SUMMARY

1. For Peru, international trade is a key tool for promoting economic and social development, and thus close existing gaps and reduce economic informality. In this regard, during the period under review, Peru sought to implement inclusive and sustainable economic and trade policies. The overall direction of the country's trade policy has not changed substantially since 2019. Peru maintains a relatively open trade and investment regime, which has facilitated its integration into international trade; its exports and imports of goods and services as a percentage of GDP rose from 45% in 2019 to 51% in 2025.

2. The robustness of Peru's macroeconomic environment has been an essential element in the country's economic performance and its integration into international markets. Peru, an upper middle-income economy (with a per capita GDP of USD 9,661 in 2025), recorded an average annual real GDP growth rate of 1.7% between 2019 and 2025, driven primarily by extractive activities largely geared towards exports. During the review period, the Peruvian economy proved resilient in the face of various external shocks, such as the pandemic, global supply chain disruptions, and climate-change-related phenomena. In this context, monetary policy helped to preserve macroeconomic stability, keeping inflation largely within its target range. The accumulation of international reserves also points to the strength of the economy's monetary fundamentals. Moreover, despite the effects of the pandemic, the financial sector's performance was strong. Assets increased at an average annual rate of 5.3%. Meanwhile, the number of foreign currency loans fell, which helped to reduce the dollarization of the Peruvian economy and strengthened the sector's resilience to foreign exchange risks.

3. Nevertheless, Peru's fiscal position has deteriorated since 2022. This appears to be linked to Peru's small tax base, the existence of fiscal incentives, the financial situation of state-owned enterprises, in particular PETROPERÚ, the performance of the Fuel Price Stabilization Fund, and issues with the government procurement regime. In addition, a number of laws have been passed that have had a negative effect on public accounts, including some decisions that bypass the fiscal constraints provided for in the constitutional framework. As a result, fiscal pressures are increasing as the gap between government revenue and expenditure widens. This poses a major challenge, as it impedes compliance with the fiscal rules, which have traditionally been one of the pillars of Peru's macroeconomic stability.

4. Despite good macroeconomic indicators, important structural and social challenges persist. Although poverty rates rose from 20.2% in 2019 to 25.7% in 2025, inequality decreased slightly, as reflected in the reduction in the Gini coefficient from 0.415 to 0.401. In addition, one of the main obstacles to development remains the high levels of labour informality, which accounts for over 70% of total employment and particularly affects women. Informality, in addition to affecting productivity and social protections, limits the tax base and, thus, the State's revenue collection capacity, which ultimately decreases the resources available to invest in infrastructure, public services, and social programmes. On the other hand, development has not been homogeneous across the regions; modern, competitive, and export-oriented productive activities, supported by infrastructure and digital connectivity, have been developed along the coast, while business ventures in the highland and rainforest regions remain relatively isolated and underdeveloped, with a low-value-added and subsistence-based productive structure.

5. Although one of Peru's trade policy objectives is to promote export diversification, primary products continue to account for the majority of the country's exports. The concentration of exported products increased by 17% between 2019 and 2024. Evidence of this is that mining products, including minerals and precious metals, and agricultural products, such as blueberries and avocados, together accounted for 71.5% of exports in 2019 and 77% in 2025. Specifically, the share of mining products grew from 60.1% to 64.8% of total exports, while that of agricultural products rose from 11.4% to 12.2%. This situation means the country is more vulnerable to fluctuations in international prices, particularly for minerals such as copper and gold, its main export products. The share of services in Peru's exports remains limited despite accounting for 50.6% of GDP in 2025. Tourism is still the main service exported by Peru and its third largest source of foreign exchange. To promote that sector, Peru instituted an open skies policy in 2026. Peru's imports are also not very diverse, as 77.7% are intermediate and capital goods, including machinery, mineral inputs, and chemicals. In fact, some of these higher value-added products account for the country's largest net trade deficits, which have continued to widen in recent years according to the Trade Specialization Index.

Similarly, imports and exports of goods are concentrated in a small number of markets, mainly China, the European Union and the United States, in order of importance.

6. Peru continues to deepen trade integration by expanding and strengthening its network of trade agreements, a central pillar of its international integration strategy. During the review period, trade agreements with Australia, Guatemala, and the United Kingdom came into force, as did the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Pacific Alliance Agreement with Singapore, which has expanded preferential access for Peruvian exports to new markets. In addition, trade links with Asia were strengthened with the opening of new maritime routes, in particular with the start of operations at the port of Chancay, a new multi-purpose port, in 2025.

7. Among the various factors that determine the structure of trade costs, domestic logistics are a significant one. In Peru, these costs remain relatively high, owing to the predominant use of road transport to carry goods to ports. Factors, such as an inadequate road network and limited regional connectivity, push up transport and logistics costs. These affect the competitiveness of exports, especially those of micro- and small enterprises (MSEs) and producers located outside the main centres of economic activity. The expansion and modernization of port infrastructure, as well as the liberalization of maritime cabotage transport, could help to cut transport costs and times, as well as its carbon footprint. According to the WTO Trade Cost Index for 2022 (latest available data), while Peru was in line with the regional average, its trade costs remained around 40% higher than those recorded by the world's four largest trading economies.

8. Digitalization is both a challenge and an opportunity for Peru's integration into international trade. In this context, Peru is participating in the initiatives related to the digital economy at the WTO and has adopted the interim arrangements to bring the Agreement on Electronic Commerce into force. While Peru notified, in 2026, that it had complied with 97.1% of its commitments under the Agreement on Trade Facilitation (TFA) through the digitalization of customs procedures and the development of an environment conducive to the development of e-commerce, significant gaps remain between users in terms of Internet access and digital education. These gaps limit the participation of many companies in the increasingly digitalized global value chains. During the review period, however, Peru took steps to promote financial inclusion and the digitalization of financial services, particularly through the use of digital wallets. These initiatives helped to increase the number and value of financial transactions, by facilitating the access of MSEs and lower-income households to financial services.

9. During the period under review, Peru geared its trade policy towards greater economic inclusion, by promoting the participation of MSEs, women entrepreneurs and family farmers. In this regard, financing and training programmes were implemented to facilitate their internationalization. In the tourism sector, some initiatives were designed specifically to integrate community organizations. On the other hand, government procurement continued to be used to foster economic inclusion, by giving priority to MSEs, reserving contracts for them (although not mandatory) and other advantages to promote their participation. Tenders from suppliers based on their location was also encouraged, as was the adoption of sustainable or inclusive practices.

10. Peru participates actively in the multilateral trading system. It supports WTO reform and the restoration of the dispute settlement mechanism. It also participates in the joint initiatives on micro, small and medium-sized enterprises (MSMEs) and services domestic regulation, as well as the discussions on trade and the environment. Peru accepted the Agreement on Fisheries Subsidies in 2023, is a party to the Investment Facilitation for Development Agreement, and adopted the interim arrangements for the implementation of the Agreement on Electronic Commerce. During the period under review, Peru notified a number of trade and related measures, but, at the time of writing, it continues to have outstanding notifications in areas such as agriculture, import licensing and quantitative restrictions.

11. Peru's MFN tariff structure was not amended substantially between 2019 and 2026, as reflected in both the composition of the tariffs and the simple averages. Peru continues to use the Peruvian Price Band System (SPFP), a system applied to maize (corn), rice, sugar, and dairy products (48 10-digit tariff lines) that includes an *ad valorem* duty and a specific component. In 2026, as in 2019 (excluding SPFP), the MFN tariff consists of three rates only (0%, 6% and 11%), distribution of which remains virtually unchanged: 70.6% of tariff lines (70.4% in 2019) are duty-free; 21% (20.8% in 2019) are subject to a rate of 6%; and 8.4% (8.8% in 2019) have a rate of 11%. If the

SPFP is taken into account, the overall distribution hardly changes, with around 70% of the tariff lines subject to a 0% rate, 21% with rates ranging between 5% and 10%, and 8.4% with rates between 10% and 15%. This same level of stability can also be seen at the average level of protection, which did not change between 2019 and 2026: the simple average of applied MFN duties remained at 2.2%, while it was 2.9% for agricultural products and 2.1% for non-agricultural products. Taking into account the SPFP, the simple average for agricultural products reached 3.1% in 2026, just above the 3% recorded in 2019, confirming the stability and predictability of Peru's tariff policy.

12. As the purpose of the SPFP is to stabilize import prices, the specific component of the SPFP is updated each month, depending on the changes in international prices. However, analysis of the SPFP shows that there is no significant relationship between the tariffs calculated using this system and the quantities actually imported. On the other hand, there is a certain degree of tariff escalation, which is consistent with Peru's industrial policy objectives to foster value added. However, despite the explicit stabilization and value-added promotion objectives, Peru continues to specialize mainly in the export of raw materials and commodities, which indicates that these measures have, to date, had a limited impact on the transformation of the country's productive and trade structure.

13. In general, Peru imposes import and export prohibitions or restrictions pursuant to its international commitments or to achieve other objectives, such as protecting public health, product quality, or national security. In its most recent notification to the Committee on Import Licensing, submitted in 2018, Peru indicated that it did not use import licences and that no administrative procedure was in place in that regard.

14. In the area of trade defence, Peru updated the regulatory framework governing anti-dumping and countervailing measures, by incorporating new criteria for determining injury and the causal link, and extending the deadlines for the completion of investigations. A specific procedure was also implemented to investigate circumvention practices. Between 2019 and 2026, Peru initiated 12 anti-dumping investigations against imports from China, and imposed seven definitive measures on products such as plain woven fabrics, slide fasteners, cutlery and steel products.

15. Peru continues to offer several incentives, mostly horizontal, to promote investment, employment, innovation, and inclusion. These include a number of regimes that grant tax incentives to Special Economic Zones, for example. It also has programmes to support the development of certain regions of the country, such as those to promote the Amazon and the High-Andean Zones (the latter was repealed in 2020), or specific sectors, such as agriculture pursuant to the Law approving the Regulations for the Promotion of the Agriculture Sector (Law No. 27360) and the Special Regime for Advance Refunds of the General Sales Tax (Law No. 31110), which provide tax incentives, including for large-scale agricultural producers. Peru does not appear to evaluate the results of these programmes and many of them are not used, making it difficult to determine their respective costs and benefits. These incentives could partly explain the limited revenue from tariffs and other taxes, such as income tax; in 2026 (Q1), these receipts were equivalent to 0.1% and 7.4% of GDP, respectively.

16. With regard to competition policy, during the period under review, Peru enacted the Law establishing Prior Controls for Business Mergers, which entered into force in 2021, and amended the Law to Suppress Anti-Competitive Conduct to streamline procedures. These reforms sought to incorporate preventive mechanisms to control business concentrations in all economic sectors, and to simplify procedures for investigating and punishing anti-competitive behaviour. The new regulations allow the National Institute for the Defence of Competition and the Protection of Intellectual Property (INDECOPI) to monitor concentration operations in sectors such as energy, telecommunications, financial services, and the food industry. However, as the law entered into force in 2021, no conclusive evidence is currently available to determine whether the observable improvements in efficiency or consumer well-being indicators can be attributed to the implementation of this regime. State participation in the economy remains significant. There are multiple state-owned enterprises, some of which are major operators in their respective markets, such as hydrocarbons (PETROPERÚ), electricity distribution, and drinking water. On the other hand, state monopolies continue to be exercised in specific activities, such as the collection, sale and export of coca leaves, postal services, and air navigation services.

17. During the period under review, Peru adopted a number of reforms in the area of government procurement to improve efficiency. In particular, a mechanism was approved to facilitate the

reactivation of stalled public works, and the regime was amended to align it with a model based on the "value-for-money" principle. However, the system remains relatively complex because there is a general regime, with exceptions, and various special regimes. In addition, there is a structural problem linked to the execution of works contracts: by the end of 2025, more than 2,400 public works projects were stalled, equivalent to an investment of more than PEN 67 billion. In this context, government procurement continued to account for a significant share of public expenditure, ranging from 26.3% to 30.6% in the period 2019-2024, before falling to 20.8% in 2025.

18. Peru promotes the use of intellectual property (IP) as a tool for fostering innovation and thus promoting the development of high-tech goods, services, and processes. To this end, tax incentives and competitive funding schemes have been established. However, the scope of these initiatives remains limited, as investment in research and development remains around 0.2% of GDP. Since its last Review in 2019, Peru has strengthened IP protection. Notable positive developments include the entry into force of the regulations on geographical indications and traditional specialities guaranteed, as well as the country's accession to a number of agreements administered by the World Intellectual Property Organization (WIPO) that guarantee the protection of trademarks, patents, and industrial designs. Measures have also been adopted to simplify and streamline registration procedures, in an effort to reduce the cost of obtaining protection as well as the time required, especially in the case of trademarks, which are the most commonly used form of IP right. Peru has created a government procurement procedure to encourage the procurement of innovative goods and services, although it has yet to be used.

19. Between 2019 and 2025, the agriculture sector's share of GDP increased slightly from 6.2% to 6.8%. The sector plays a strategic role in the economy and social development, as it is a major source of rural employment, particularly in the area of family farming, which accounts for over 94% of farming units and creates about 63% of agricultural jobs. Notable achievements include the strong growth of agro-exports, the value of which doubled to reach USD 14,806 million in 2025, and the increase in the agricultural trade surplus to USD 7,505 million. This impressive performance is reflected in the fact that products, such as fruits, vegetables, coffee and cocoa, currently account for a significantly larger share of Peruvian exports than the global average. In fact, the fruit and vegetable category recorded the greatest increase in its revealed comparative advantage relative to the global average, overtaking the fisheries sector and consolidating Peru's position as a world leader in the export of blueberries, as well as crops such as coffee, cocoa, grapes and avocados. However, the sector continues to face significant structural challenges, including the low productivity of a large proportion of family farms; the high levels of labour informality; limited access to financing, technology and markets; and increasing vulnerability to weather-related events, all factors that had a negative impact on agricultural production in 2023 and continue to affect the sustainable development of the sector. To address these structural challenges, Peru has strengthened its competition, sustainability and inclusion policies through financing programmes, agricultural insurance, technological innovation, and support for rural and indigenous women.

20. The fisheries sector continues to play an important role, despite its smaller contribution to GDP (0.5% in 2025). Even though the fisheries sector's comparative advantage declined in recent years, Peru remains one the world's leading capture fishery producers and is the world's top producer and exporter of fish flour. With regard to aquaculture, while it currently contributes very little to the GDP of the fisheries sector, it has great potential for development and steps are being taken to boost medium-and long-term production. During the review period, Peru reaffirmed its commitment to sustainability through a science-based management approach, enhanced traceability and control mechanisms, and its participation in international initiatives to tackle illegal, unreported and unregulated (IUU) fishing, including by accepting the WTO Agreement on Fisheries Subsidies. However, the sector continues to face challenges because it is highly dependent on one type of catch (anchoveta) and vulnerable to climatic events.

21. Turning to the energy sector, despite the policies implemented to diversify the energy mix and the growing use of natural gas, Peru continues to rely heavily on petroleum products to meet the demand for energy, particularly in the transport sector; it therefore remains a net importer of petroleum. While the Fuel Price Stabilization Fund has provided a buffer against fluctuations in the international price of hydrocarbons, it has posted losses since 2021, putting pressure on the public finances. In addition, PETROPERÚ, the only supplier of fuels in about one third of Peru's regions, has been receiving financial support since 2022, with USD 2 billion authorized in 2026, which has further increased fiscal pressures.

22. Mining is the most important sector of the Peruvian economy after services. Its share of GDP grew from 8.2% in 2019 to 14% in 2025, as a result of higher production and exports of minerals, especially copper and gold. It is also the country's main source of foreign exchange. Peru has some of the world's largest reserves of strategic minerals, including copper, gold, silver, and zinc, and its revealed comparative advantage in minerals and metals remains solid and stable. While their extraction relies on backward linkages due to the use of imported inputs, these strategic minerals drive the country's participation in global value chains through forward linkages, by adding value to the exports of Peru's trading partners. However, the sector faces significant challenges related to the formalization of artisanal and small-scale mining operations, as well as the fight against illegal mining. Illegal activities have an significant environmental and social impact, particularly on local and indigenous communities. They also reduce tax revenue, affect the sustainability and international reputation of Peruvian mining supply chains, and may discourage foreign direct investment (FDI), as this sector receives a significant proportion of investment flows. On the environmental front, Peru has made substantial efforts to strengthen the regulatory framework and environmental requirements for mining, with the objective of promoting more sustainable operations. However, informal and illegal mining continue to pose a major challenge.

23. The Peruvian manufacturing sector offers opportunities for growth in higher value-added activities linked to the agro-industry and the processing of mineral resources. Policy initiatives to promote productive diversification, improve infrastructure, and foster innovation could help to strengthen the competitiveness of the sector. However, realizing this potential will depend on progress being made in reducing informal employment, closing infrastructure and capacity gaps, developing the regulatory environment, and boosting business productivity.

24. In the services sector, the outlook for growth in areas such as digital services, business services, logistics, financial services and tourism is positive. Taking advantage of these opportunities will require further reforms to improve digital connectivity, human capital and the regulatory framework for services. Furthermore, administrative simplification, greater competition in certain segments, and strengthening legal certainty would help to boost investment and foster more dynamic growth in the sector.

25. Overall, in terms of trade policy, Peru has maintained a relatively stable framework and low tariffs during the review period; there is, however, still room for improvement, particularly with regard to the transparency of non-tariff measures and certain domestic taxes, such as the Selective Consumption Tax (ISC), which appears to continue to grant favourable treatment to pisco. Furthermore, the incentive system could be evaluated regularly to determine its effectiveness and to eliminate those mechanisms that are not used or that have not produced significant results. With regard to government procurement, despite the reforms introduced during the review period, the regime remains complex and could benefit from further simplification. Lastly, challenges remain related to the level of competition in various sectors of the economy, which may be impairing market efficiency and affecting the ability of companies to compete on a level playing field.

26. Between 2019 and 2026, trade liberalization led to significant progress being made in terms of international integration, export growth, and agro-export diversification. Agricultural exports have benefited, in part, from tax incentives (such as income tax exemptions), which were justified in the past, as agro-exports were previously considered an emerging industry. Agro-exports are now a highly successful and consolidated industry; therefore, it is necessary to assess whether the returns have benefited the wider population to the extent expected. On the other hand, mining remains the main export sector and backbone of the economy, and is largely responsible for the positive performance of the economy, thanks to higher international mineral prices, which increased the value of exports and boosted fiscal revenues. In fact, the sector's contributions to the Treasury have doubled since 2019, reaching 0.7% in 2024 (latest available data). For these reasons, it is important to address the problem of informal and illegal mining, because, in addition to depriving the State of financial resources, these operations also pose a threat to the environment, as well as the indigenous communities of the Amazon who conserve and promote agrobiodiversity.

27. While the stability of the macroeconomic environment has helped to strengthen the country's integration into international trade, Peru's economy appears to have underperformed, despite average annual real GDP growth of 1.7% during the period 2019-2025; the Central Reserve Bank of Peru and the Ministry of the Economy and Finance project potential growth of 3.2% in 2026. During the period 2019-2025, growth was constrained by political uncertainty, insecurity, and social and environmental conflicts, including those associated with El Niño, all of which have contributed

to the country being perceived as a higher risk. Gaps also persist in infrastructure, innovation, and human capital, making it difficult to develop activities with higher technological content and to move towards international trade based on higher value-added products and services, one of the main objectives of Peru's trade policy.

28. Therefore, for the next stage of economic development, macroeconomic stability must be consolidated and public finances will have to remain sustainable, in addition to instituting reforms to strengthen governance and public institutions, including the Office of the Comptroller General of the Republic and those responsible for competition policy, such as INDECOPI. It will also be necessary to increase investment and improve the quality of public services, particularly in education, health and infrastructure, in order to bolster human capital, promote innovation and accelerate the digital transformation, thus laying the groundwork for a more competitive economy.