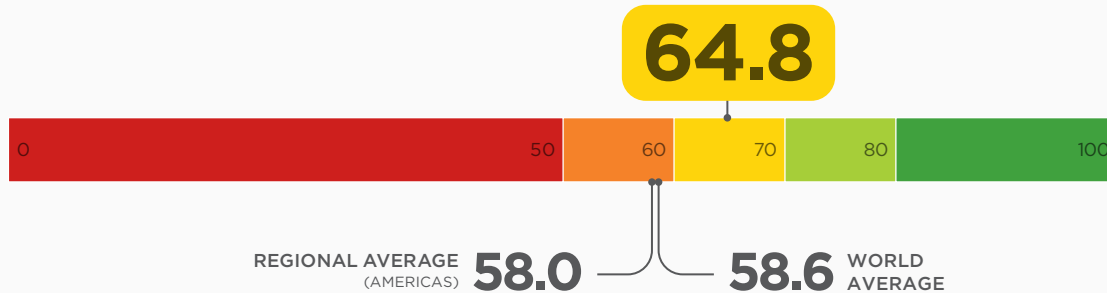


PERU

Peru's economic freedom score is 64.8, making its economy the 49th freest in the 2024 *Index of Economic Freedom*. Its rating has decreased by 1.7 points from last year, and Peru is ranked 8th out of 32 countries in the Americas region. The country's economic freedom score is higher than the world and regional averages. Peru's economy is considered "moderately free" according to the 2024 *Index*.

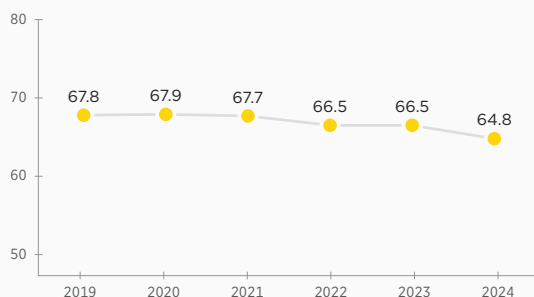
Economic reforms have supported economic expansion and gradual reductions in poverty. Open-market policies that support trade and investment have been institutionalized, but corruption and the weak rule of law continue to undermine prospects for long-term economic development. Peru's evolving entrepreneurial sector benefits from increased access to financing and improved regulatory efficiency. Recent reforms have dismantled barriers to launching and running private enterprises, but political instability and social unrest have a negative impact on business freedom. Employment regulations are gradually becoming more flexible.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +7.9

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
33.4 million

GDP (PPP):
\$523.1 billion
2.7% growth in 2022
5-year average growth rate: 2.3%
\$15,310 per capita

UNEMPLOYMENT:
4.8%

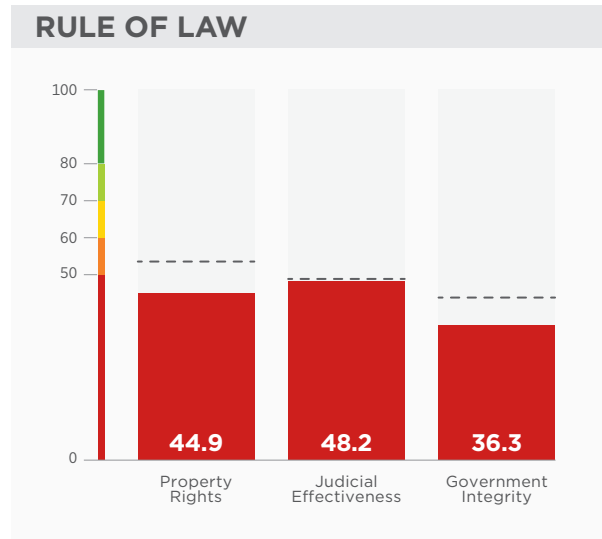
INFLATION (CPI):
7.9%

FDI INFLOW:
\$11.7 billion

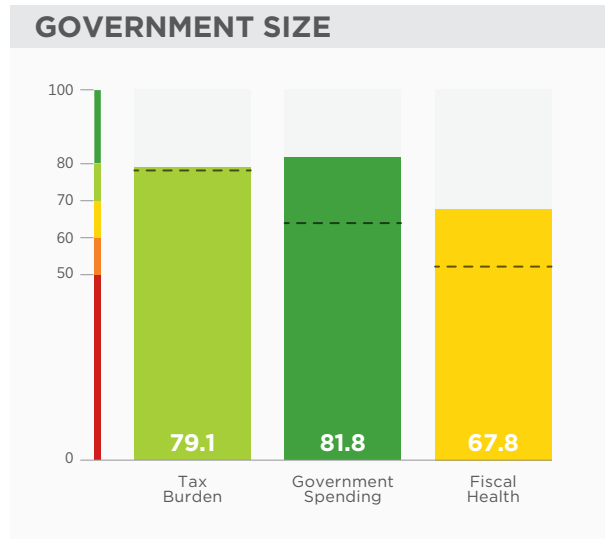
PUBLIC DEBT:
34.3% of GDP

2022 data unless otherwise noted. Data compiled as of October 2023.

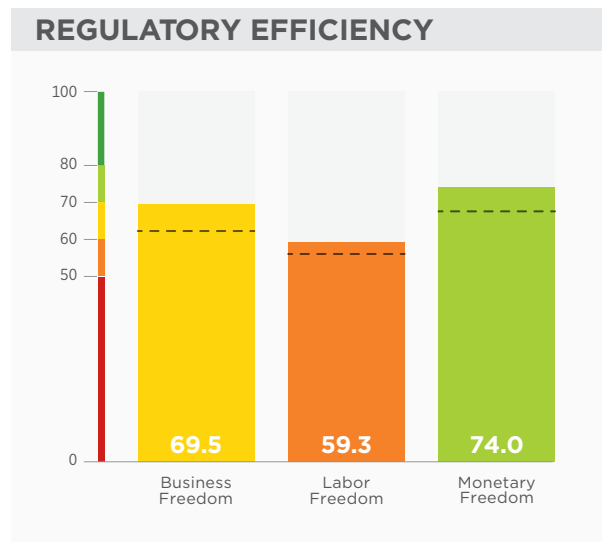
12 ECONOMIC FREEDOMS | PERU



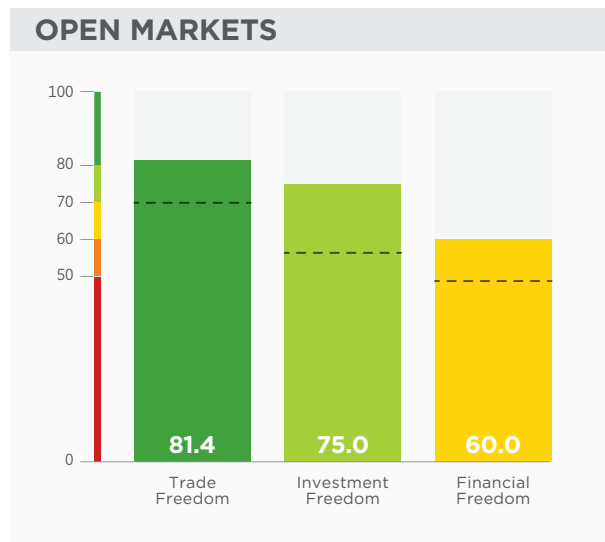
The overall rule of law is weak in Peru. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 30 percent, and the top corporate tax rate is 29.5 percent. The tax burden equals 17.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 24.6 percent and -4.3 percent of GDP. Public debt amounts to 34.3 percent of GDP.



Peru's overall regulatory environment is relatively well institutionalized but lacks efficiency. The country's business freedom score is above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 1.8 percent, and approximately 400 nontariff measures are in force. The economy is relatively open to foreign investment, but regulatory unpredictability impedes dynamic investment. About 50 percent of adult Peruvians have an account with a formal banking institution.