

OECD ECONOMIC SURVEY OF PERU

Towards a more prosperous Peru

Lima,
27 September 2023

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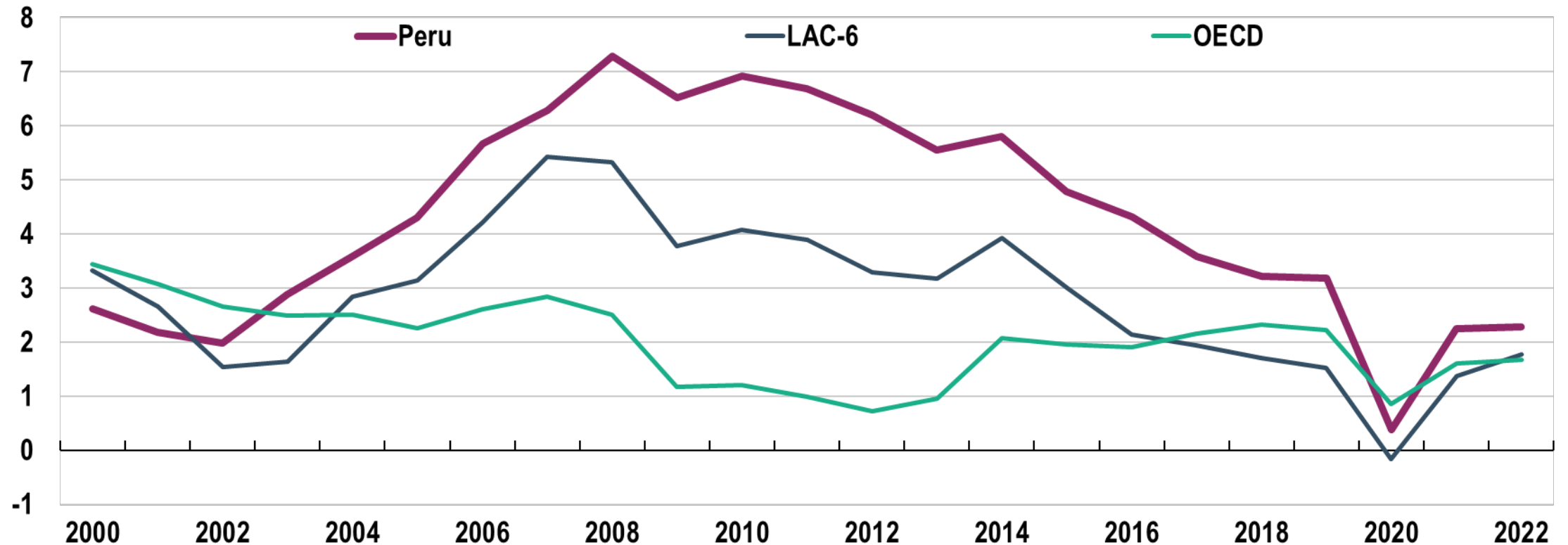


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Economic growth has been strong

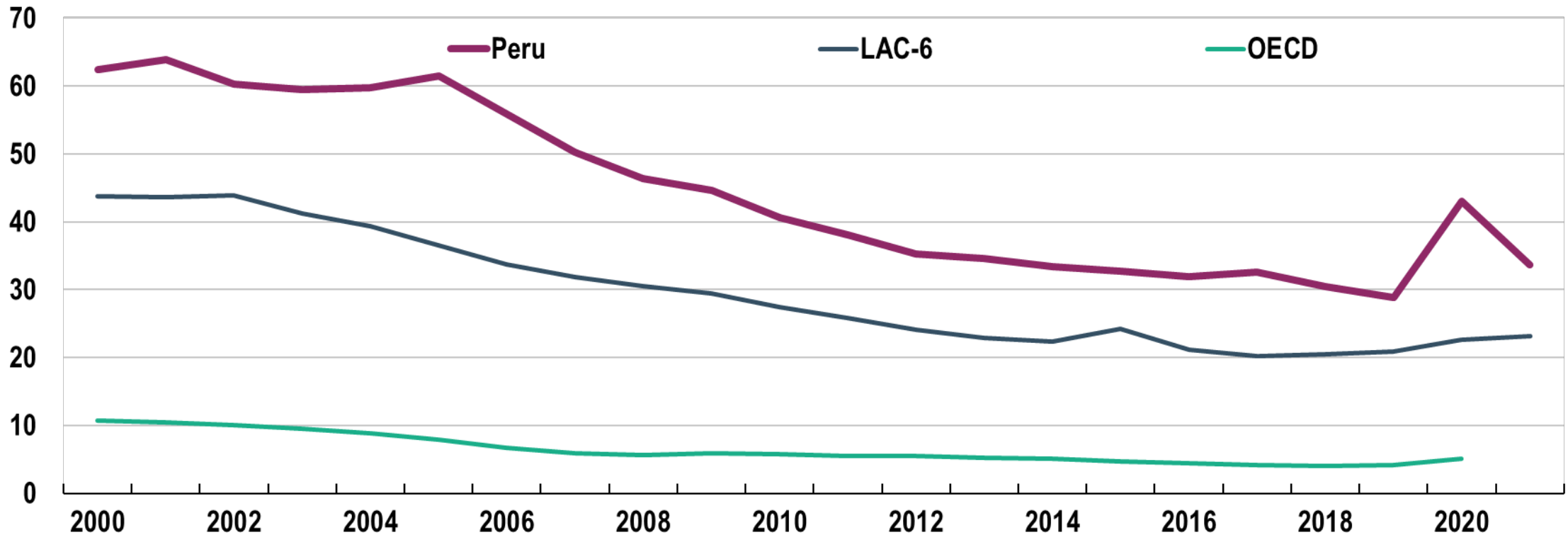
GDP growth, 5-year moving average, %



Note: LAC-6 is the simple average of Argentina, Brazil, Chile, Colombia, Costa Rica and Mexico.
Source: Central Reserve Bank of Peru; World Bank, World Development Indicators.





Poverty has fallen significantly

Poverty rate, % of population

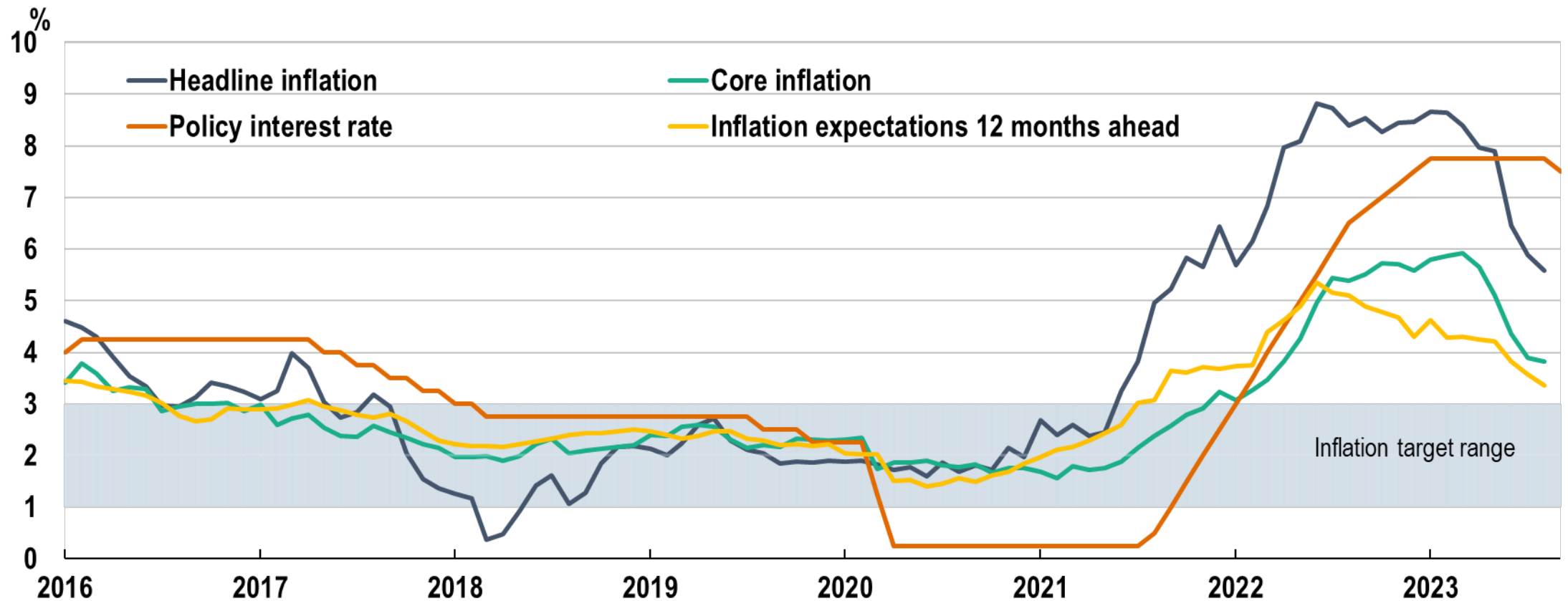


Note: Poverty measured at USD 6.85 a day in 2017 PPP. LAC-6 is the simple average of Argentina, Brazil, Chile, Colombia, Costa Rica and Mexico.
Source: World Bank, World Development Indicators.

Growth will pick up

	2022	2023	2024
 Real GDP growth, %	2.7	1.1	2.7
 Unemployment rate, %	4.4	4.7	4.0
 Consumer price inflation, %	7.9	6.8	3.2
 Fiscal balance, % of GDP	-1.7	-2.4	-2.0

Inflation is slowing thanks to timely monetary policy tightening



Note: Inflation refers to Metropolitan Lima area.

Source: National Statistics Institute; Central Reserve Bank of Peru.

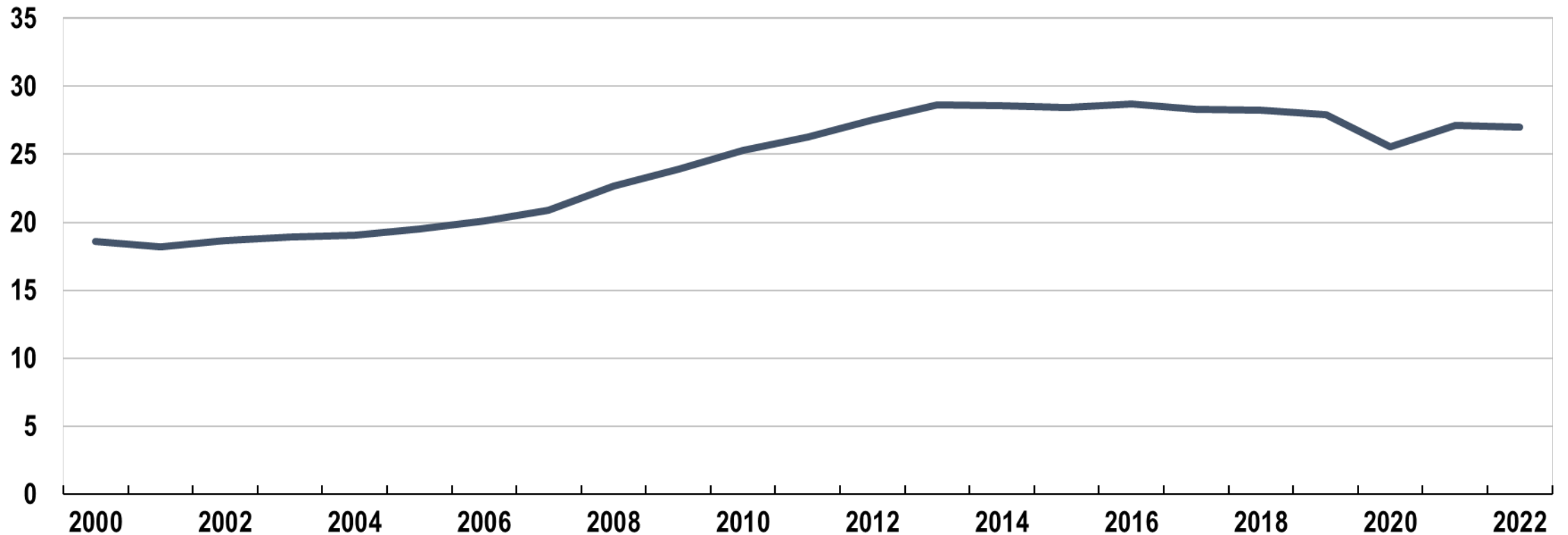


Boosting long-term growth



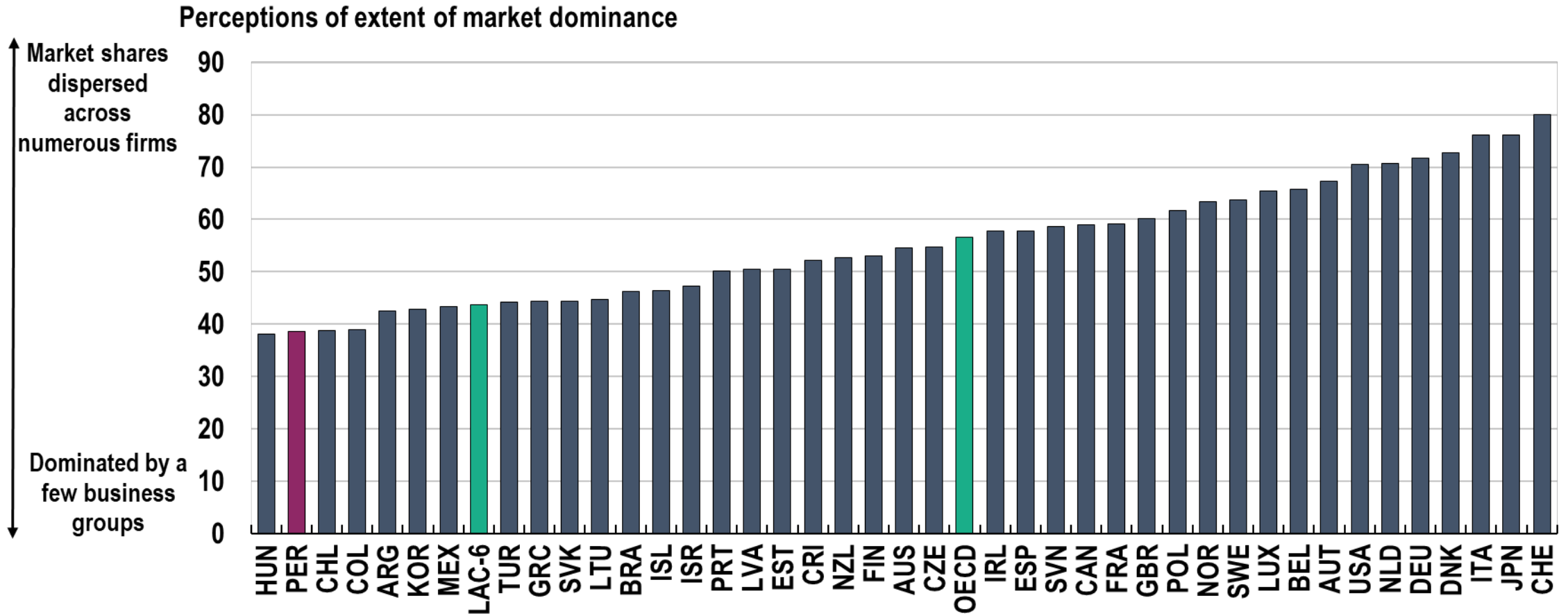
Convergence needs to resume to further improve living standards

GDP per capita as % of OECD average



Note: Real GDP per capita, PPP (constant 2017 USD).
Source: World Bank, World Development Indicators.

Stronger competition would help stimulate productivity

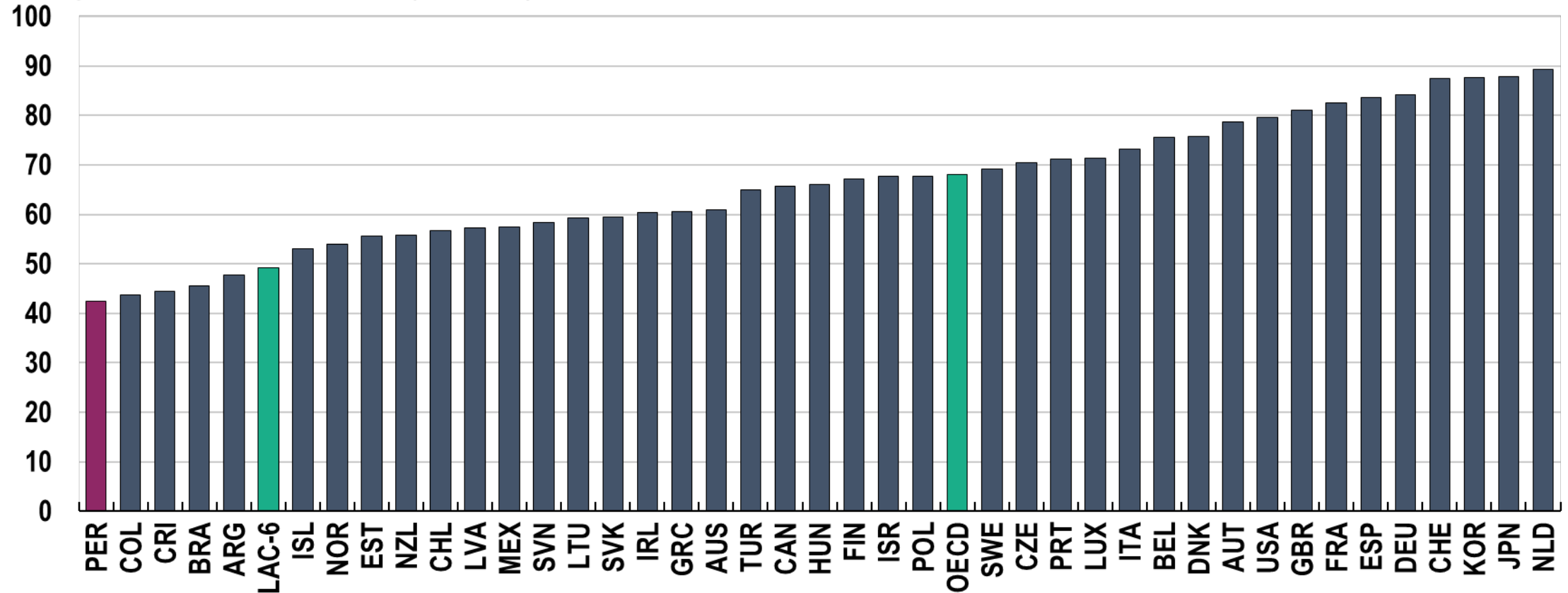


Note: Data are for 2019. LAC-6 is the simple average of Argentina, Brazil, Chile, Colombia, Costa Rica and Mexico.

Source: World Economic Forum, Global Competitiveness Index 4.0.

Local governments need enhanced capabilities for infrastructure planning and implementation

Quality of transport infrastructure (100=Best)

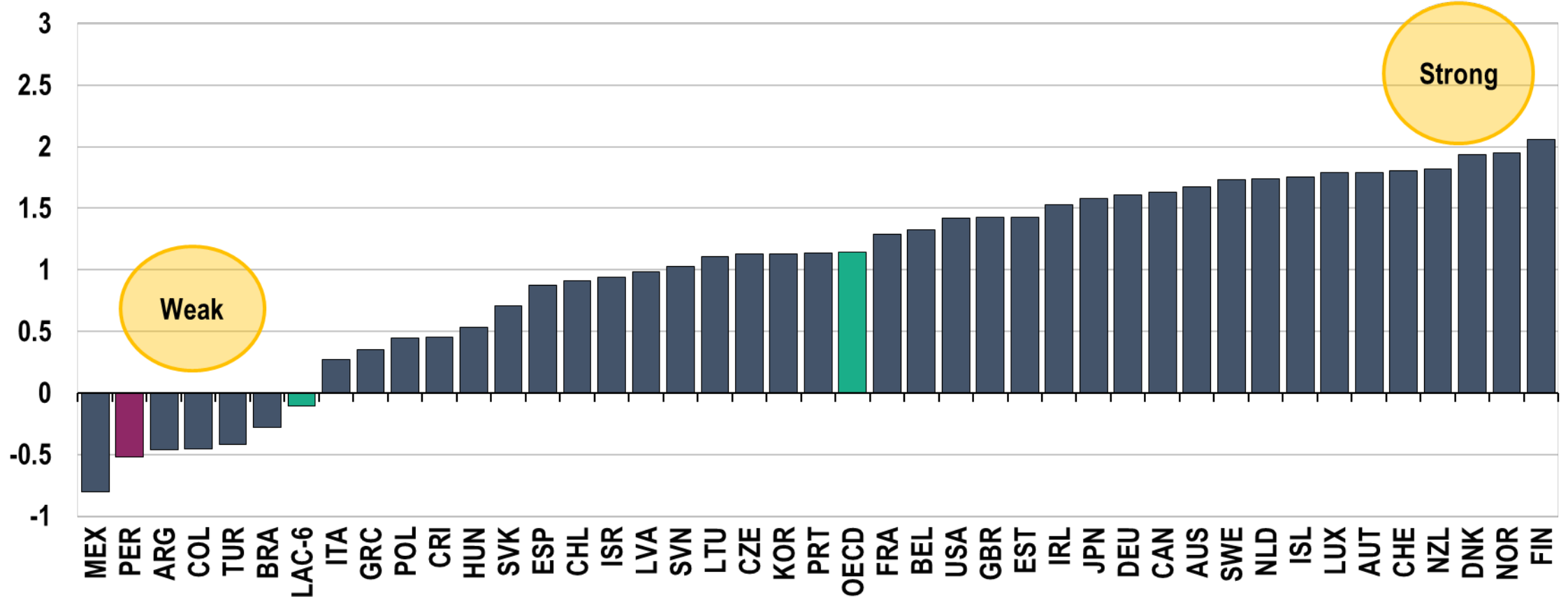


Note: Data are for 2019. LAC-6 is the simple average of Argentina, Brazil, Chile, Colombia, Costa Rica and Mexico.

Source: World Economic Forum, Global Competitiveness Index 4.0.

Strengthening public governance would boost investment

Rule of law index



Note: Data are for 2021. LAC-6 is the simple average of Argentina, Brazil, Chile, Colombia, Costa Rica and Mexico.

Source: World Bank, Worldwide Governance Indicators.

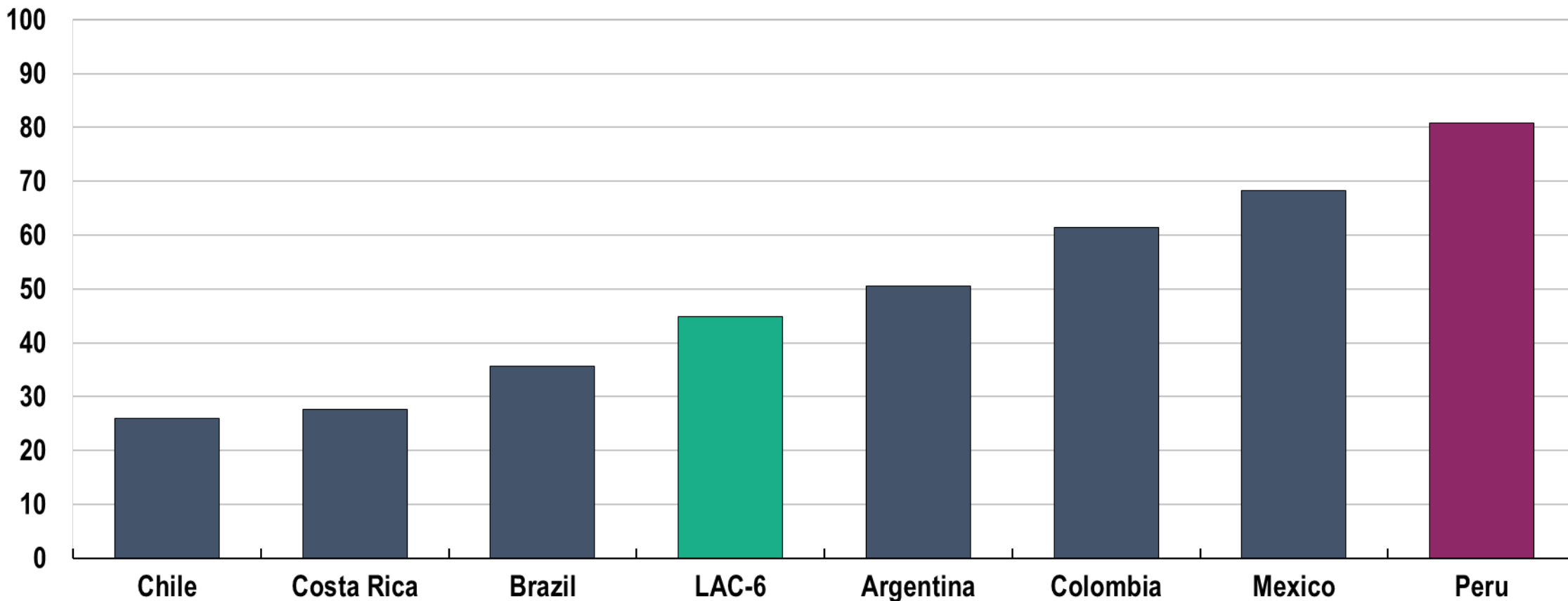


**Tackling
informality
and
expanding
social
protection**



Tackling informality is essential for lifting living standards

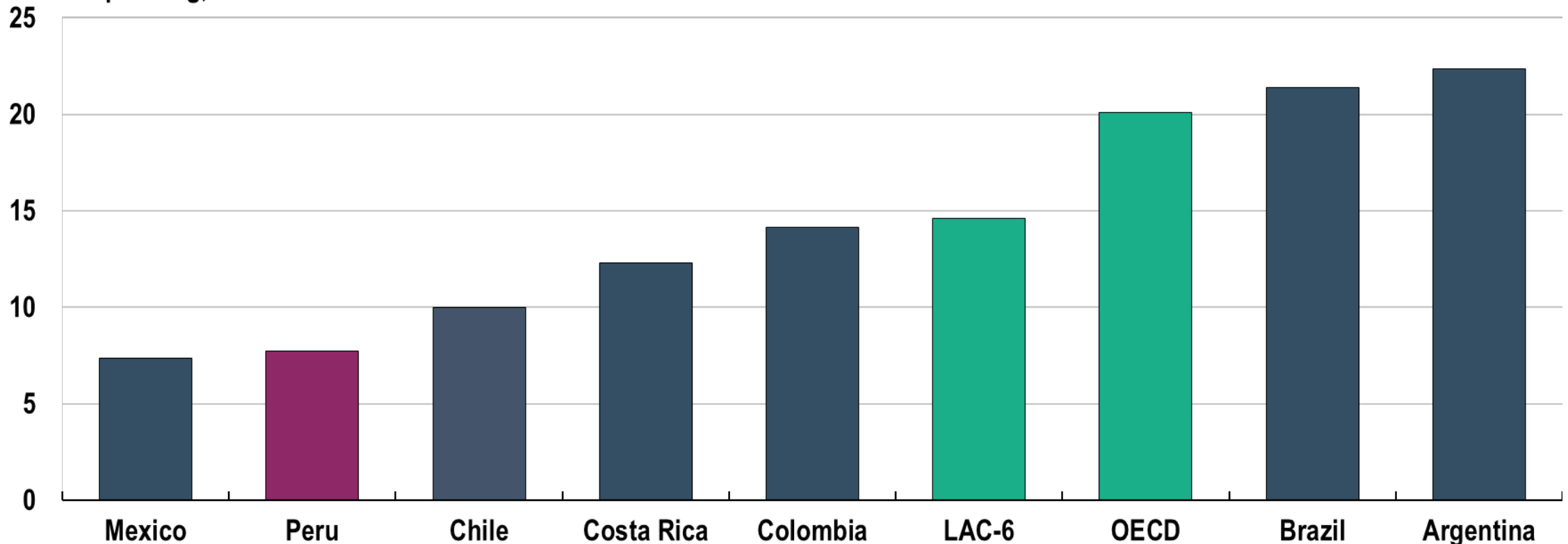
Informal workers, % of total employment



Note: Data are for 2021 or latest. Informal workers are those not contributing to the pension system. LAC-6 is the simple average of Argentina, Brazil, Chile, Colombia, Costa Rica and Mexico. Source: Inter-American Development Bank, SIMS database.

Enhancing social protection requires more social spending

Social spending, % of GDP

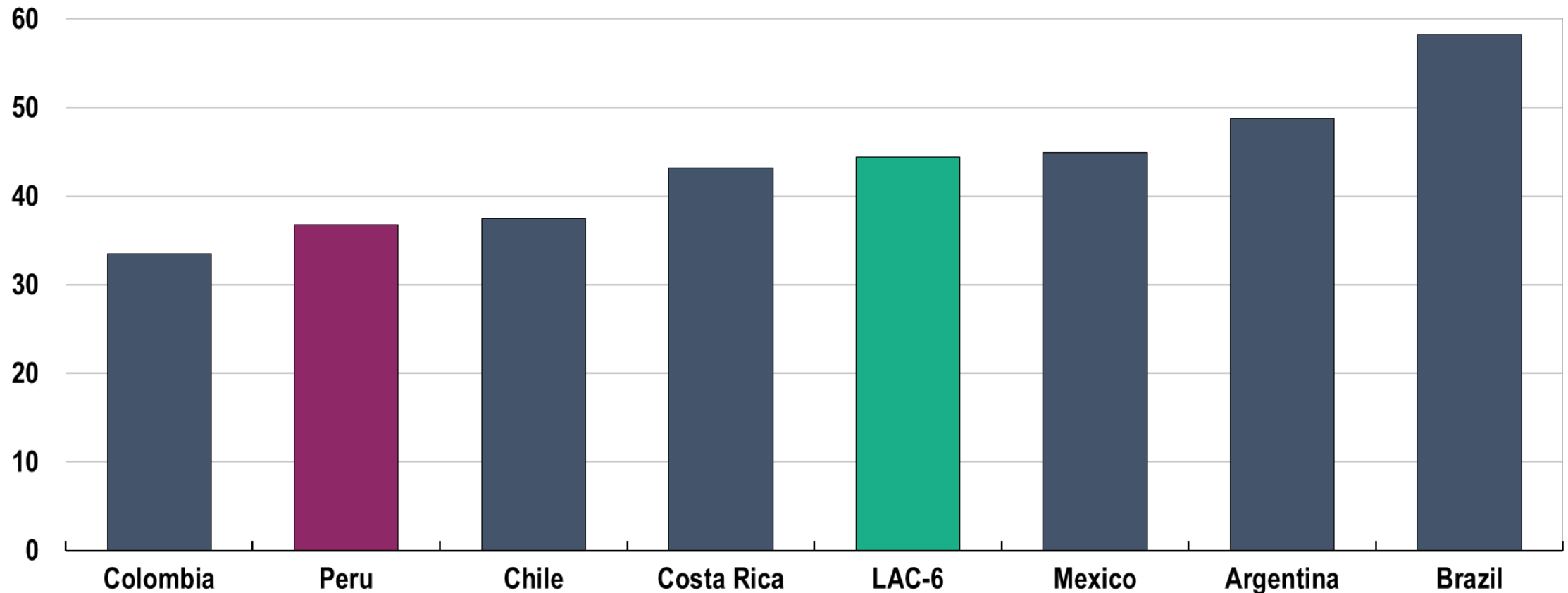


Note: Data are for 2019. Social expenditure comprises old-age, survivor, incapacity-related, health, family, unemployment, housing, active labour market support and other social policy areas. LAC-6 is the simple average of Argentina, Brazil, Chile, Colombia, Costa Rica and Mexico.

Source: OECD Social Expenditure Database; CEPAL.

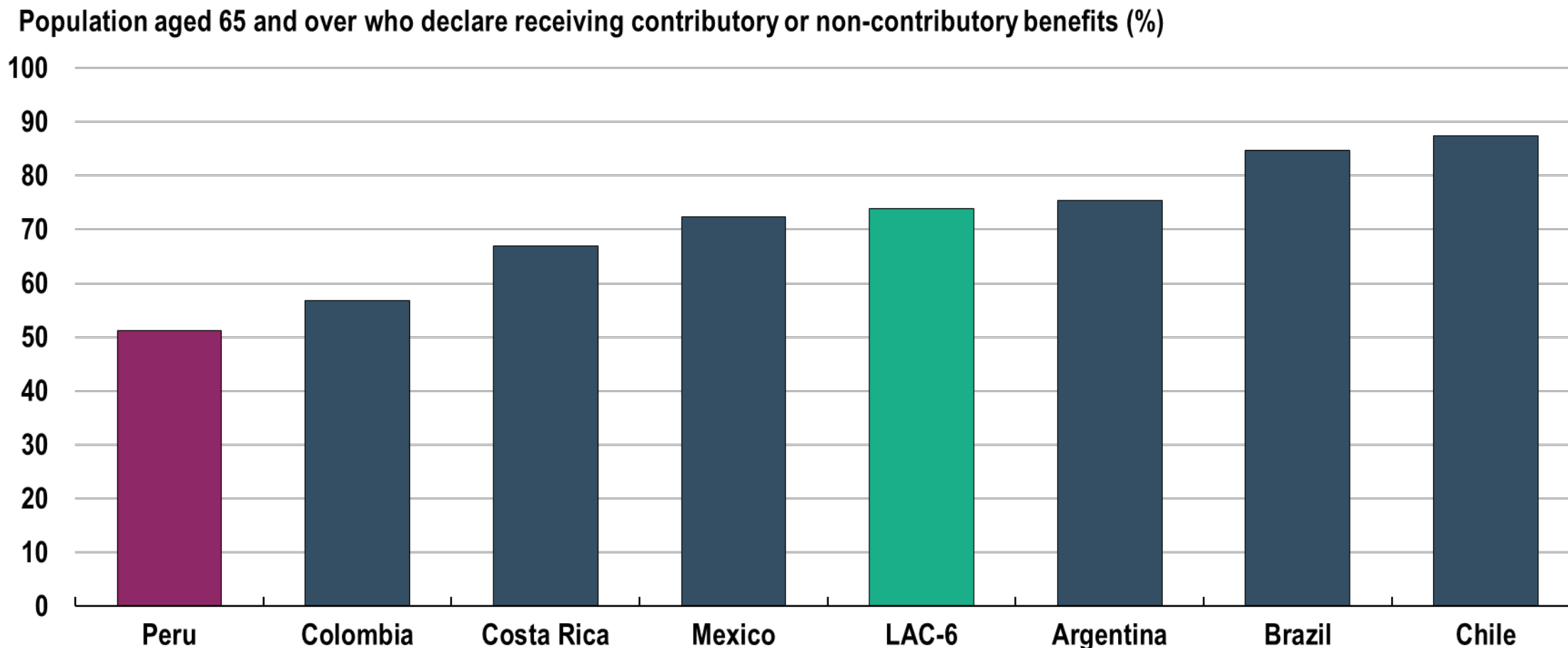
Expanding the reach and size of cash transfers is key to further reduce poverty

Coverage of conditional cash transfers, % of households in the 1st quintile



Note: Data are for 2019. LAC-6 is the simple average of Argentina, Brazil, Chile, Colombia, Costa Rica and Mexico.
Source: World Bank, Atlas of Social Protection, Indicators of Resilience and Equity (ASPIRE).

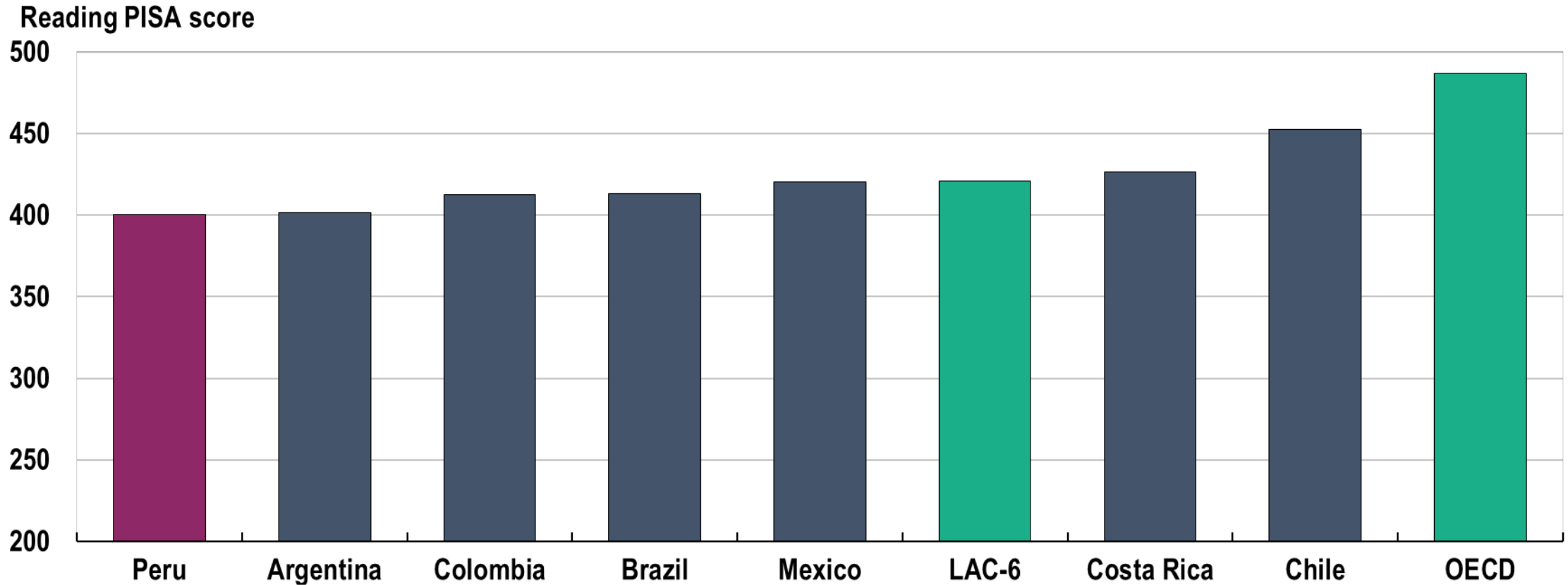
Expanding social pensions would contribute to broadening pension coverage



Note: Data are for 2021 or latest. LAC-6 is the simple average of Argentina, Brazil, Chile, Colombia, Costa Rica and Mexico.

Source: Inter-American Development Bank, SIMS Database.

More and higher-quality learning is key



Note: LAC-6 is the simple average of Argentina, Brazil, Chile, Colombia, Costa Rica and Mexico.

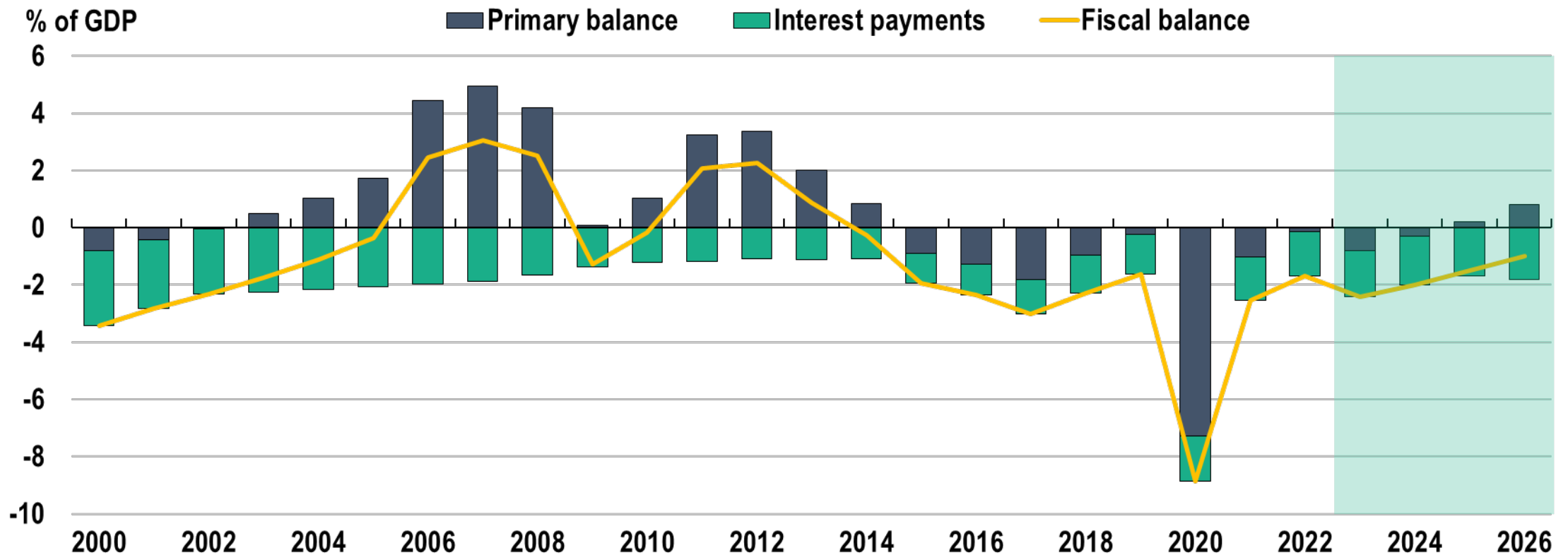
Source: OECD, PISA results database (2018).



Sustaining strong public finances



The planned fiscal restraint will help maintain fiscal buffers

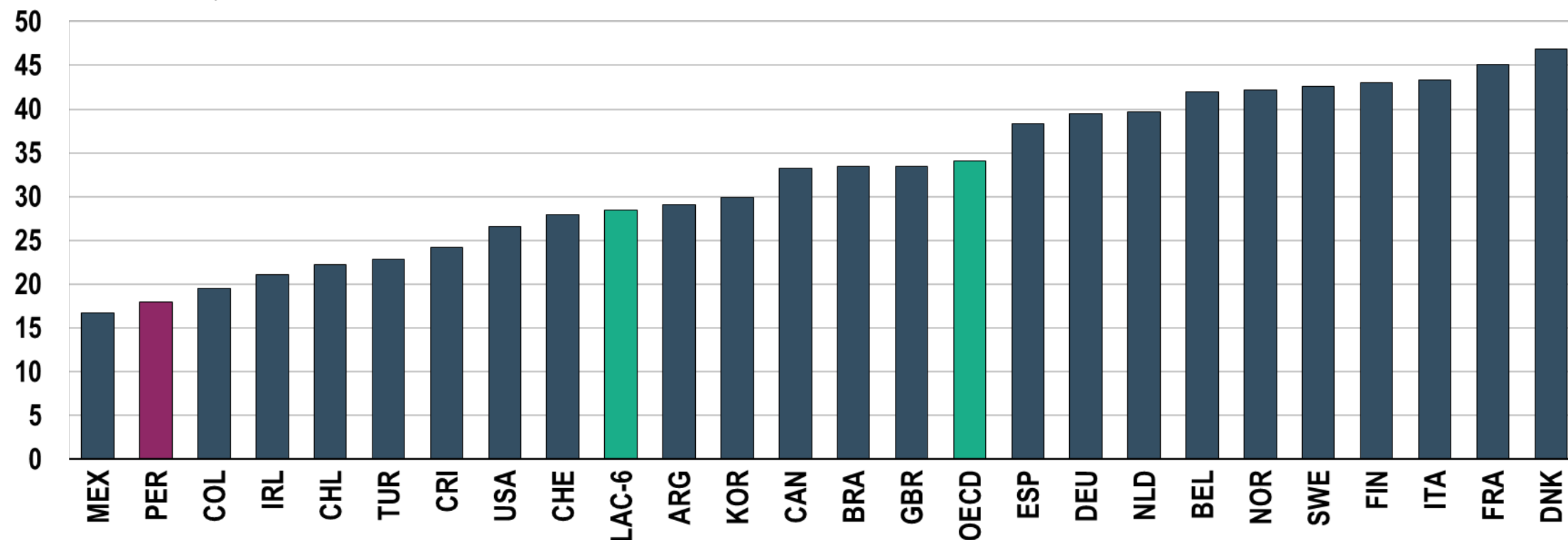


Note: Shaded area represents forecasts.

Source: Central Reserve Bank of Peru; Ministry of Economy and Finance, Multiannual Macroeconomic Framework (August 2023).

Higher tax revenues are needed to provide better public goods and services for citizens

Total tax revenue, % of GDP



Note: Data are for 2021. LAC-6 is the simple average of Argentina, Brazil, Chile, Colombia, Costa Rica and Mexico.

Source: OECD Global Tax Revenue Database; OECD Revenue Statistics in Latin America and the Caribbean.

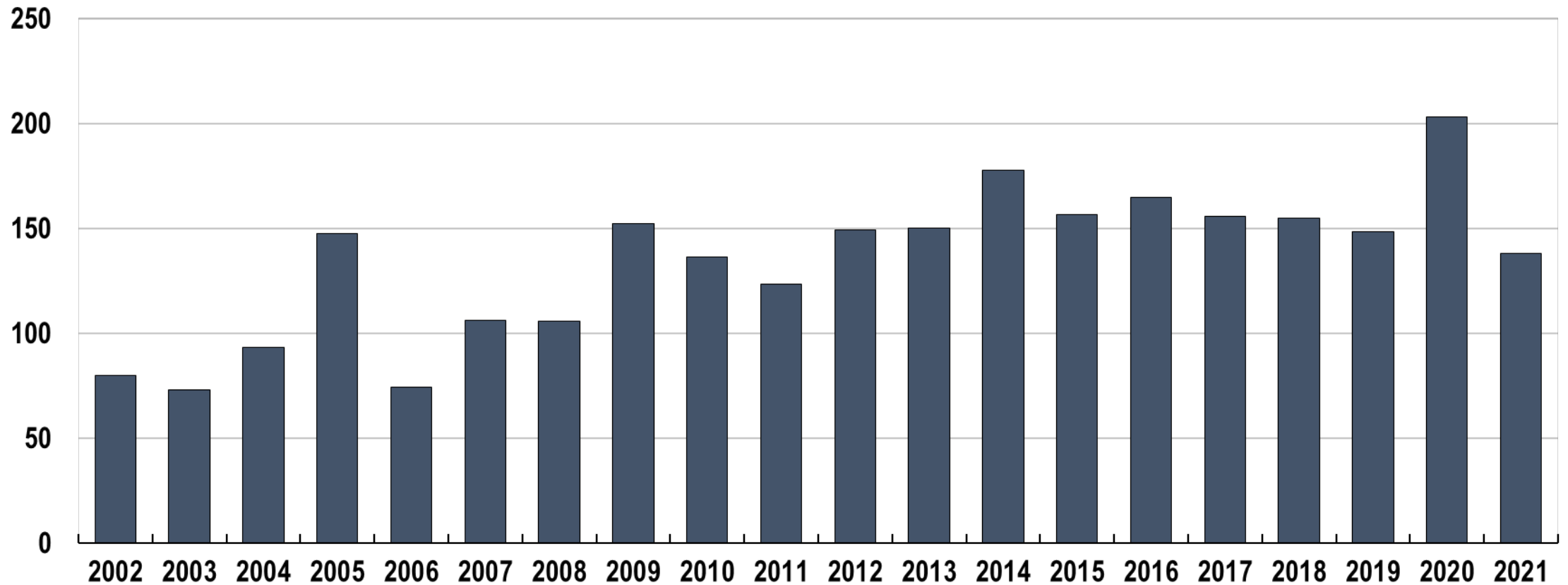


Accelerating the green transition

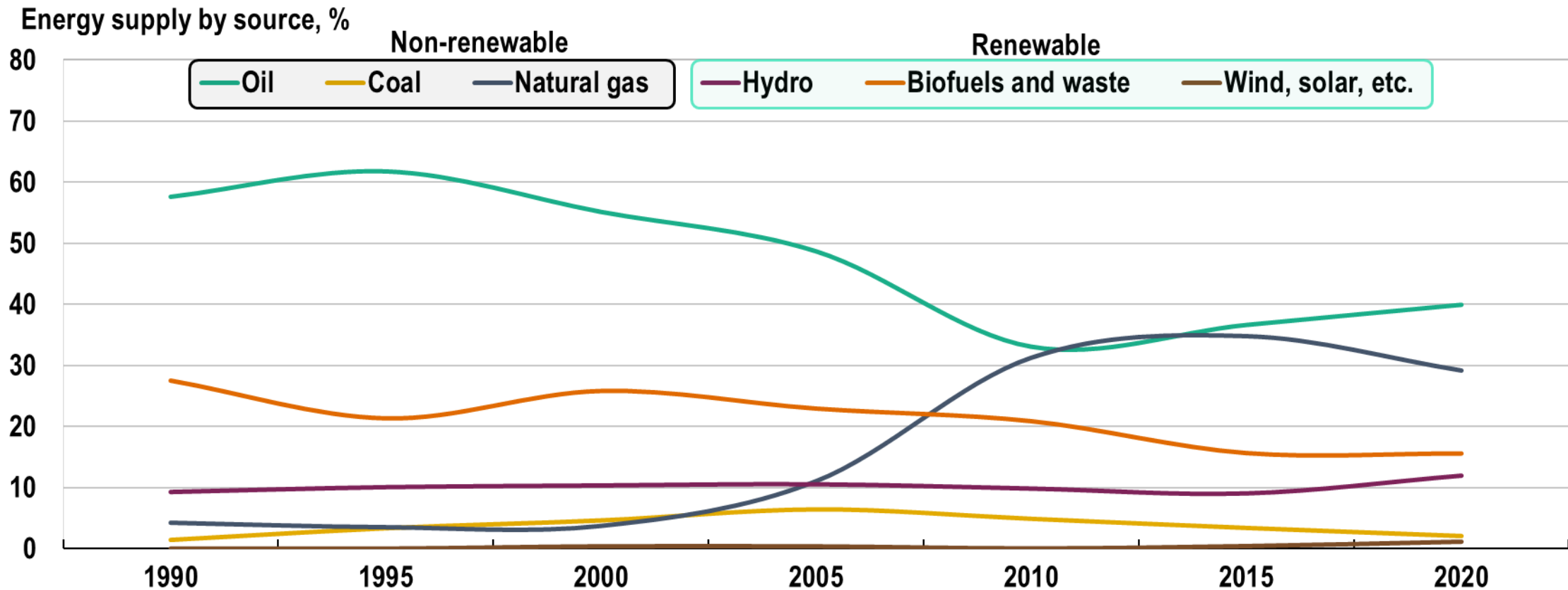


Meeting emissions targets requires reducing deforestation

Deforestation, thousands hectares

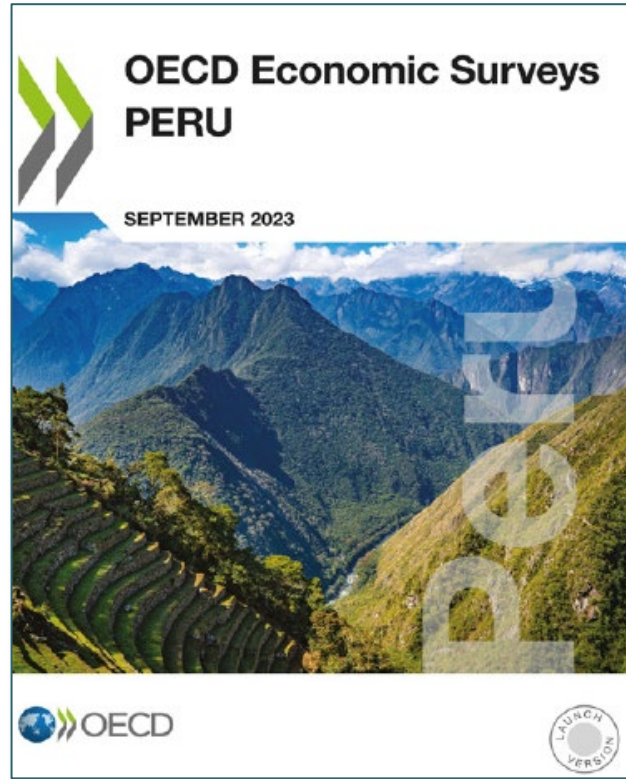


Regulation and consistent pricing can boost renewable energy





For more
information



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