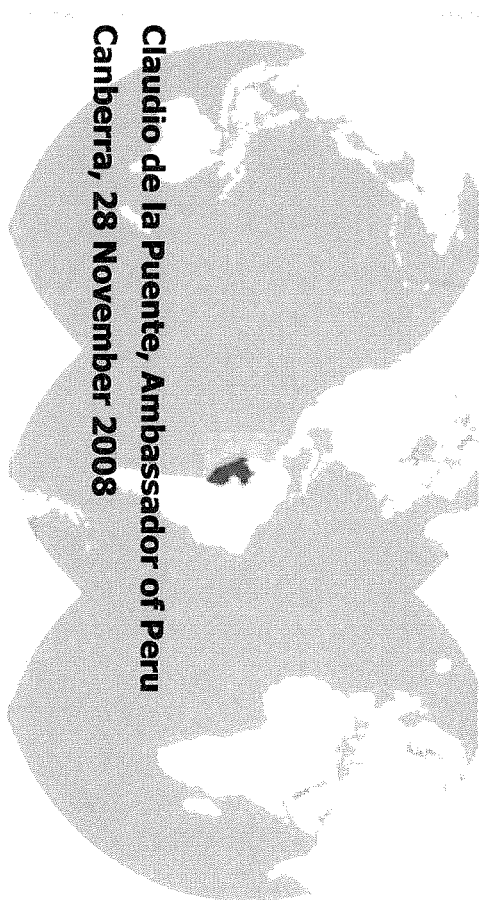


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Peru: A reliable partner for Australia in Latin America

Trade and investments advantages and opportunities



Claudio de la Puente, Ambassador of Peru
Canberra, 28 November 2008

Sustained and fastest growth in Latin America since 2002

- GDP growth: 8,9% 2007, 9.2% 2008
- forecast around 7% annually 2009-10.
- Exports quadrupled in 5 years.
- Lowest inflation in L.A. – Fiscal surplus 3%
- Private/public Investment growth 20% year

Regional Hub / APEC 2008 Venue

- Third largest country in South America 28 million inhabitants.
- Located in the center of the South American Pacific coast, bordering 5 countries.
- Good ports facilities and strategic location as a natural regional hub and gateway to Asia/Pacific

Favorable climate for investment:

- Attractive legal framework for FDI based on freedom and non discrimination, equality. Stability agreements
- 1st place in Latin America on State receptiveness to investment (WEF).
- 2nd place in Latin America protecting Foreign Direct Investment (WB).
- 2008 FDI growth: 55%

Peru is a country that offers:

Vast Natural Resources:

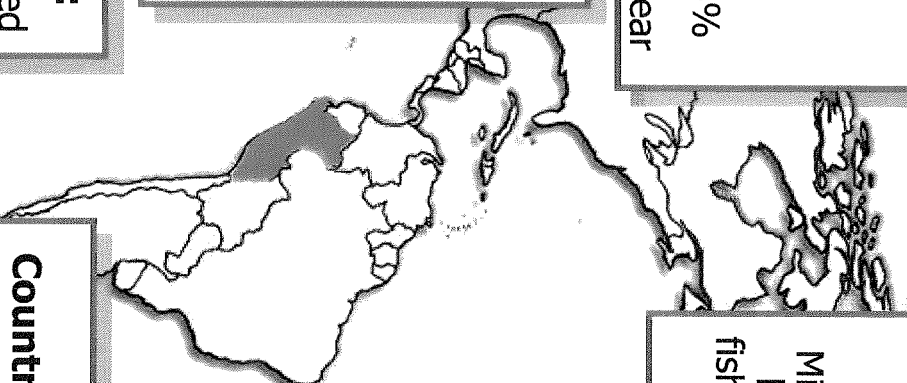
Minerals, hydrocarbons, natural gas, available lands having proper climates, agribusiness, fishing, huge forests and hydro energy potential 2, 500 km of coast

Economy committed to the Global commercial integration process

- Strong commitment to WTO/APEC
- FTAs (and/or preferential access) with USA, Canada, Thailand, Singapore, Chile, EFTA, MERCOSUR, CAN
- FTA w. China to be signed. Next negotiations: Korea, EU, Japan
- 32 agreements on investment
- Peru joined OECD-investment.com.

Country risk below Latin American average

- Political stability and rule of law
- Regional leadership: APEC and ALC/UE
- Stable exchange rate (free)
- Fitch, Standard and Poor's and DBRS rated Peru with investment grade





ProInversión

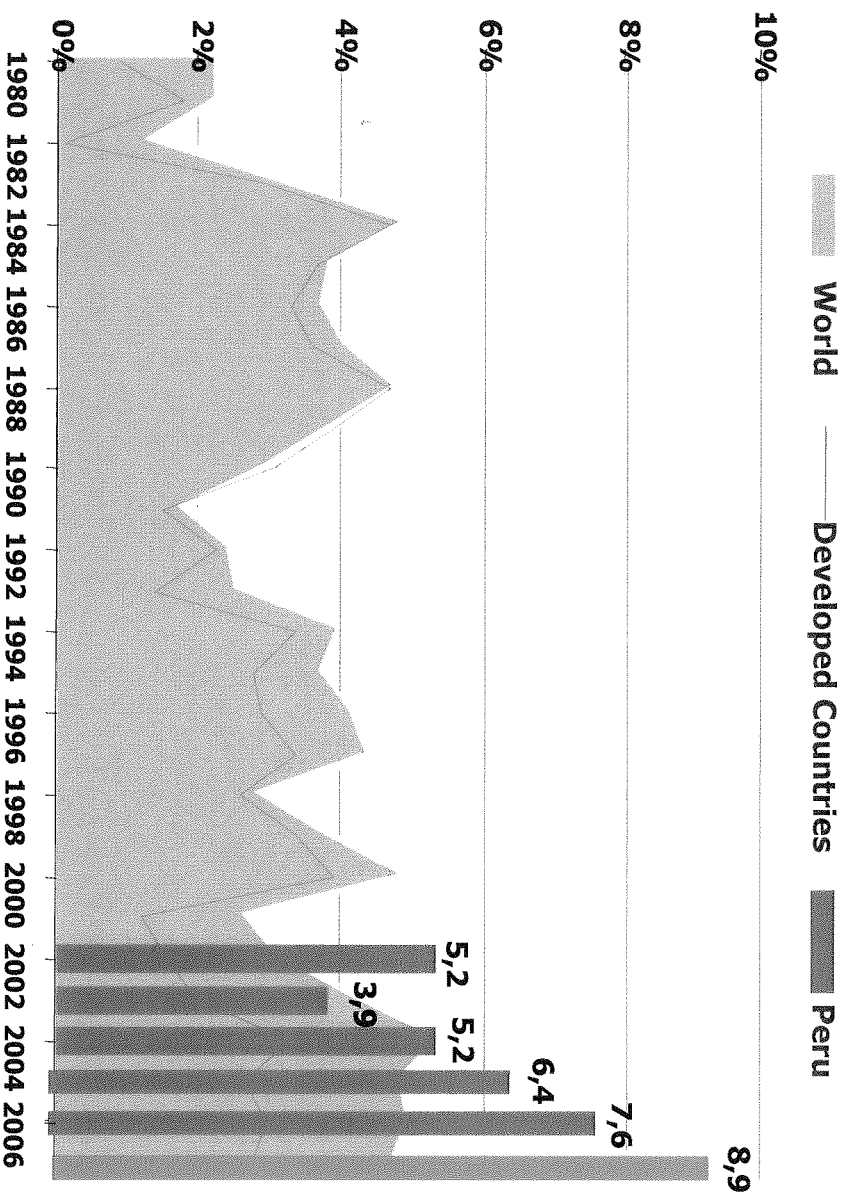
Investment and trade plays an important role in the country's Economic Growth and signals a promising future

	2004	2005	2006	2007
GDP (%change)	5.1	6.4	7.6	8.9
Private Investment (%change)	9.1	13.9	20.1	24.0
Public Investment (%change)	5.7	12.2	13.0	27.0
CPI (%change)	3.5	1.5	1.1	3.9
Jobs in companies with 10 or more workers (% change)	2.7	4.5	7.3	8.7
Exports (% change)	40.9	35.3	36.9	16.3
Capital goods imports (% change)	19.6	29.6	35.4	41.0
Construction GDP (% change)	4.7	8.4	14.7	16.5
Tax collection (% change)	13.6	14.3	27.8	15.0
GDP				

Source: Central Reserve Bank of Peru, National Institute of Statistic and Information and SUNAT



Sustained economic growth with annual forecasted average about 7% for 2009 – 2010



Source: International Monetary Fund and the Central Reserve Bank of Peru.

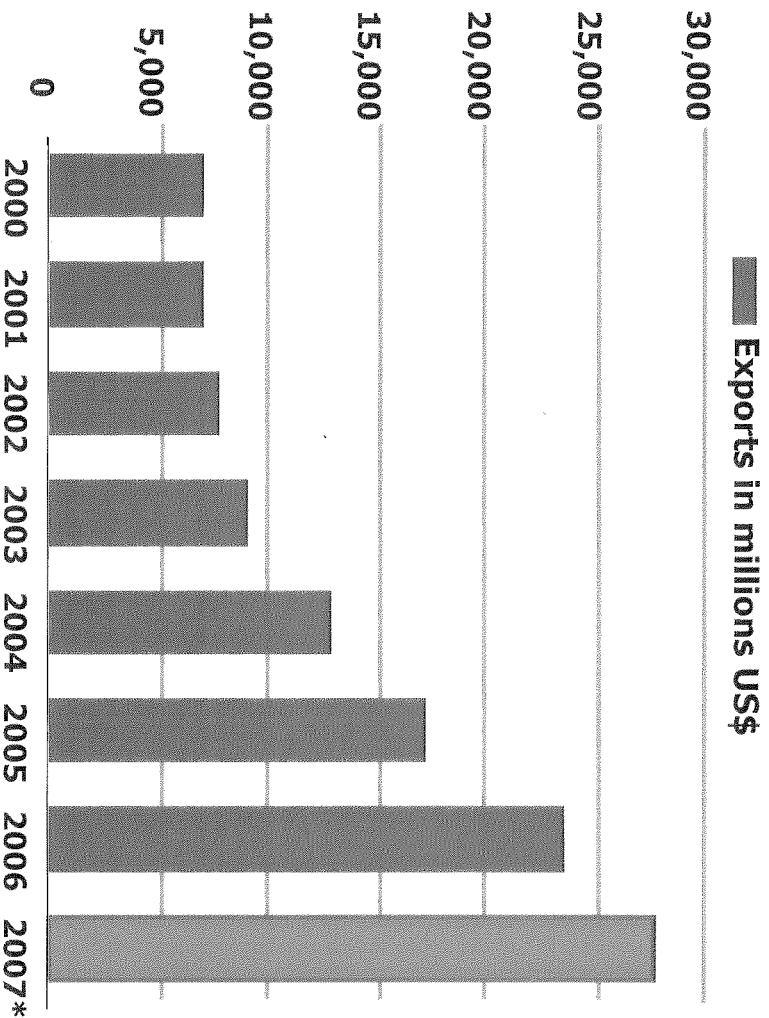
GDP Growth 2008: 9.2% (IFM estimate)



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Exports Growth

Exports quadrupled in only 5 years



Millions of US\$ FOB

GROUP	2006	2007	VAR.
Mining	14,638	17,031	16%
Oil and byproducts	1,899	2,348	24%
Agriculture	1,794	1,963	9%
Fisheries	1,774	1,958	10%
Textile	1,472	1,730	18%
Iron and Steel	717	803	12%
Chemical	601	803	34%
Woods and papers	333	360	8%
Others	500	591	18%
Total	23,729	27,588	16%

*Preliminary figure

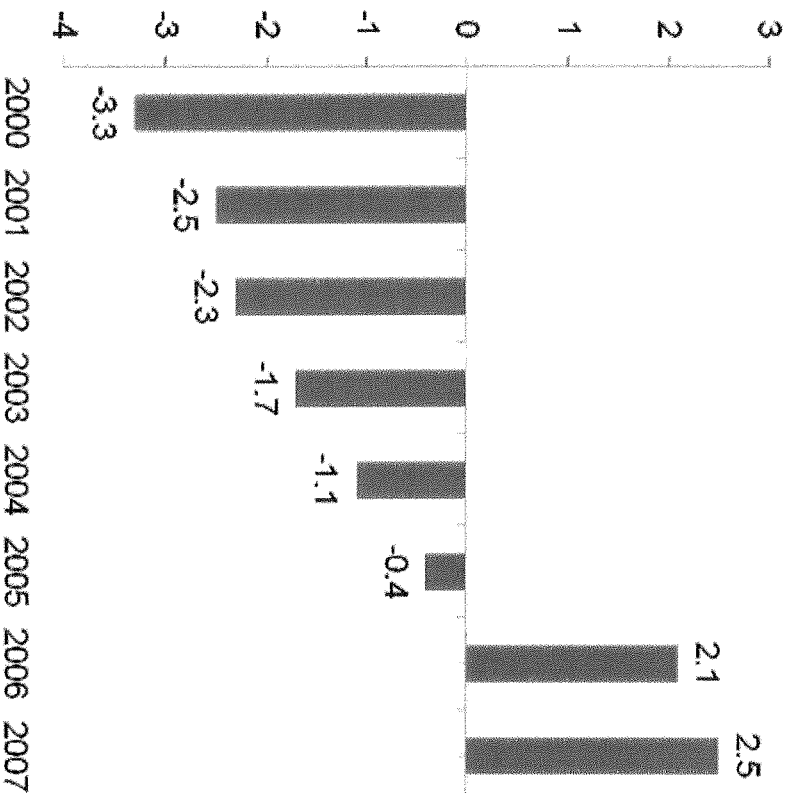
Source: Central Reserve Bank of Peru.

2008 estimate: US\$ 33,000 million

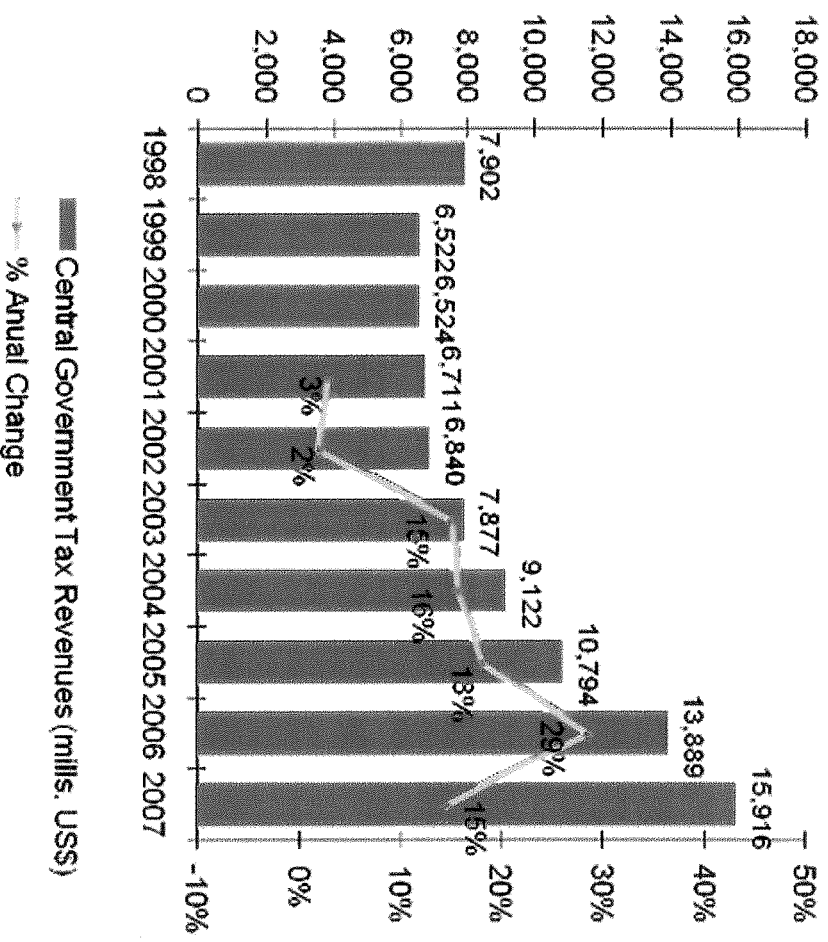


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Peru has improved its fiscal position (% of GDP)



By increasing its central government tax revenues

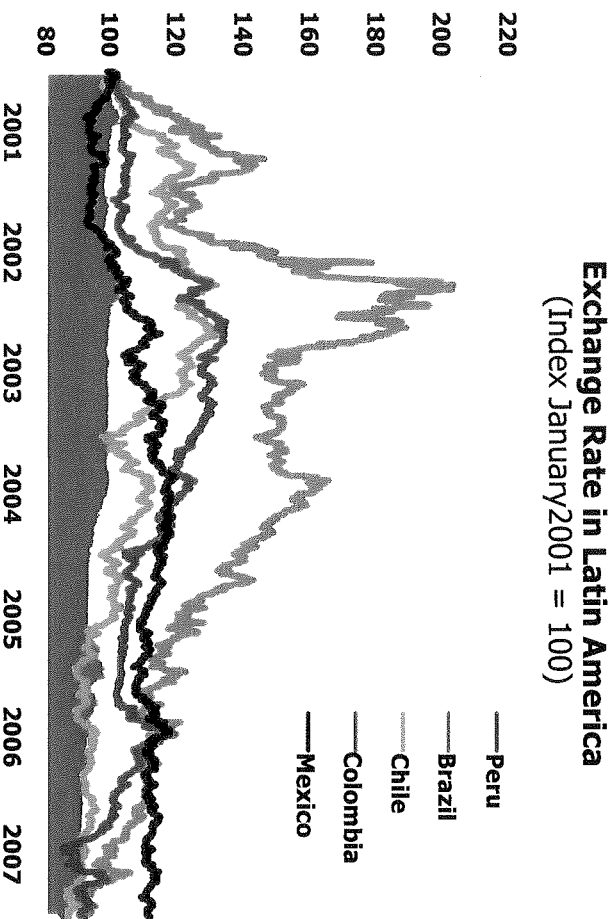


Source: Central Reserve Bank of Peru and SUNAT.



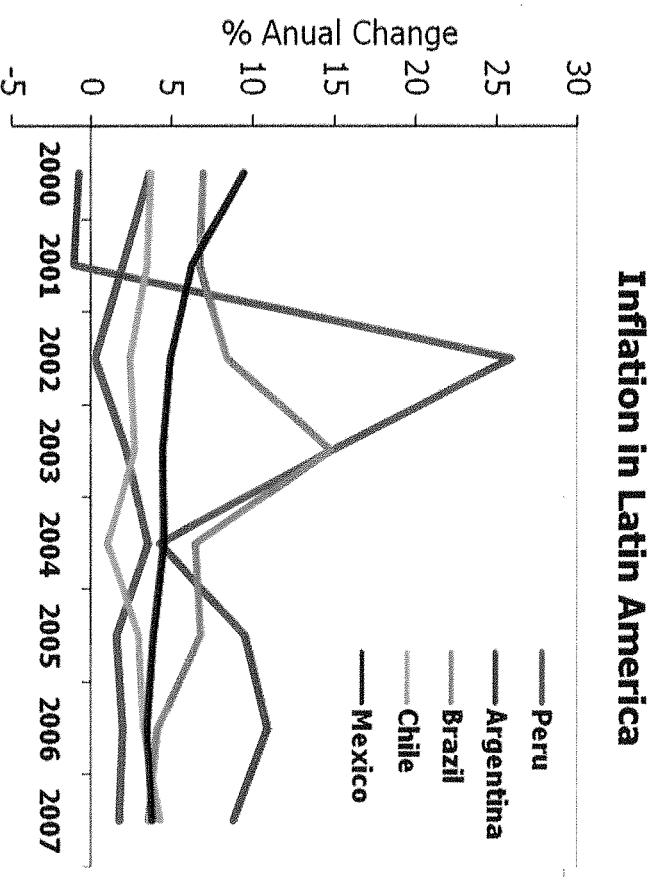
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... in a framework of macroeconomic stability ...



2007 Average Exchange Rate: 3,13

Source: Bloomberg and Banco de Crédito del Perú



Inflation Rate 2007: 3.9%

Source: Central Reserve Bank of Peru, Chile, Mexico and Argentina, until December 2007



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S&P/ Fitch	Moody's	Characteristic
AAA	Aaa	Risk free
AA+	Aa1	Superior
AA	Aa2	
AA-	Aa3	
A+	A1	High capacity of repayment
A	A2	
A-	A3	
BBB+	Baa1	Moderate capacity of repayment
BBB	Baa2	
BBB-	Baa3	
BB+	Ba1	Some capacity of repayment
BB	Ba2	
BB-	Ba3	
B+	B1	High uncertainty in the capacity of repayment
B	B2	
B-	B3	
CCC+	Caa1	Highly vulnerable to default
CCC	Caa2	
CCC-	Caa3	
D	Ca	Default

Peru close
to the
investment
grade

Investment
Grade

investment grade given to Peru by:

- **Standard & Poor's**
- **Fitch**
- **DBRS**

Source Bloomberg.

Source: Standard & Poor's, Fitch Ratings and

Moody's updated: December 2007



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Reassuring Legal framework for foreign investment

Stable and favorable investment climate

Investment policies based on international principles.

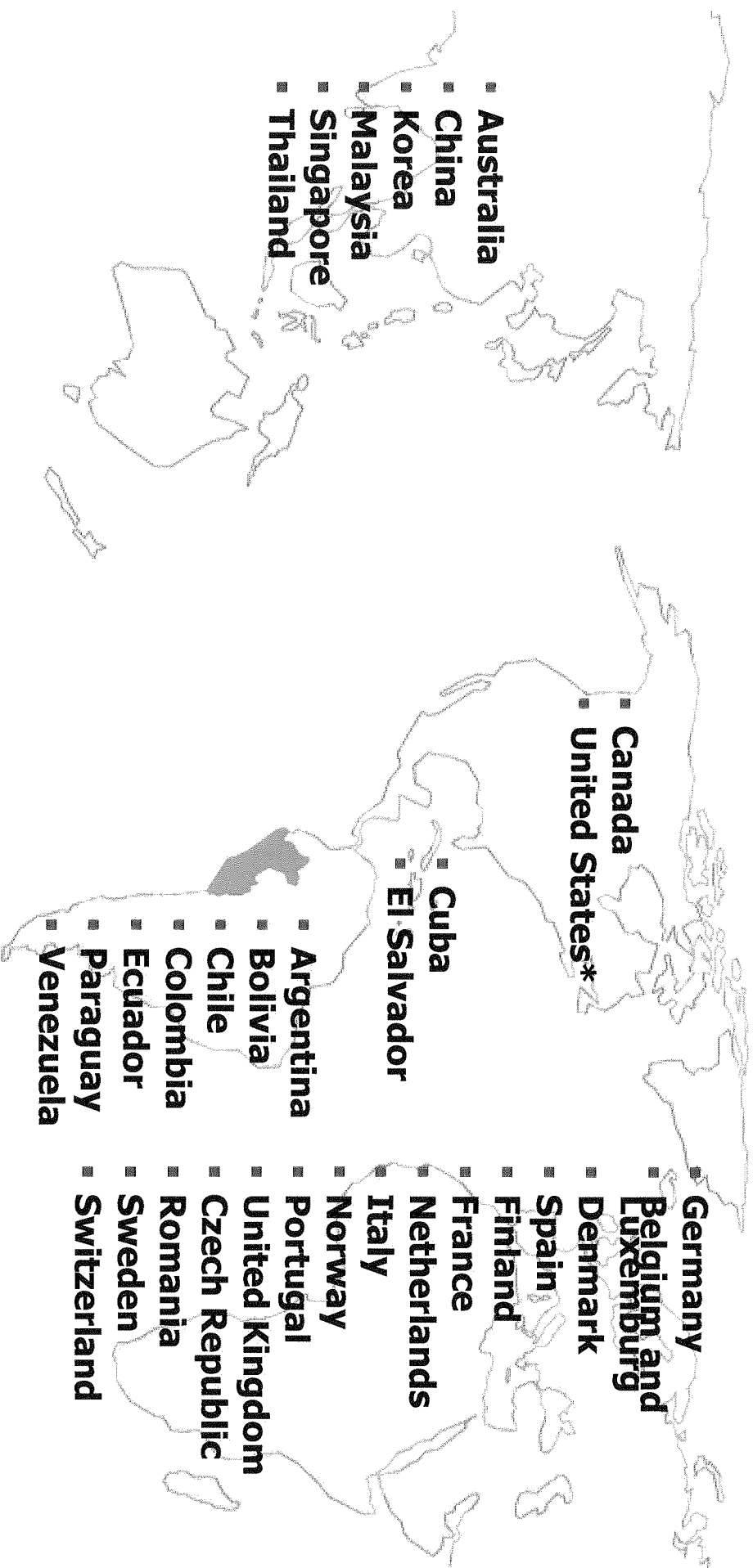
National Treatment to foreign investors

Legal stability agreements

Investment grade



Bilateral Investment Agreements



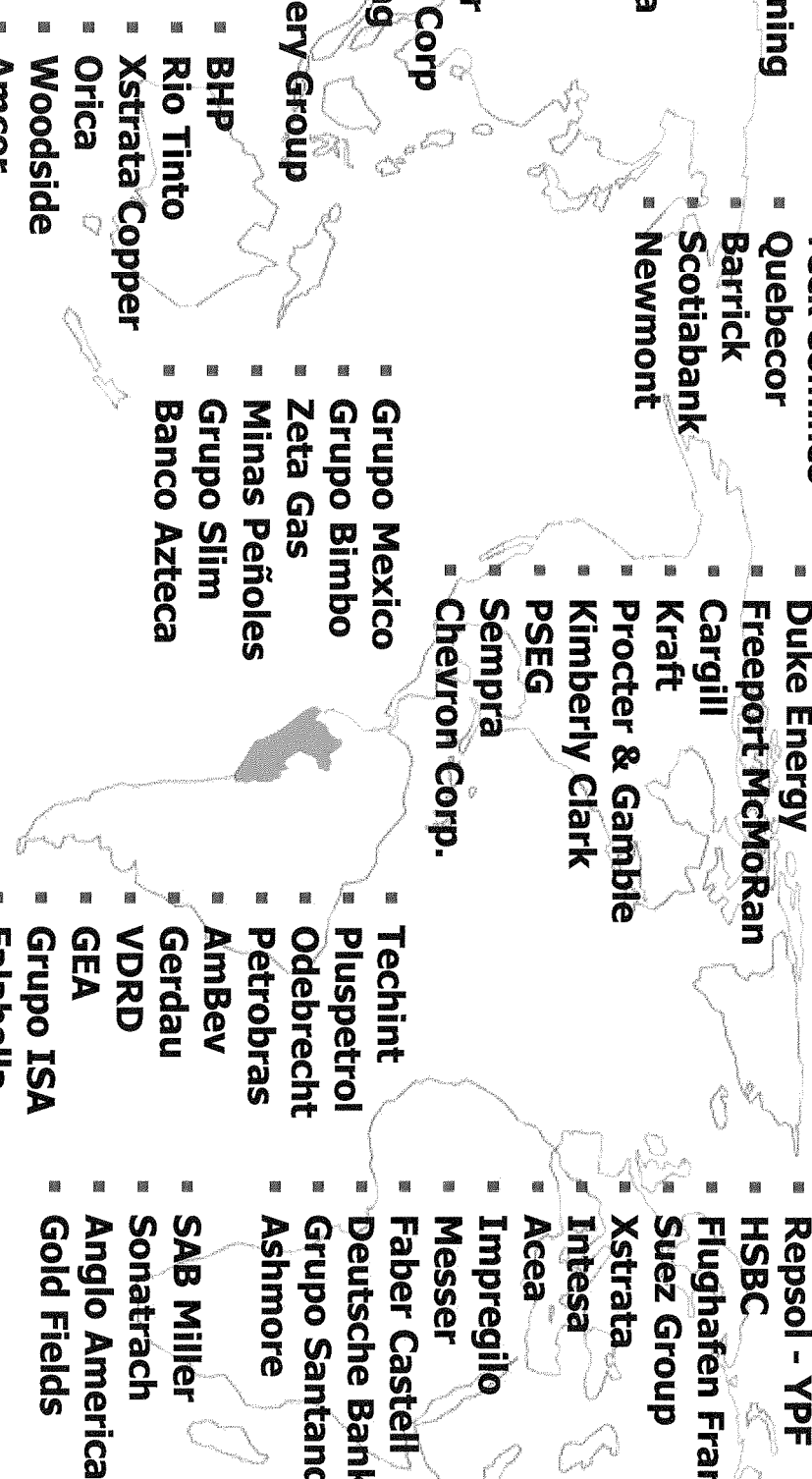
* FTA



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First Class Foreign Companies in Peru

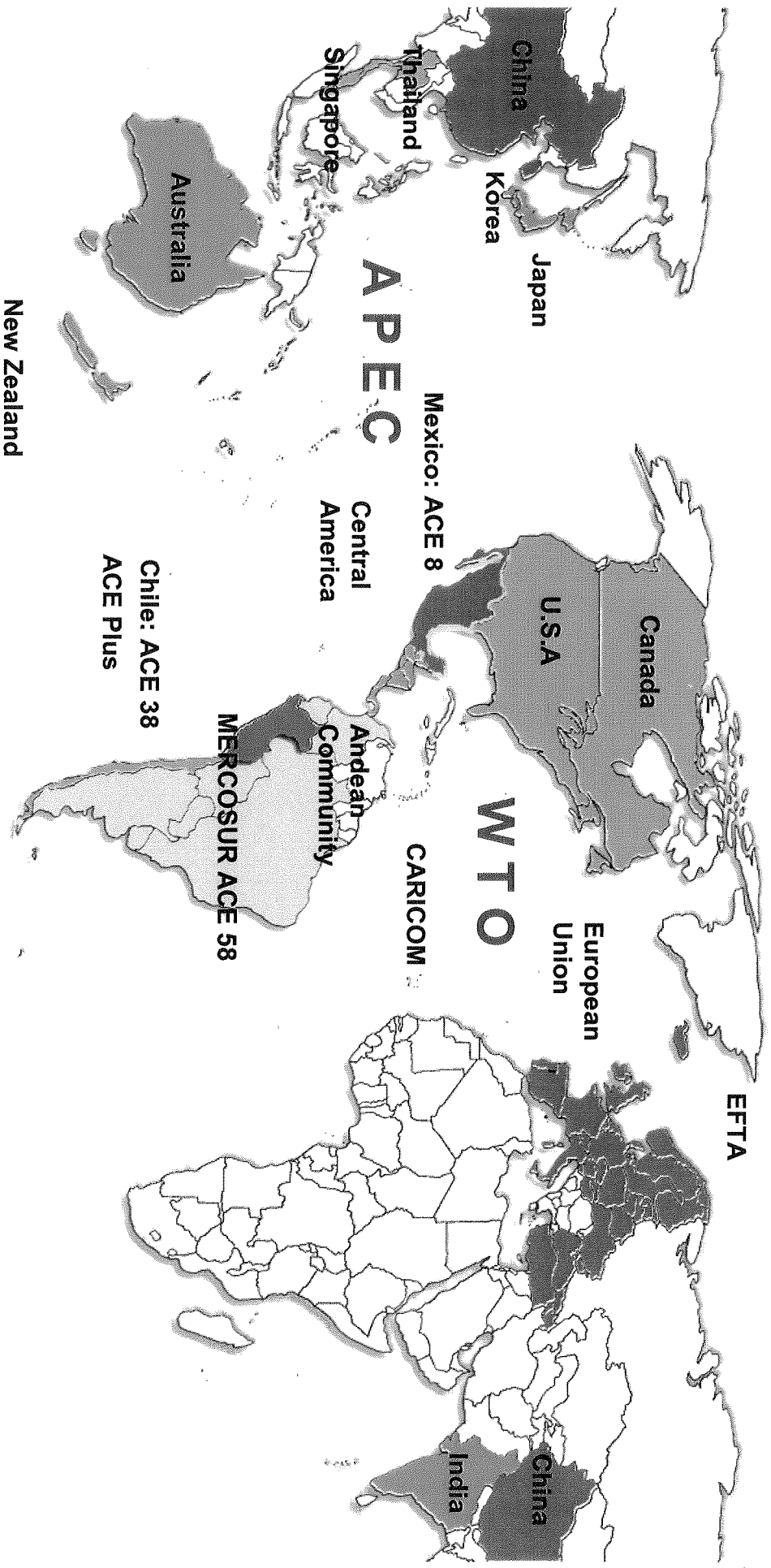
(referential and non exhaustive list)




- 
- Mitsui
 - Nippon Mining
 - Marubei
 - Mitsubishi
 - Matsushita
 - SK
 - LS Nikko
 - Sumitomo
 - P&O Dover
 - Shougang Corp
 - Zijin Mining
 - Chinalco
 - China Fishery Group
 - Teck Cominco
 - Quebecor
 - Barrick
 - Scotiabank
 - Newmont
 - Hunt Oil
 - Nextel
 - Citibank
 - Duke Energy
 - Freeport McMoran
 - Cargill
 - Kraft
 - Procter & Gamble
 - Kimberly Clark
 - PSEG
 - Semptra
 - Chevron Corp.
 - Grupo Mexico
 - Grupo Bimbo
 - Zeta Gas
 - Minas Peñoles
 - Grupo Slim
 - Banco Azteca
 - Techint
 - Pluspetrol
 - Odebrecht
 - Petrobras
 - AmBev
 - Gerdau
 - VDRD
 - GEA
 - Grupo ISA
 - Falabella
 - Ripley
 - ENAP
 - LAN
 - Telefónica
 - BBVA
 - Endesa
 - Repsol - YPF
 - HSBC
 - Flughafen Frankfurt
 - Suez Group
 - Xstrata
 - Intesa
 - Acea
 - Impregilo
 - Messer
 - Faber Castell
 - Deutsche Bank
 - Grupo Santander
 - Ashmore
 - SAB Miller
 - Sonatrach
 - Anglo American
 - Gold Fields
 - BHP
 - Rio Tinto
 - Xstrata Copper
 - Orica
 - Woodside
 - Amcor
 - Firth Ind.
 - Newcrest
 - Billabong
 - Amcor Pet Packaging



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Trade Negotiations



-  Countries with ongoing agreements
-  Countries with signed agreement
-  Countries under negotiation process

-  Countries close to start negotiations.
-  Countries for future negotiations

