</b>	<b>3,860</b>	<b>4,130</b>	<b>4,575</b>	<b>4,933</b>	<b>4,375</b>
<b>II. FINANCIAL ACCOUNT</b>	<b>4,345</b>	<b>3,764</b>	<b>4,765</b>	<b>4,958</b>	<b>5,515</b>	<b>4,751</b>
1. Private sector	1,653	2,665	3,559	3,959	4,615	3,700
2. Public sector <sup>1</sup>	3,233	1,099	1,206	1,000	900	1,051
3. Short-term capital <sup>2</sup>	-541	0	0	0	0	0
<b>III. RESULT OF BP (I+II)<sup>3</sup></b>	<b>1,629</b>	<b>829</b>	<b>1,030</b>	<b>891</b>	<b>690</b>	<b>860</b>

1/ Includes exceptional financing.

2/ Includes errors and omissions.

3/ Variation of international reserves and valuation effect, and gold monetization.

Sources: BCRP, MEF forecasts.

**Table 6**  
**BALANCE OF PAYMENTS**  
(Percentage of GDP)

	2017	2018	2019	2020	2021	Avg. 2018-2021
<b>I. CURRENT ACCOUNT BALANCE</b>	<b>-1.3</b>	<b>-1.3</b>	<b>-1.5</b>	<b>-1.6</b>	<b>-1.7</b>	<b>-1.5</b>
<b>1. Trade balance</b>	<b>2.9</b>	<b>3.3</b>	<b>2.9</b>	<b>2.8</b>	<b>2.4</b>	<b>2.8</b>
a. Exports	20.9	21.4	21.0	20.9	20.6	21.0
b. Imports	-17.9	-18.1	-18.2	-18.2	-18.2	-18.2
<b>2. Services</b>	<b>-0.7</b>	<b>-0.7</b>	<b>-0.7</b>	<b>-0.8</b>	<b>-0.8</b>	<b>-0.8</b>
a. Exports	3.4	3.5	3.5	3.5	3.5	3.5
b. Imports	-4.1	-4.2	-4.2	-4.3	-4.3	-4.3
<b>3. Investment income</b>	<b>-5.2</b>	<b>-5.5</b>	<b>-5.3</b>	<b>-5.3</b>	<b>-5.1</b>	<b>-5.3</b>
<b>4. Current transfers</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	<b>1.8</b>	<b>1.8</b>	<b>1.7</b>
<b>II. FINANCIAL ACCOUNT</b>	<b>2.0</b>	<b>1.6</b>	<b>1.9</b>	<b>1.9</b>	<b>2.0</b>	<b>1.9</b>
1. Private sector	0.8	1.1	1.4	1.5	1.7	1.8
2. Public sector <sup>1</sup>	1.5	0.5	0.5	0.4	0.3	2.2
3. Short-term capital <sup>2</sup>	-0.3	0.0	0.0	0.0	0.0	0.0
<b>III. RESULT OF BP (I+II)3</b>	<b>0.8</b>	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>	<b>0.2</b>	<b>0.3</b>
<i>Note:</i>						
<i>Long-term external financing</i> <sup>4</sup>	1.3	2.6	2.7	2.8	2.8	2.7

1/ Includes exceptional financing.

2/ Includes errors and omissions.

3/ Variation of international reserves and valuation effect, and gold monetization.

4/ Foreign external investment plus long-term loans.

Sources: BCRP, MEF forecasts.

**Table 7**  
**SUMMARY OF FISCAL ACCOUNTS – NON FINANCIAL PUBLIC SECTOR**  
(Millions of soles, Percentage of GDP and real percent change)

	2017	2018	2019	2020	2021	Avg. 2018-2021
<b>I. GENERAL GOVERNMENT REVENUES</b>	127 804	139 859	154 943	171 130	190 415	164 087
Percentage of GDP	<b>18.2</b>	<b>18.5</b>	<b>19.2</b>	<b>19.7</b>	<b>20.4</b>	<b>19.4</b>
<b>GENERAL GOVERNMENT STRUCTURAL REVENUES<sup>1,2</sup></b>	131 827	143 215	157 666	172 902	190 310	166 023
Percentage of GDP	<b>18.7</b>	<b>18.9</b>	<b>19.4</b>	<b>19.9</b>	<b>20.3</b>	<b>19.6</b>
<b>II. GENERAL GOVERNMENT NON-FINANCIAL EXPENDITURES</b>	140 508	154 132	165 514	174 965	186 682	170 323
Percentage of GDP	<b>20.0</b>	<b>20.4</b>	<b>20.5</b>	<b>20.2</b>	<b>20.0</b>	<b>20.3</b>
<b>2.1. CURRENT EXPENDITURES</b>	107 434	115 830	121 691	126 904	132 854	124 320
Percentage of GDP	<b>15.3</b>	<b>15.3</b>	<b>15.0</b>	<b>14.6</b>	<b>14.2</b>	<b>14.8</b>
<b>2.2. CAPITAL EXPENDITURES</b>	33 073	38 302	43 823	48 061	53 828	46 003
Percentage of GDP	<b>4.7</b>	<b>5.1</b>	<b>5.4</b>	<b>5.5</b>	<b>5.8</b>	<b>5.4</b>
<b>III. NON-FINANCIAL PUBLIC ENTERPRISES PRIMARY BALANCE</b>	- 706	-1 803	-1 653	-1 355	1 243	- 892
Percentage of GDP	<b>-0.1</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.2</b>	<b>0.1</b>	<b>-0.1</b>
<b>IV. PRIMARY BALANCE (I - II + III)</b>	-13 410	-16 075	-12 225	-5 190	4 977	-7 128
Percentage of GDP	<b>-1.9</b>	<b>-2.1</b>	<b>-1.5</b>	<b>-0.6</b>	<b>0.5</b>	<b>-0.9</b>
<b>V. INTEREST PAYMENTS</b>	8 335	10 014	11 309	12 725	13 926	11 993
Percentage of GDP	<b>1.2</b>	<b>1.3</b>	<b>1.4</b>	<b>1.5</b>	<b>1.5</b>	<b>1.4</b>
<b>VI. OVERALL BALANCE (IV-V)</b>	-21 745	-26 089	-23 533	-17 915	-8 949	-19 122
Percentage of GDP	<b>-3.1</b>	<b>-3.5</b>	<b>-2.9</b>	<b>-2.1</b>	<b>-1.0</b>	<b>-2.3</b>
<b>VII. STRUCTURAL OVERALL BALANCE</b>	-17 722	-22 733	-20 810	-16 143	-9 055	-17 185
Percentage of potential GDP <sup>1,2</sup>	<b>-2.5</b>	<b>-3.0</b>	<b>-2.6</b>	<b>-1.9</b>	<b>-1.0</b>	<b>-2.1</b>
<b>VIII. PUBLIC DEBT STOCK</b>	173 912	198 339	226 161	239 311	252 990	229 200
Percentage of GDP	<b>24.8</b>	<b>26.3</b>	<b>28.0</b>	<b>27.6</b>	<b>27.0</b>	<b>27.2</b>

1/ The estimation was based on the methodology approved in Ministerial Resolution N° 024-2016-EF/15.

2/ Percentage of potential GDP.

Sources: BCRP, SUNAT, MEF forecasts.

**Table 8**  
**GENERAL GOVERNMENT CURRENT REVENUES**  
(Millions of soles)

	2017	2018	2019	2020	2021	Avg. 2018-2021
<b>I. TAX REVENUE</b>	<b>93,468</b>	<b>104,977</b>	<b>117,388</b>	<b>130,641</b>	<b>146,649</b>	<b>124,914</b>
1. Income Tax	36,755	40,108	43,591	48,865	55,809	47,093
a. Advanced payments	31,871	33,841	38,000	42,480	48,321	40,660
- Personal Income Tax	11,450	11,830	12,716	14,182	16,234	13,740
- Corporate Income Tax	20,421	22,011	25,285	28,298	32,086	26,920
b. Clearing	4,884	6,268	5,590	6,385	7,489	6,433
2. Import Tax	1,448	1,499	1,638	1,757	1,933	1,707
3. Value Added Tax	54,643	59,862	66,129	72,491	79,487	69,492
a. Domestic	32,114	35,556	39,349	43,035	47,085	41,256
b. Imports	22,529	24,306	26,779	29,456	32,402	28,236
4. Excise Tax	6,315	7,657	9,170	10,106	11,106	9,510
a. Fuels	2,604	2,729	3,129	3,514	3,881	3,313
b. Others	3,711	4,928	6,040	6,592	7,226	6,196
5. Other Tax Revenue <sup>1</sup>	11,515	12,707	13,757	14,693	15,964	14,280
6. Tax Refunds	-17,209	-16,856	-16,895	-17,271	-17,650	-17,168
<b>II. NON-TAX REVENUE</b>	<b>32,971</b>	<b>33,857</b>	<b>36,608</b>	<b>39,439</b>	<b>42,713</b>	<b>38,154</b>
<b>III. TOTAL (I + II)</b>	<b>126,439</b>	<b>138,834</b>	<b>153,996</b>	<b>170,079</b>	<b>189,362</b>	<b>163,068</b>

1/ It considers tax revenues of local governments.

Sources: BCRP, SUNAT, PERUPETRO, MEF forecasts.

**Table 9**  
**GENERAL GOVERNMENT CURRENT REVENUES**  
(Percentage of GDP)

	2017	2018	2019	2020	2021	Avg. 2018-2021
<b>I. TAX REVENUE</b>	<b>13.3</b>	<b>13.9</b>	<b>14.5</b>	<b>15.1</b>	<b>15.7</b>	<b>14.8</b>
1. Income Tax	5.2	5.3	5.4	5.6	6.0	5.6
a. Advanced payments	4.5	4.5	4.7	4.9	5.2	4.8
- Personal Income Tax	1.6	1.6	1.6	1.6	1.7	1.6
- Corporate Income Tax	2.9	2.9	3.1	3.3	3.4	3.2
b. Clearing	0.7	0.8	0.7	0.7	0.8	0.8
2. Import Tax	0.2	0.2	0.2	0.2	0.2	0.2
3. Value Added Tax	7.8	7.9	8.2	8.4	8.5	8.2
a. Domestic	4.6	4.7	4.9	5.0	5.0	4.9
b. Imports	3.2	3.2	3.3	3.4	3.5	3.3
4. Excise Tax	0.9	1.0	1.1	1.2	1.2	1.1
a. Fuels	0.4	0.4	0.4	0.4	0.4	0.4
b. Others	0.5	0.7	0.7	0.8	0.8	0.7
5. Other Tax Revenue <sup>1</sup>	1.6	1.7	1.7	1.7	1.7	1.7
6. Tax Refunds	-2.5	-2.2	-2.1	-2.0	-1.9	-2.0
<b>II. NON-TAX REVENUE</b>	<b>4.7</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>	<b>4.6</b>	<b>4.5</b>
<b>III. TOTAL (I + II)</b>	<b>18.0</b>	<b>18.4</b>	<b>19.0</b>	<b>19.6</b>	<b>20.2</b>	<b>19.3</b>

1/ It considers tax revenues of local governments.

Sources: BCRP, SUNAT, PERUPETRO, MEF forecasts.

**Table 10**  
**GENERAL GOVERNMENT CONVENTIONAL AND STRUCTURAL REVENUES<sup>1</sup>**  
(Millions of soles)

	2017	2018	2019	2020	Avg. 2018-2021
<b>General Government Structural Revenues (A+Bi+C)</b>	<b>131,827</b>	<b>143,215</b>	<b>157,666</b>	<b>172,902</b>	<b>157,928</b>
<b>A. Adjustment of revenues related to natural resources by export prices (a + b)</b>	<b>1,151</b>	<b>277</b>	<b>518</b>	<b>543</b>	<b>457</b>
<b>a. Adjustment of mining sector (i) - (ii)</b>	<b>129</b>	<b>-244</b>	<b>-228</b>	<b>-231</b>	<b>-234</b>
(i) Structural	4,828	6,139	6,543	7,308	8,366
(ii) Conventional	4,699	6,383	6,771	7,539	8,595
<i>Remaining of mining profits</i>	0	4	0	0	0
<b>b. Adjustment of hydrocarbons sector(i) - (ii)</b>	<b>1,022</b>	<b>521</b>	<b>746</b>	<b>774</b>	<b>680</b>
(i) Structural	4,439	4,877	5,192	5,582	5,217
(ii) Conventional	3,417	4,356	4,446	4,808	4,537
<b>B. Adjustment of current total revenues by GDP cycle (i) - (ii)</b>	<b>2,872</b>	<b>3,079</b>	<b>2,206</b>	<b>1,229</b>	<b>2,171</b>
(i) Structural	129,311	141,913	156,202	171,308	156,474
(ii) Conventional	126,439	138,834	153,996	170,079	154,303
<i>Extraordinary Revenues<sup>2</sup></i>	-1,992	-2,123	-1,618	-868	-1,536
<b>C. Capital Revenues</b>	<b>1,365</b>	<b>1,026</b>	<b>946</b>	<b>1,051</b>	<b>1,008</b>

1/ The estimation was based on the methodology approved in Ministerial Resolution N° 024-2016-EF/15. Tax refunds higher than 1.9% of GDP and extraordinary revenues 2016-2018 from capital repatriation and sales of non-domiciled assets are excluded.

Sources: BCRP, SUNAT, MEF forecasts.

**Table 11**  
**GENERAL GOVERNMENT CONVENTIONAL AND STRUCTURAL REVENUES<sup>1</sup>**  
(Percentage % potential GDP)

	2017	2018	2019	2020	Avg. 2018-2021
<b>General Government Structural Revenues (A+Bi+C)</b>	<b>18.7</b>	<b>18.9</b>	<b>19.4</b>	<b>19.9</b>	<b>19.4</b>
<b>A. Adjustment of revenues related to natural resources by export prices (a + b)</b>	<b>0.2</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
<b>a. Adjustment of mining sector (i) - (ii)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
(i) Structural	0.7	0.8	0.8	0.8	0.8
(ii) Conventional	0.7	0.8	0.8	0.9	0.8
<i>Remaining of mining profits</i>	0.0	0.0	0.0	0.0	0.0
<b>b. Adjustment of hydrocarbons sector(i) - (ii)</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
(i) Structural	0.6	0.6	0.6	0.6	0.6
(ii) Conventional	0.5	0.6	0.5	0.6	0.6
<b>B. Adjustment of current total revenues by GDP cycle (i) - (ii)</b>	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>	<b>0.1</b>	<b>0.3</b>
(i) Structural	18.3	18.7	19.3	19.7	19.2
(ii) Conventional	17.9	18.3	19.0	19.6	19.0
<i>Extraordinary Revenues<sup>2</sup></i>	-0.3	-0.3	-0.2	-0.1	-0.2
<b>C. Capital Revenues</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>

1/ The estimation was based on the methodology approved in Ministerial Resolution N° 024-2016-EF/15. Tax refunds higher than 1.9% of GDP and extraordinary revenues 2016-2018 from capital repatriation and sales of non-domiciled assets are excluded.

Sources: BCRP, SUNAT, MEF forecasts.

**Table 12**  
**GENERAL GOVERNMENT NON-FINANCIAL EXPENDITURE**  
(Millions of soles)

	2017	2018	2019	2020	2021	Avg. 2018-2021
<b>NON-FINANCIAL EXPENDITURES</b>	<b>140,508</b>	<b>154,132</b>	<b>165,514</b>	<b>174,965</b>	<b>186,682</b>	<b>170,323</b>
<b>I. CURRENT EXPENDITURES</b>	<b>107,434</b>	<b>115,830</b>	<b>121,691</b>	<b>126,904</b>	<b>132,854</b>	<b>124,320</b>
1. Wages and salaries	42,669	46,190	48,699	50,882	53,059	49,708
2. Goods and services	41,913	46,170	49,133	52,256	55,574	50,783
3. Transfers	22,853	23,470	23,859	23,766	24,221	23,829
<b>II. CAPITAL EXPENDITURES</b>	<b>33,073</b>	<b>38,302</b>	<b>43,823</b>	<b>48,061</b>	<b>53,828</b>	<b>46,003</b>
1. Gross capital formation	27,887	32,975	38,285	42,645	48,341	40,561
2. Others	5,186	5,327	5,538	5,416	5,487	5,442

Sources: BCRP, MEF, MEF forecasts.

**Table 13**  
**GENERAL GOVERNMENT NON-FINANCIAL EXPENDITURE**  
(Percentage of GDP)

	2017	2018	2019	2020	2021	Avg. 2018-2021
<b>NON-FINANCIAL EXPENDITURES</b>	<b>20.0</b>	<b>20.4</b>	<b>20.5</b>	<b>20.2</b>	<b>20.0</b>	<b>20.3</b>
<b>I. CURRENT EXPENDITURES</b>	<b>15.3</b>	<b>15.3</b>	<b>15.0</b>	<b>14.6</b>	<b>14.2</b>	<b>14.8</b>
1. Wages and salaries	6.1	6.1	6.0	5.9	5.7	5.9
2. Goods and services	6.0	6.1	6.1	6.0	5.9	6.0
3. Transfers	3.3	3.1	2.9	2.7	2.6	2.8
<b>II. CAPITAL EXPENDITURES</b>	<b>4.7</b>	<b>5.1</b>	<b>5.4</b>	<b>5.5</b>	<b>5.8</b>	<b>5.4</b>
1. Gross capital formation	4.0	4.4	4.7	4.9	5.2	4.8
2. Others	0.7	0.7	0.7	0.6	0.6	0.7

Sources: BCRP, MEF, MEF forecasts.

**Table 14**  
**GENERAL GOVERNMENT OPERATIONS**  
(Millions of soles)

	2017	2018	2019	2020	2021	Avg. 2018-2021
<b>1. CURRENT REVENUES</b>	<b>126,439</b>	<b>138,834</b>	<b>153,996</b>	<b>170,079</b>	<b>189,362</b>	<b>163,068</b>
a. Tax Revenue	93,468	104,977	117,388	130,641	146,649	124,914
b. Contributions and others <sup>1</sup>	32,971	33,857	36,608	39,439	42,713	38,154
<b>2. NON-FINANCIAL EXPENDITURES</b>	<b>140,508</b>	<b>154,132</b>	<b>165,514</b>	<b>174,965</b>	<b>186,682</b>	<b>170,323</b>
a. Current expenditure	107,434	115,830	121,691	126,904	132,854	124,320
b. Capital expenditure	33,073	38,302	43,823	48,061	53,828	46,003
<b>3. CAPITAL REVENUES</b>	<b>1,365</b>	<b>1,026</b>	<b>946</b>	<b>1,051</b>	<b>1,054</b>	<b>1,019</b>
<b>4. PRIMARY BALANCE (1-2+3)</b>	<b>-12,704</b>	<b>-14,273</b>	<b>-10,571</b>	<b>-3,835</b>	<b>3,733</b>	<b>-6,236</b>
<b>5. INTEREST PAYMENTS</b>	<b>7,805</b>	<b>9,313</b>	<b>10,593</b>	<b>11,905</b>	<b>13,098</b>	<b>11,227</b>
<b>6. OVERALL BALANCE (4-5)</b>	<b>-20,509</b>	<b>-23,586</b>	<b>-21,165</b>	<b>-15,739</b>	<b>-9,365</b>	<b>-17,464</b>
<b>7. NET FINANCING</b>	<b>20,509</b>	<b>23,586</b>	<b>21,165</b>	<b>15,739</b>	<b>9,365</b>	<b>17,464</b>
a. Foreign	-14,602	2,427	1,909	4,423	1,779	2,634
b. Domestic <sup>2</sup>	35,110	21,159	19,256	11,317	7,586	14,829

1/ Includes non-tax income of the General Government.

2/ Includes savings and dissavings of Public Treasury Accounts.

Sources: BCRP, MEF, MEF forecasts.

**Table 15**  
**GENERAL GOVERNMENT OPERATIONS**  
(Percentage of GDP)

	2017	2018	2019	2020	2021	Avg. 2018-2021
<b>1. CURRENT REVENUES</b>	<b>18.0</b>	<b>18.4</b>	<b>19.0</b>	<b>19.6</b>	<b>20.2</b>	<b>19.3</b>
a. Tax Revenue	13.3	13.9	14.5	15.1	15.7	14.8
b. Contributions and others <sup>1</sup>	4.7	4.5	4.5	4.5	4.6	4.5
<b>2. NON-FINANCIAL EXPENDITURES</b>	<b>20.0</b>	<b>20.4</b>	<b>20.5</b>	<b>20.2</b>	<b>20.0</b>	<b>20.3</b>
a. Current expenditure	15.3	15.3	15.	14.6	14.2	14.8
b. Capital expenditure	4.7	5.1	5.4	5.5	5.8	5.4
<b>3. CAPITAL REVENUES</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
<b>4. PRIMARY BALANCE (1-2+3)</b>	<b>-1.8</b>	<b>-1.9</b>	<b>-1.3</b>	<b>-0.4</b>	<b>0.4</b>	<b>-0.8</b>
<b>5. INTEREST PAYMENTS</b>	<b>1.1</b>	<b>1.2</b>	<b>1.3</b>	<b>1.4</b>	<b>1.4</b>	<b>1.3</b>
<b>6. OVERALL BALANCE (4-5)</b>	<b>-2.9</b>	<b>-3.1</b>	<b>-2.6</b>	<b>-1.8</b>	<b>-1.0</b>	<b>-2.1</b>
<b>7. NET FINANCING</b>	<b>2.9</b>	<b>3.1</b>	<b>2.6</b>	<b>1.8</b>	<b>1.0</b>	<b>2.1</b>
a. Foreign	-2.1	0.3	0.2	0.5	0.2	0.3
b. Domestic <sup>2</sup>	5.0	2.8	2.4	1.3	0.8	1.8

1/ Includes non-tax income of the General Government.

2/ Includes savings and dissavings of Public Treasury Accounts.

Sources: BCRP, MEF, MEF forecasts.

**Table 16**  
**FINANCIAL REQUIREMENTS OF THE NON-FINANCIAL PUBLIC SECTOR**  
(US\$ Millions)

	2017	2018	2019	2020	2021	Avg. 2018-2021
<b>I. USES</b>	<b>12,169</b>	<b>11,787</b>	<b>9,134</b>	<b>7,501</b>	<b>3,689</b>	<b>8,028</b>
1. Amortisation	5,534	3,709	2,017	2,059	915	2,175
2. Overall balance	6,635	8,078	7,117	5,442	2,775	5,853
<b>II. SOURCES</b>	<b>12,169</b>	<b>11,787</b>	<b>9,134</b>	<b>7,501</b>	<b>3,689</b>	<b>8,028</b>
1. Foreign	2,434	2,137	3,270	1,837	1,044	2,072
2. Domestic <sup>1</sup>	9,735	9,650	5,864	5,664	2,645	5,956

1/ Includes, among others, savings or dissavings of Treasury.

Sources: BCRP, MEF, MEF forecasts.

**Table 17**  
**FINANCIAL REQUIREMENTS OF THE NON-FINANCIAL PUBLIC SECTOR**  
(Percentage of GDP)

	2017	2018	2019	2020	2021	Avg. 2018-2021
<b>I. USES</b>	<b>5.7</b>	<b>5.1</b>	<b>3.7</b>	<b>2.9</b>	<b>1.3</b>	<b>3.2</b>
1. Amortisation	2.6	1.6	0.8	0.8	0.3	0.9
2. Overall balance	3.1	3.5	2.9	2.1	1.0	2.4
<b>II. SOURCES</b>	<b>5.7</b>	<b>5.1</b>	<b>3.7</b>	<b>2.9</b>	<b>1.3</b>	<b>3.2</b>
1. Foreign	1.1	0.9	1.3	0.7	0.4	0.8
2. Domestic <sup>1</sup>	4.5	4.2	2.4	2.2	0.9	2.4

1/ Includes, among others, savings or dissavings of Treasury.

Sources: BCRP, MEF, MEF forecasts.



**Table 18**  
**PUBLIC DEBT STOCK**  
(Millions of soles)

	2017	2018	2019	2020	2021	Avg. 2018-2021
<b>TOTAL PUBLIC DEBT</b>	<b>173,912</b>	<b>198,339</b>	<b>226,161</b>	<b>239,311</b>	<b>252,990</b>	<b>229,200</b>
<b>I. EXTERNAL PUBLIC DEBT</b>	<b>61,163</b>	<b>68,848</b>	<b>76,478</b>	<b>81,349</b>	<b>82,938</b>	<b>77,403</b>
CREDITS	15,987	22,138	27,811	32,683	34,271	29,226
1. Multilateral Organizations	12,510	15,054	18,329	22,789	24,629	20,200
2. Paris Club	3,451	4,221	5,005	5,422	5,617	5,066
3. Commercial Banks	0	2,848	4,472	4,472	4,025	3,954
4. Others	26	16	6	0	0	5
BONDS	45,176	46,709	48,667	48,667	48,667	48,178
<b>II. DOMESTIC PUBLIC DEBT</b>	<b>112,749</b>	<b>129,491</b>	<b>149,683</b>	<b>157,961</b>	<b>170,053</b>	<b>151,797</b>
<b>1. Long-Term</b>	<b>98,446</b>	<b>117,006</b>	<b>136,431</b>	<b>144,812</b>	<b>158,028</b>	<b>139,069</b>
CREDITS	3,640	6,315	7,052	5,356	5,440	6,041
BONDS	94,826	110,691	129,379	139,456	152,588	133,029
1. Treasury Bonds	94,826	110,691	129,379	139,456	152,588	133,029
<i>of which: Sovereign Bonds</i>	87,506	103,995	123,290	133,800	147,369	127,113
2. Others	0	0	0	0	0	0
<b>2. Short-Term</b>	<b>14,283</b>	<b>12,486</b>	<b>13,252</b>	<b>13,150</b>	<b>12,024</b>	<b>12,728</b>

Sources: BCRP, MEF, MEF forecasts.

**Table 19**  
**PUBLIC DEBT STOCK**  
(Percentage of GDP)

	2017	2018	2019	2020	2021	Avg. 2018-2021
<b>TOTAL PUBLIC DEBT</b>	<b>24.8</b>	<b>26.3</b>	<b>28.0</b>	<b>27.6</b>	<b>27.0</b>	<b>27.2</b>
<b>I. EXTERNAL PUBLIC DEBT</b>	<b>8.7</b>	<b>9.1</b>	<b>9.5</b>	<b>9.4</b>	<b>8.9</b>	<b>9.2</b>
CREDITS	2.3	2.9	3.4	3.8	3.7	3.5
1. Multilateral Organizations	1.8	2.0	2.3	2.6	2.6	2.4
2. Paris Club	0.5	0.6	0.6	0.6	0.6	0.6
3. Commercial Banks	0.0	0.4	0.6	0.5	0.4	0.5
4. Others	0.0	0.0	0.0	0.0	0.0	0.0
BONDS	6.4	6.2	6.0	5.6	5.2	5.8
<b>II. DOMESTIC PUBLIC DEBT</b>	<b>16.1</b>	<b>17.2</b>	<b>18.5</b>	<b>18.2</b>	<b>18.2</b>	<b>18.0</b>
<b>1. Long-Term</b>	<b>14.0</b>	<b>15.5</b>	<b>16.9</b>	<b>16.7</b>	<b>16.9</b>	<b>16.5</b>
CREDITS	0.5	0.8	0.9	0.6	0.6	0.7
BONDS	13.5	14.7	16.0	16.1	16.3	15.8
1. Treasury Bonds	13.5	14.7	16.0	16.1	16.3	15.8
<i>of which: Sovereign Bonds</i>	12.5	13.8	15.2	15.4	15.8	15.0
2. Others	0.0	0.0	0.0	0.0	0.0	0.0
<b>2. Short-Term</b>	<b>2.0</b>	<b>1.7</b>	<b>1.6</b>	<b>1.5</b>	<b>1.3</b>	<b>1.5</b>

**Table 20**  
**PUBLIC DEBT SERVICE FORECASTS**  
 (US\$ Millions and % of GDP)

	<b>Service</b> (US\$ Millions)		<b>Service</b> (% of GDP)	
	<b>Amortisation</b>	<b>Interest</b>	<b>Amortisation</b>	<b>Interest</b>
<b>2015</b>	2,591	2,028	1.3	1.1
<b>2016</b>	4,442	2,162	2.3	1.1
<b>2017</b>	5,534	2,556	2.6	1.2
<b>2018</b>	3,709	3,081	1.6	1.3
<b>2019</b>	2,017	3,451	0.8	1.4
<b>2020</b>	2,059	3,825	0.8	1.5
<b>2021</b>	915	4,157	0.3	1.5
<b>2022</b>	1,099	4,279	0.4	1.5
<b>2023</b>	3,602	4,464	1.2	1.4
<b>2024</b>	4,005	4,681	1.2	1.4
<b>2025</b>	2,880	4,896	0.8	1.4