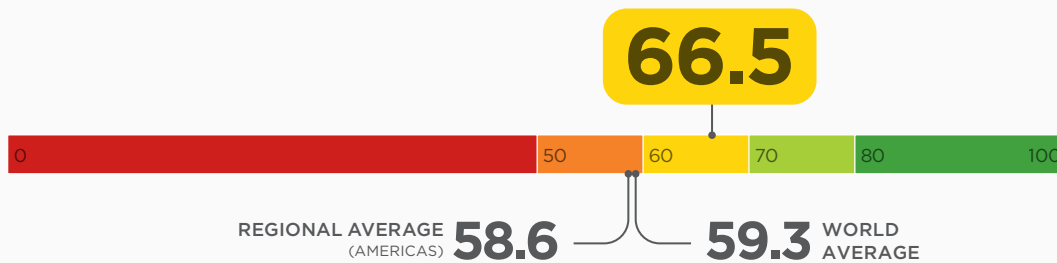


# PERU

**P**eru's economic freedom score is 66.5, making its economy the 44th freest in the 2023 *Index*. Its score is virtually unchanged from last year. Peru is ranked 7th out of 29 countries in the Americas region, and its overall score is above the world and regional averages.

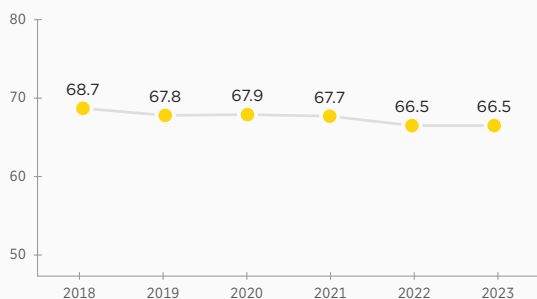
Economic reforms have supported economic expansion and reductions in poverty. Peru's evolving entrepreneurial sector benefits from increased access to financing and improved regulatory efficiency. Open-market policies that support trade and investment have been institutionalized, but corruption and the weak rule of law continue to undermine prospects for long-term economic development.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +9.6

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
33.4 million

**GDP (PPP):**  
\$469.5 billion  
13.3% growth in 2021  
5-year compound annual growth 2.2%  
\$13,879 per capita

**UNEMPLOYMENT:**  
7.2%

**INFLATION (CPI):**  
4.0%

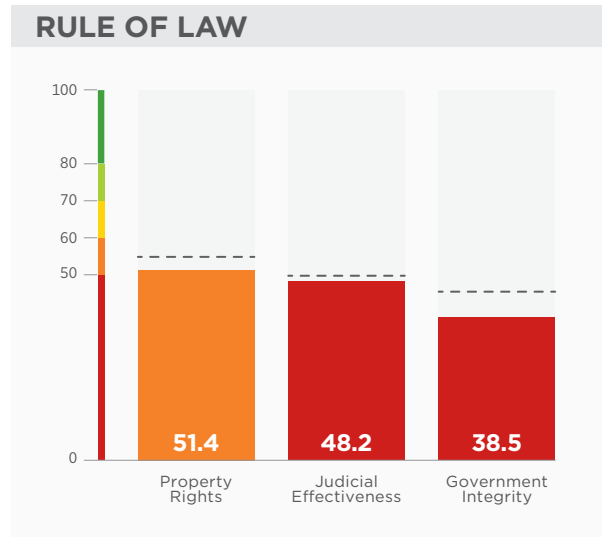
**FDI INFLOW:**  
\$5.9 billion

**PUBLIC DEBT:**  
36.4% of GDP

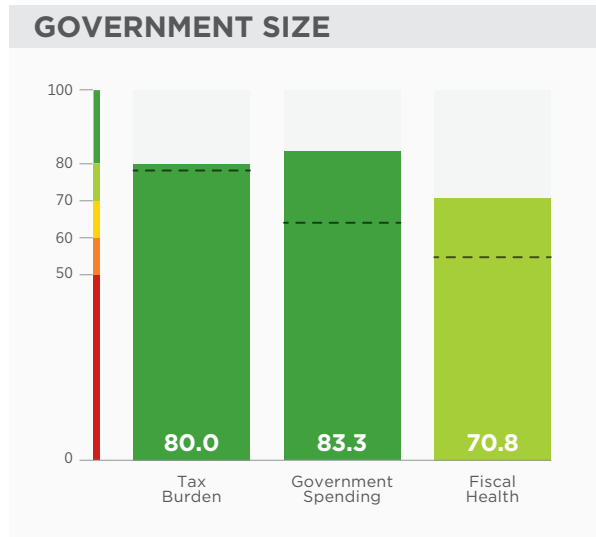
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Peru has alternated between military rule and democracy. A multi-decade guerilla insurgency was defeated in the 1990s by ex-President Alberto Fujimori, an authoritarian who nevertheless implemented economic reforms. In December 2022, President Pedro Castillo of the socialist Free Peru party, who had been elected in 2021, attempted a coup against Congress to avoid impeachment. He was removed from power and subsequently arrested. Dina Boluarte, his vice president, became president amid riots instigated by radical pro-Castillo groups. There are concerns that Boluarte might push for a Constitutional Assembly to overhaul Peru's constitution. Peru remains the world's second-largest producer of cocaine.

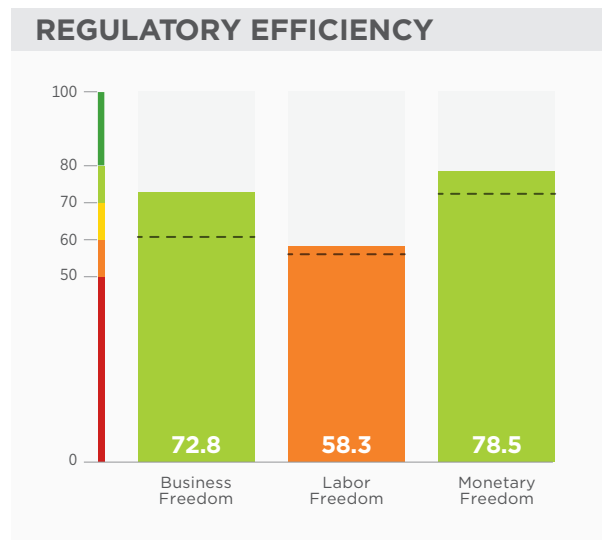
## 12 ECONOMIC FREEDOMS | PERU



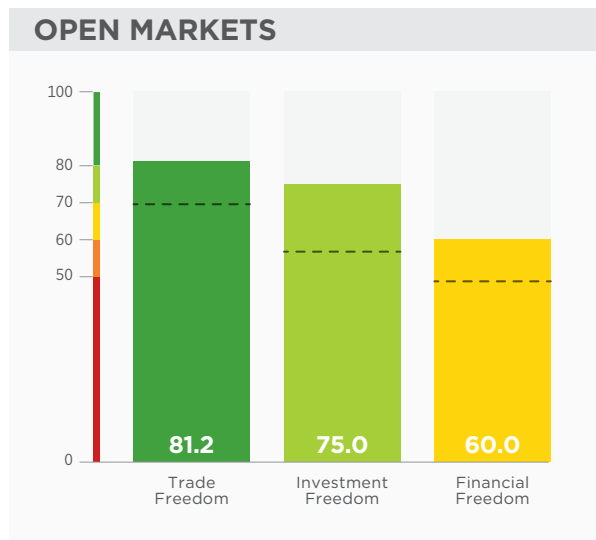
The overall rule of law is weak in Peru. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 30 percent and 29.5 percent. The tax burden equals 15.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 23.6 percent and -4.1 percent of GDP. Public debt equals 36.4 percent of GDP.



Recent reforms 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. The most recent available inflation rate is 4.0 percent.



The trade-weighted average tariff rate is 1.9 percent, and about 400 nontariff measures are in force. The economy is relatively open to foreign investment, but regulatory unpredictability impedes dynamic investment. Approximately 50 percent of adult Peruvians have an account with a formal banking institution.