

**COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCI&S
INDIA-PERU BILATERAL TRADE RELATIONS**

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

1. The Republic of Peru is in western South America. It is bordered by Ecuador and Colombia to the north, Brazil and Bolivia to the east, and Chile to the south. Peru also has a coastline stretching over 2,300 km (1,400 miles) along the Pacific Ocean. Peru is an active member of several important international and regional organizations, including the United Nations (UN), World Trade Organization (WTO), Organization of American States (OAS), Inter-American Development Bank (IDB), Andean Community, Latin American Integration Association (LAIA), Asia-Pacific Economic Cooperation (APEC), International Organization for Migration (IOM), and the Antarctic Treaty System.

2. The economy of Peru is the 48th largest in the world in terms of Purchasing Power Parity (PPP), and the country is classified by the World Bank as an upper-middle-income economy. Peru emerged as one of the world's fastest-growing economies during the 2000s, supported by strong macroeconomic management, expanding exports, and sustained investment-led growth. According to the 2024 Article IV Consultation concluded by the International Monetary Fund on 21 May 2024, Executive Directors commended the Peruvian authorities for maintaining a strong record of prudent macroeconomic policies and effective institutional frameworks. These policies have enabled the country to navigate periods of social unrest and severe climate-related shocks while supporting the ongoing economic recovery. Directors highlighted that Peru's low public debt, substantial international reserves, resilient financial sector, and continued access to international capital markets provide strong buffers against external economic shocks. In this context, the IMF supported the authorities' decision to allow the Flexible Credit Line (FCL) arrangement to expire in May 2024, noting that Peru's economic fundamentals and external buffers remain sufficiently strong. The IMF Directors also acknowledged the authorities' commitment to preserving sound economic institutions and policies to further strengthen resilience against global uncertainties and external risks. The IMF further praised the early and decisive monetary tightening measures adopted by the Central Reserve Bank of Peru, which helped anchor inflation expectations and gradually bring inflation back toward the target range. At the same time, Directors supported the central bank's cautious and data-dependent monetary easing approach aimed at sustaining economic recovery. They also encouraged the continuation of exchange rate flexibility to absorb external shocks more effectively and support macroeconomic stability. Additionally, while recognizing the resilience of Peru's financial system, the IMF advised the authorities to remain vigilant and continue efforts toward financial de-dollarization and deeper capital market development.

A snapshot of Peru's select economic indicators is as under.

TABLE 1

Peru: Selected Economic Indicators

	2020	2021	2022	Est. 2023	Proj. 2024	2025	2026	2027	2028	2029
Social Indicators										
Poverty rate (total) 1/	30.1	25.9	27.5	...	...	...	...	...	...	...
Unemployment rate for Metropolitan Lima (average)	13.0	10.7	7.8	6.8	...	...	...	...	...	...
Production and Prices	(Annual percentage change, unless otherwise indicated)									
Real GDP	-10.9	13.4	2.7	-0.6	2.5	2.7	2.3	2.3	2.3	2.3
Output gap (percent of potential GDP)	-5.5	0.9	0.6	-1.3	-0.7	-0.2	0.0	0.0	0.0	0.0

Consumer prices (end of period)	2.0	6.4	8.5	3.2		2.4	2.0	2.0	2.0	2.0	2.0
Consumer prices (period average)	1.8	4.0	7.9	6.3		2.3	2.0	2.0	2.0	2.0	2.0
Money and Credit 2/ 3/											
Broad money	29.2	2.7	-0.3	1.5		3.9	4.7	5.3	5.5	5.5	5.5
Net credit to the private sector	14.0	6.5	3.6	0.4		4.0	4.8	5.1	5.5	5.5	5.5
Credit-to-private-sector/GDP ratio (%)	52.4	45.9	44.4	41.8		41.4	41.4	41.6	42.0	42.5	43.0
External Sector											
Exports	-10.7	47.0	5.2	1.5		-0.8	3.1	4.0	3.4	3.5	3.6
Imports	-15.5	38.2	16.5	-10.8		5.3	4.3	3.1	3.3	3.5	3.2
External current account balance (percent of GDP)	1.1	-2.2	-4.0	0.6		-1.1	-1.4	-1.4	-1.5	-1.5	-1.5
Gross reserves In billions of U.S. dollars	74.9	78.5	72.2	71.3		73.8	76.3	78.4	80.8	82.7	84.4
Percent of short-term external debt 4/	495	583	530	409		459	438	438	430	483	493
Percent of foreign currency deposits at banks	222	229	207	205		210	212	211	210	206	202
	(In percent of GDP, unless otherwise indicated)										
Public Sector											
NFPS revenue	21.8	25.5	26.9	23.9		23.9	23.8	23.8	23.6	23.7	23.7
NFPS primary expenditure	29.1	26.5	27.0	25.0		24.7	24.1	23.6	22.9	23.0	23.2
NFPS primary balance	-7.3	-1.0	-0.1	-1.1		-0.8	-0.3	0.2	0.7	0.7	0.6
NFPS overall balance	-8.9	-2.5	-1.7	-2.8		-2.5	-2.0	-1.5	-1.0	-1.0	-1.0
NFPS structural balance 5/	-7.0	-4.0	-2.2	-2.5		-2.5	-2.2	-1.8	-1.2	-1.2	-1.1
NFPS structural primary balance 5/	-5.4	-2.5	-0.7	-0.9		-0.8	-0.5	-0.1	0.5	0.5	0.5
Debt											
Total external debt 6/	43.7	46.3	43.0	40.6		38.2	37.0	35.5	33.6	32.7	31.8
Gross non-financial public sector debt 7/	34.9	36.1	33.9	32.1		33.0	33.3	33.2	32.6	32.1	31.6
External	14.8	19.4	17.5	16.0		15.3	14.2	13.1	11.5	10.9	10.3
Domestic	20.1	16.7	16.4	16.1		17.8	19.0	20.1	21.1	21.3	21.4
Savings and Investment											
Gross domestic investment	19.9	21.7	22.1	19.2		20.4	20.8	20.9	21.1	21.3	21.5
Public sector (incl. repayment certificates)	4.3	4.7	5.1	5.0		4.8	4.8	4.9	4.9	5.0	5.1
Private sector	16.8	20.4	20.2	17.9		17.7	17.4	17.2	16.9	16.7	16.6
National savings	21.0	19.5	18.1	19.8		19.3	19.5	19.5	19.7	19.8	20.0
Public sector	-4.6	2.8	4.4	3.0		3.1	3.6	4.1	4.6	4.6	4.6
Private sector	25.6	16.7	13.7	16.8		16.1	15.8	15.4	15.1	15.2	15.4

Memorandum Items											
Nominal GDP (S/. billion)	721	878	939	1,002		1,051	1,102	1,151	1,202	1,255	1,309
GDP per capita (in US\$)	6,320	6,848	7,336	7,933		8,291	8,567	8,839	9,115	9,397	9,685

Sources: National authorities; UNDP Human Development Indicators; and IMF staff estimates/projections.

1/ Defined as the percentage of households with total spending below the cost of a basic consumption basket.

2/ Corresponds to depository corporations.

3/ Foreign currency stocks are valued at end-of-period exchange rates.

4/ Short-term debt is defined on a residual maturity basis and includes amortization of medium and long-term debt.

5/ Adjusted by the economic cycle and commodity prices, and for non-structural commodity revenue. The latter uses as equilibrium commodity prices a moving average estimate that takes 5 years of historical prices and 3 years of forward prices according to the IMF's World Economic Outlook.

6/ Includes local currency debt held by non-residents and exclude global bonds held by residents.

7/ Includes repayment certificates and government guaranteed debt.

****Source:** IMF Executive Board Concludes 2024 Article IV Consultation with Peru May 21, 2024.

FOREIGN TRADE

3. As per the most recent available inputs from World Integrated Trade Solution (WITS), the five major merchandise export partners of Peru are China, United States, Canada, India and South Korea. On the other hand, the five major import partners of Peru are China, the United States, Brazil, Argentina and Mexico.

The five major export commodities of Peru are:

- (i) Copper ores and concentrates [260300];
- (ii) Gold in unwrought non-monetary forms [710812];
- (iii) Copper cathodes and sections of cathodes, unwrought [740311];
- (iv) Petroleum oils and preparations (excluding crude) [271000]; and
- (v) Fresh grapes [080610].

On the other hand, the five major imported commodities are:

- (i) Petroleum oils and preparations (excluding crude) [271000];
- (ii) Petroleum oils and oils obtained from bituminous minerals, crude [270900];
- (iii) Transmission apparatus for radiotelephony [852520];
- (iv) Maize (excluding seed) [100590]; and
- (v) Motor cars with reciprocating piston engine [870322].

4. Peru's total exports were valued at approximately USD 38,757 million in 2020, which increased to USD 74,054 million in 2024. Exports registered a significant growth of 45.16% in 2021, followed by a 3.40% rise in 2022. During the period 2020–2024, Peru's exports recorded a compound annual average growth rate of 17.57%.

5. Peru's total imports from the world were valued at approximately USD 36,064 million in 2020, which increased to USD 55,027 million in 2024. During the period from 2020 to 2024, Peru's imports recorded an annual average compound growth rate of 11.14%.

6. Peru maintained an overall trade surplus during the period from 2020 to 2024 except for 2022 with the surplus balance of trade reaching to USD 19,027 million in 2024. However, the country recorded a trade deficit of USD 2,074 million in 2022. During the same period, the average annual compound growth rate of the total volume of trade stood at 14.61%.

TABLE - 2

PERU'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE BETWEEN 2020 TO 2024

(Figures in USD Million)

Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020	38757		36064		74,821		2693
2021	56260	45.16	51178	41.91	1,07,438	43.59	5082
2022	58172	3.40	60246	17.72	1,18,418	10.22	-2074
2023	64355	10.63	52164	-13.41	1,16,519	-1.60	12191
2024	74054	15.07	55027	5.49	1,29,081	10.78	19027

Annual Compound Growth Rate

17.57

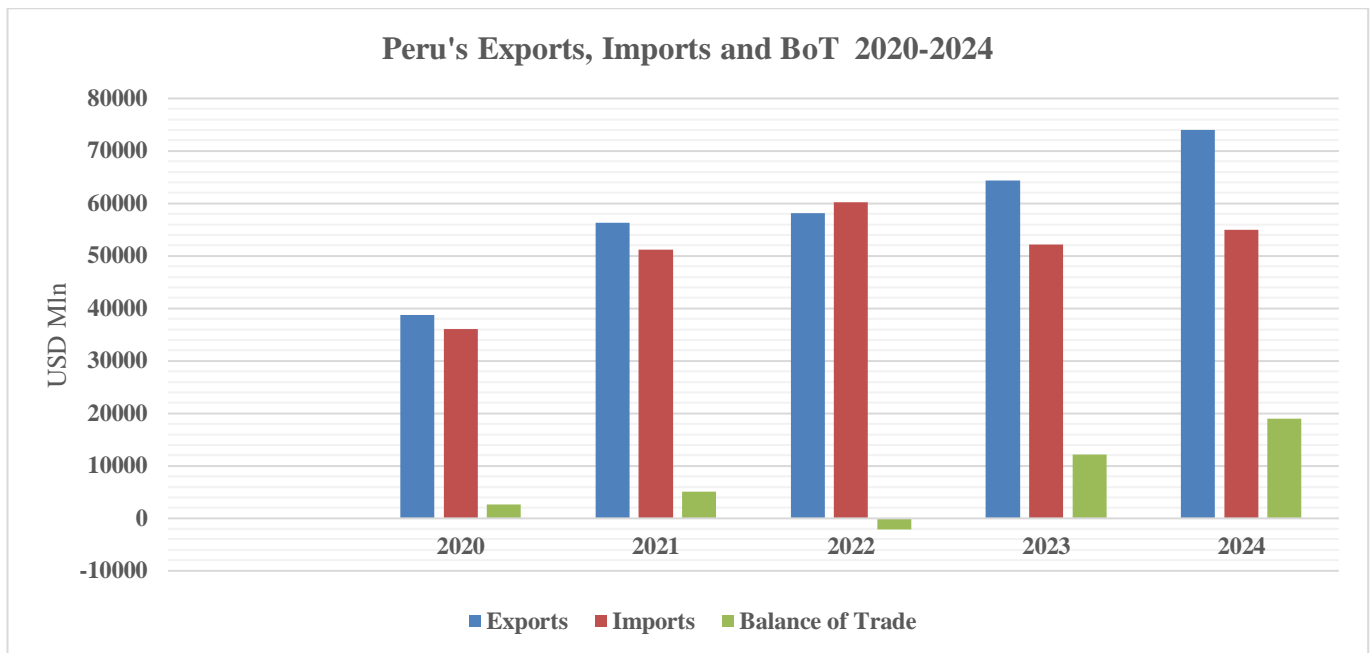
11.14

14.61

NOTE: Figures relate to calendar year (January to December)

SOURCE: UN COMTRADE PUBLICATION

Figure - 1



BILATERAL TRADE WITH INDIA

Merchandise Trade

7. Relations between India and Peru have traditionally been cordial and friendly. Since the early 2000s, bilateral ties have gained significant economic and commercial momentum, leading to a Joint Study on the Feasibility of a Trade Agreement between the two countries. Peru ranked as the 58th largest export destination for India in FY 2024–25. During the same financial year, India’s exports to Peru accounted for approximately 0.23% of India’s total export value, while imports from Peru constituted around 0.69% of India’s total import value. Peru emerged as the 30th largest import partner of India in FY 2024–25. Overall, bilateral merchandise trade between India and Peru accounted for nearly 0.52% of India’s total international trade in goods, according to the database of Department of Commerce, Ministry of Commerce and Industry, Govt. of India.

8. Total bilateral trade between India and Peru stood at USD 2,285.66 million in FY 2020–21 and increased significantly to USD 5,985.07 million in FY 2024–25. During the period from FY 2020–21 to FY 2024–25, the total volume of bilateral trade registered a compound annual growth rate (CAGR) of 27.21%.

9. Available trade data indicates that between FY 2020–21 and FY 2024–25, India maintained a deficit Balance of Trade with Peru. India’s exports to Peru recorded the highest growth of 17.38% in FY 2021–22, while the annual compound growth rate (CAGR) of exports during the period stood at 6.99%. In contrast, India’s imports from Peru registered a sharp increase of 78.01% in FY 2021–22. During the period from FY 2020–21 to FY 2024–25, the annual compound growth rate (CAGR) of imports was 34.54%.

A snapshot of India’s merchandise trade statistics w.r.t. Peru is presented in **Table 3 Figure 2**.

TABLE-3

**INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. PERU
FY 2020-2021 to 2024-2025**

(Value in USD Million)

Year	Exports from India to Peru	Percentage Growth in Exports	Imports from Peru to India	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020-21	764.78		1520.88		2285.66		-756.10
2021-22	897.70	17.38	2707.38	78.01	3605.08	57.73	-1809.68
2022-23	865.91	-3.54	2250.75	-16.87	3116.66	-13.55	-1384.84
2023-24	920.18	6.27	3114.31	38.37	4034.49	29.45	-2194.13
2024-25	1002.26	8.92	4982.81	60.00	5985.07	48.35	-3980.55
Annual Compound Growth Rate		6.99		34.54		27.21	

NOTE: Figures relate to Financial Year (April to March)

SOURCE: DGCI&S, M/o C&I

Figure – 2



10. Additionally, from Tables 4 & 5 presented at Annexure-II below the following are stated:

- a. In FY 2024–25, the top three items exported by India to Peru were: (i) **Motor Vehicles/Cars**, (ii) **Cotton Yarn**, and (iii) **Drug Formulations and Biologicals**. Among these, **Motor Vehicles/Cars** accounted for the largest share, constituting 16.37% of India’s total exports to Peru during the financial year.
- b. (i) **Gold**, (ii) **Bulk Minerals and Ores**, and (iii) **Iron and Steel** were the three major commodities in India’s import basket from Peru in FY 2024–25. Gold constituted the largest share, accounting for 89.08% of India’s total imports from Peru during the year.

TABLE -4
INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO PERU
2020-2021 TO 2024-2025 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
1	Motor Vehicle/Cars	94.4	126.16	212.95	196.37	164.08	33.64	68.79	-7.79	-16.45
	Share in total export	12.34	14.05	24.59	21.34	16.37				
2	Cotton Yarn	141.09	193.33	103.13	133.59	160.20	37.03	-46.66	29.54	19.92
	Share in total export	18.45	21.54	11.91	14.52	15.98				
3	Drugs Formulations, Biologicals	126.35	103.87	85.80	99.41	107.83	-17.79	-17.40	15.86	8.47
	Share in total export	16.52	11.57	9.91	10.80	10.76				
4	Two And Three Wheelers	52.58	42.59	44.80	45.68	67.53	-19.00	5.19	1.96	47.83
	Share in total export	6.88	4.74	5.17	4.96	6.74				
5	Manmade Yarn, Fabrics, Madeups	40.73	31.97	30.96	38.01	36.27	-21.51	-3.16	22.77	-4.58
	Share in total export	5.33	3.56	3.58	4.13	3.62				
6	Industrial Machinery For Dairy Etc.	9.7	15.18	13.97	17.29	30.72	56.49	-7.97	23.77	77.67
	Share in total export	1.27	1.69	1.61	1.88	3.07				
7	Iron And Steel	10.25	68.14	21.72	16.11	26.58	564.78	-68.12	-25.83	65.01
	Share in total export	1.34	7.59	2.51	1.75	2.65				
8	Auto Components/Parts	13.24	20.12	19.69	18.39	25.42	51.96	-2.14	-6.60	38.23
	Share in total export	1.73	2.24	2.27	2.00	2.54				
9	Auto Tyres And Tubes	17.26	21.49	18.92	19.69	22.60	24.51	-11.96	4.07	14.77
	Share in total export	2.26	2.39	2.18	2.14	2.25				
10	Coir And Coir Manufactures	3.25	8.36	2.06	6.22	20.16	157.23	-75.36	201.94	224.17
	Share in total export	0.42	0.93	0.24	0.68	2.01				
	Total export to PERU	764.78	897.70	865.91	920.18	1002.26	17.38	-3.54	6.27	8.92

NOTE: Figures relate to each Financial Year (April to March)

SOURCE: DGCI&S, M/o C&I

TABLE -5
INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM PERU
2020-2021 TO 2024-2025 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Imports					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
1	Gold	1499.06	2313.86	1776.39	2795.61	4438.73	54.35	-23.23	57.38	58.78
	Share in total imports	98.57	85.46	78.92	89.77	89.08				
2	Bulk Minerals and Ores	0.41	347.07	390.86	212.41	428.21	84551.22	12.62	-45.66	101.59
	Share in total imports	0.03	12.82	17.37	6.82	8.59				
3	Iron and steel	3.75	12.85	12.28	21.09	26.94	242.67	-4.44	71.74	27.75
	Share in total imports.	0.25	0.47	0.55	0.68	0.54				
4	Silver	0.63	2.31	14.51	40.51	16.97	266.67	528.14	179.19	-58.12
	Share in total import	0.04	0.09	0.64	1.30	0.34				
5	Cocoa Products	0.01	0.02	0.06	0.60	13.88				2214.09
	Share in total import				0.02	0.28				
6	Tin And Products Made of Tin		0.07			12.73				
	Share in total import			0.00	0.00	0.26				
7	Fresh Fruits	0.68	0.93	1.56	2.31	8.36	36.76	67.74	48.08	261.90
	Share in total import	0.04	0.03	0.07	0.07	0.17				
8	Aluminium, Products of Aluminium	1.32	0.66	1.46	3.72	7.55	-50.00	121.21	154.79	102.84
	Share in total import	0.09	0.02	0.06	0.12	0.15				
9	Residual Chemicals And Allied Products	1.73	2.57	2.63	2.43	5.98	48.55	2.33	-7.60	146.26
	Share in total import	0.11	0.09	0.12	0.08	0.12				
10	Inorganic Chemicals	0.38	1.31	2.69	2.73	3.34	244.74	105.34	1.49	22.40
	Share in total import	0.02	0.05	0.12	0.09	0.07				
	Total import from PERU	1520.88	2707.38	2250.75	3114.31	4982.81	78.01	-16.87	38.37	60.00

NOTE: Figures relate to each Financial Year (April to March)

SOURCE: DGCI&S, M/o C&I

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