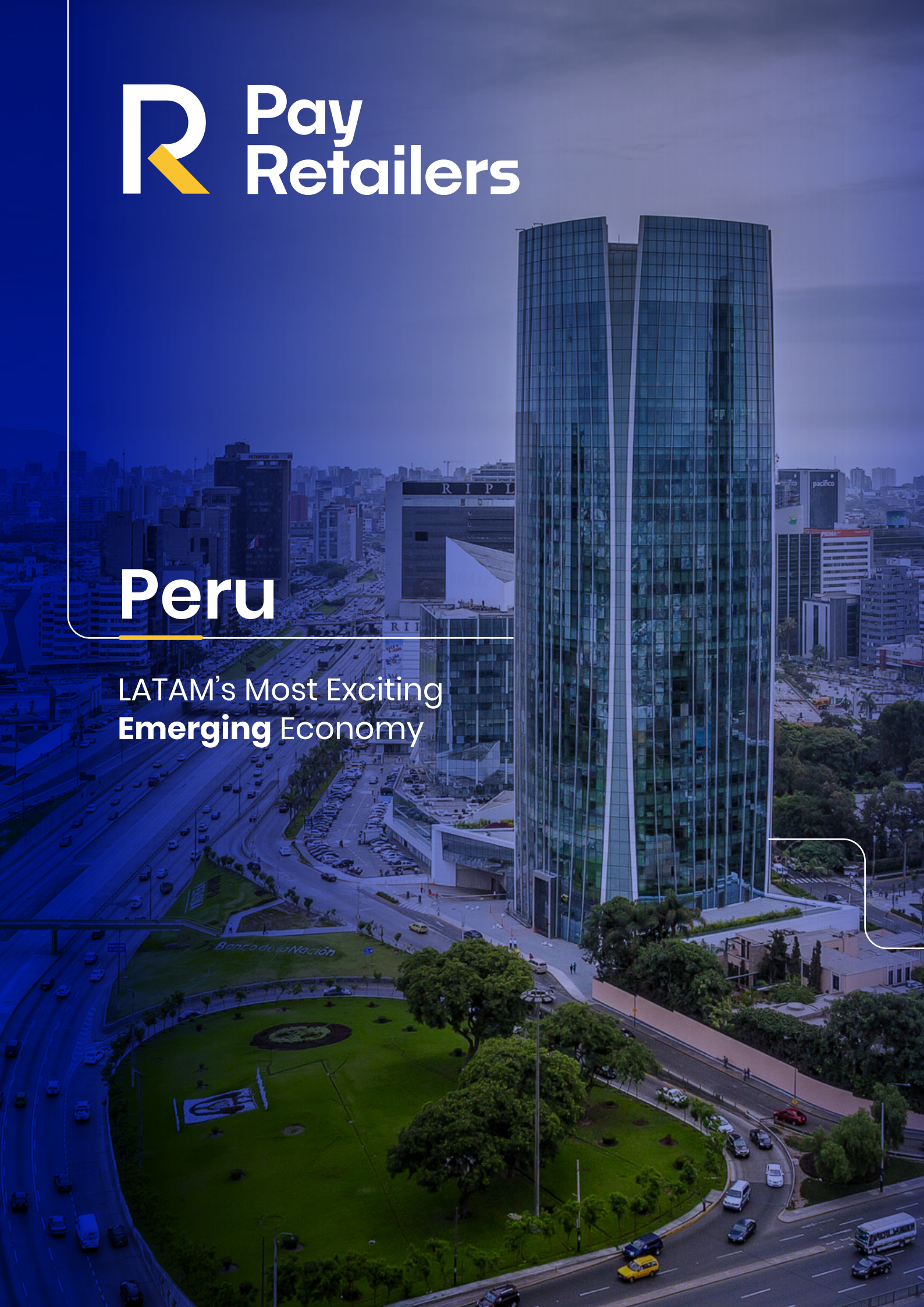




Peru

LATAM's Most Exciting
Emerging Economy



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The Peruvian market

Between 2010 and 2020, Peru was among the fastest-growing economies in Latin America, with an average growth of 5.9% and a low average inflation rate of 2.9%. Peru's economy derives its strength from prudent macroeconomic policies and structural reforms¹.

Backed by these factors, the economy emerged even stronger from the blow delivered by the pandemic, growing by 13.3% in 2021. Peru's economy grew by 3.8% year-on-year in the first quarter of 2022, ramping up from the 3.2% in the previous quarter².

The sectors contributing the most to Peru's GDP growth were:

The Peruvian economy is expected to grow by:

2.9% in 2022

3.0% in 2023



33.4 million
population³



31 Years
median age of
Panama's population⁴



Peruvian Soles
(PEN) – currency



65%
internet user
penetration⁵



20 million
internet users
in Peru⁶



\$17.57 billion
expected total
transaction volume in
digital payments by
2026⁷

Peru has maintained strong macroeconomic fundamentals, including a low public debt to GDP ratio and massive international reserves. The country also has a robust central bank⁸. It is one of Latin America's most stable economies⁹.

**Peru is the
world's second
largest producer
of copper**

Peru's thriving services sector

The services sector is the most important and accounts for 60 percent of GDP.

Financial services and telecommunications are the main segments of the services sector. Together they account for almost 40% of Peru's GDP



The other largest segments, as per their percentage contribution to GDP are: ¹¹

8%

Services provided to companies

10%

Transportation and communication

6%

Government services

17%

Wholesale and retail trade

11%

Other services

Peru is the 5th largest internet market in Latin America ¹²



Peru's ecommerce market

The Peruvian ecommerce market grew by 28% in 2021, significantly higher than the worldwide average of 15%¹³.

Ecommerce market in Peru

\$10

billion in ecommerce sales in 2019-2021¹⁴

42%

CAGR expected by 2025

\$6

billion m-commerce sales expected by 2025

What do Peruvians shop for online?¹⁴



Clothing



Electronics



Footwear



Food & beverages¹⁵

\$9.75 bn

ecommerce revenue in 2022

15.17%

ecommerce revenue CAGR expected in 2025

\$14.89 bn

ecommerce revenue projection for 2025¹⁶

Peru has a large population of young people. Around 55% of the country's population is 30 years or younger. This age group comprises of early tech-adopters and are much more active in online shopping¹⁷.

**18.9 billion**

Number of ecommerce users expected by 2025

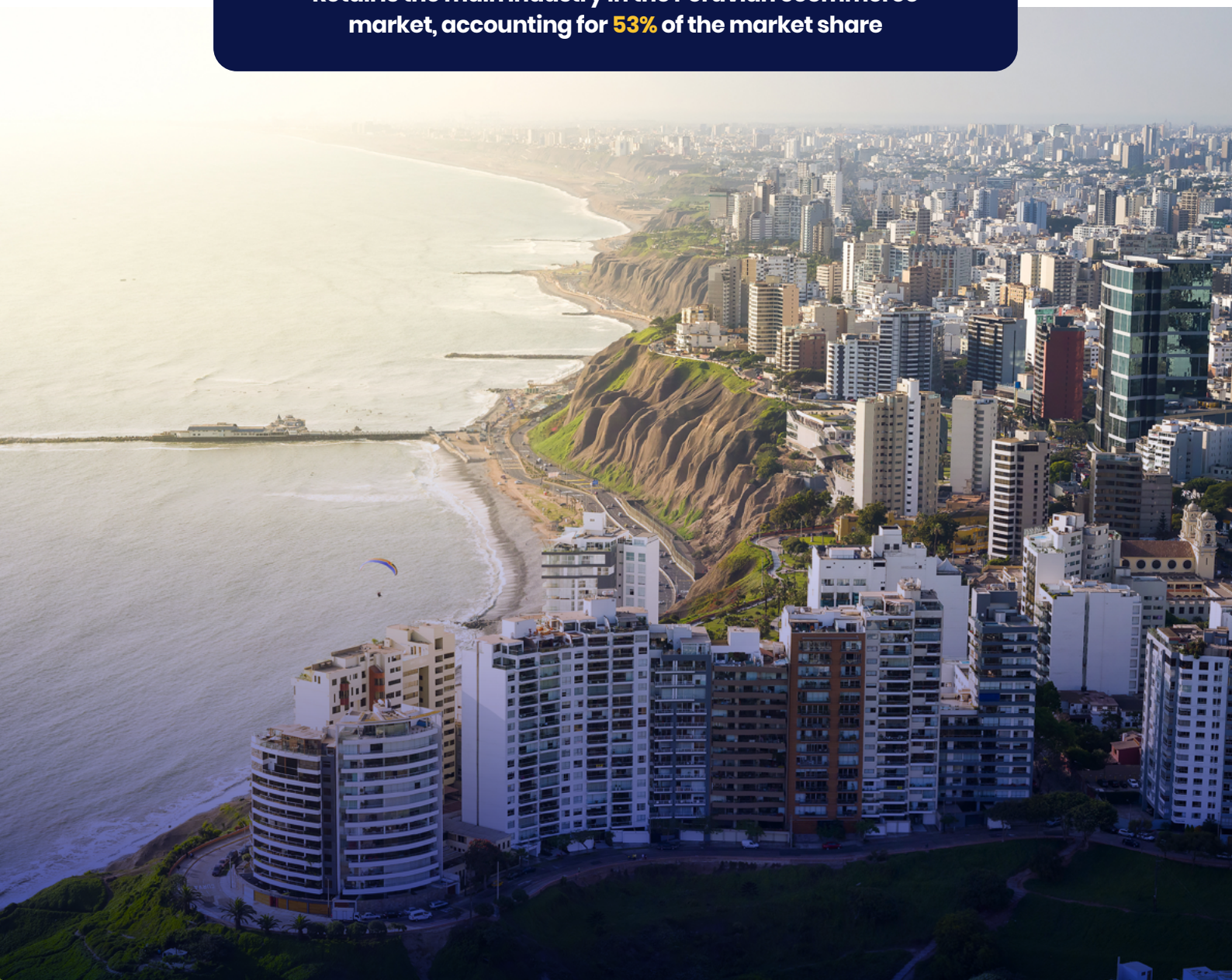
**54.7%**

User penetration expected by 2025

**39%**

online shopping done via smartphones in 2021¹⁸

Retail is the main industry in the Peruvian ecommerce market, accounting for 53% of the market share



The digital transformation of Peru

In 2020, 99.5% of enterprises in Peru were SMEs (small and medium enterprises), employing 89.4% of the country's workforce¹⁹. SMEs typically have a high dependence on technology and innovation to achieve efficiency and drive growth. The country has, therefore, taken great strides in digitalisation. The Peruvian government has also been highly supportive in promoting the country's digital transformation, launching numerous web services and apps²⁰. The construction of the Fibre Optic Backbone Network and implementation of regional infrastructure have enabled Peru to retain a position of strength.

\$462.8 million
revenues projected from the digital media market in 2022, with the largest segment being videogames²¹

eServices

\$235.7 million

Revenues projected from the e-Services market in 2022

10.24%

CAGR of revenue growth expected in 2027

\$383.8 million

users expected by 2027²²

Online education



Nº 1

online education is the largest segment in e-Services



\$96.4 million

projected market volume in 2022



4.0 million

number of users expected by 2027

Event tickets



\$47.54 million

Revenue projection
for the event ticket
market for 2022



7.76%

CAGR of revenue
growth expected
in 2027



\$69.08 million

Projected market
volume by 2027

**The event ticket market's largest segment is sports events,
with a total revenue of \$26.51 million for 2022.**

Digital health

**\$331.9
million**

Revenue projection
for the digital health
market for 2022

14.61%

CAGR of revenue
growth expected
in 2026

**\$572.60
million**

Projected market
volume by 2026

**The digital health market's largest segment
is digital fitness & well-being, with a total
revenue of \$236.10 million in 2022.**

Why do business in Peru

GDP growth

Peru is one of the fastest-growing economies in Latin America. Peru's macroeconomic fundamentals have remained robust, with a low public debt to GDP ratio, substantial international reserves and a strong central bank²³. It is one of Latin America's most stable economies.

\$223.25 billion

GDP in 2021, with per capita GDP of \$6,692²⁴

High urbanised population

Peru has a high percentage of its population living in cities and towns²⁵. This allows most people in the country to have access to better education, have job opportunities, and enjoy more modern infrastructure.

78.4%

Peru's population lives in urban centres, with only 21.6% living in rural areas

Rising financial inclusion in Peru

Peru's banking system is one of the most stable and well-regulated in Latin America²⁶. The country has a high level of financial inclusion. In fact, the entire adult population of the country is expected to have a digital bank by 2024²⁷. The Peruvian state-owned bank, Banco de la Nación (meaning Bank of the Nation in Spanish), adopted digital-first banking technology to launch Cuenta DNI in 2021²⁸. Cuenta DNI is a 100% digital bank account, and the government provided several incentives to citizens to open an account, including cash bonuses on joining²⁹.

China is Peru's largest trading partner, with exports of almost \$11 billion and imports of \$10.31 billion³⁰

Free trade agreements

Free trade agreements have helped Peru to reduce tariffs and remove other trade barriers to facilitate the flow of goods and services as well as encourage investment. Peru has signed a number of free trade agreements with large economies.

Ease of doing business

Peru has a favourable legal framework, which has boosted foreign investment. In most sectors, foreign investors do not require previous authorisation for starting a business. Firms owned by foreign investors enjoy the same rights and privileges as domestic companies. For instance, they have the freedom to expatriate profits or capital to other countries, after clearing local taxes. There are no restrictions on trading, whether exporting or importing. Moreover, there is unrestricted access to domestic or foreign credit.

Peru also ensures freedom to hold and use local or foreign currency for most operations. Foreign investors are also free to purchase shares of Peruvian corporates. The country also ensures there is legal stability in the distribution of dividends³¹.



2009
China



2006
USA



2011
Japan



2012
UE

Peru's economic expansion

Sectors that traditionally led the growth of the Peruvian economy were:



Mining and refining of minerals



Metal fabrication



Jewel processing



Fishing and fish processing



Petroleum extraction and refining



Textiles and clothing

Peru is the second largest exporter of copper in Latin America

Sectors spearheading growth include:

Natural gas and hydroelectricity

Infrastructure and construction

Digital payments

Ecommerce



18.9 million

projected users of digital payments by 2025



75%

projected users of digital investments by 2025

Growth of digital payments in Peru

Although credit card adoption was low in the country, Peruvians have exhibited a keen appetite for digital payments.

**\$10.22
billion**

Projected transaction value in digital payments for 2022

14.51%

CAGR of transaction value by 2026

**\$17.57
billion**

Projected transaction value by 2026

Demographics of users of digital payments (2021)

53.4%

Male

38.9%

High-income group

32.9%

Between 25-34 years

\$9.73 billion

Transaction value of digital commerce, the largest segment in digital payments in 2022

N° 3

Peru ranks third in the use of app-based payments in Latin America³²



Top 5 payment methods in Peru



1. PagoEfectivo

PagoEfectivo is a payment system developed by El Comercio Group. This popular alternative payment solution allows ecommerce merchants to offer cash-based payment options at checkout. PagoEfectivo offers two options for bill payment. First is by using a unique CIP code so that payments can be made from anywhere. Second is by visiting a store to complete the payment.

40,000+
affiliated stores
across Peru



2. BCP

Banco de Crédito del Perú (BCP) is a part of the Credicorp financial group and is the largest bank in Peru. BCP also offers two methods of online payments. On any merchant checkout page, customers can use their BCP details to make an online transfer or can pay the amount in cash at a bank branch, which sends a confirmation to the merchant for ensuring delivery. BCP has launched an app called Yape for making instant payments.

Present in Peru
for **100+** years



3. Caja Huancayo

This offers the facility of making payments via bank transfers. Customers can access their online banking environment, review the payment details and authorise the transfer of funds to the payee's account.

500,000+
downloads of the
Caja Huancayo
app



4. BBVA

BBVA specialises in providing mobile banking and easy payment solutions to businesses. In October 2021, BBVA launched the "Mi Negocio" (My Business) option on its app. This allows entrepreneurs to manage their business and personal finances from a single platform.

Named "most
innovative digital
bank in Latin
America" by Global
Finance magazine



5. Scotiabank

Scotiabank offers a fast and easy way for Peruvians to send and receive foreign currency. It has also launched an app that allows the withdrawal of cash from any credit card, depending on the individual's available line of credit and credit evaluation.

3rd largest
bank in Peru, with
170+ branches

Expand your business in Peru with PayRetailers

PayRetailers takes your business to Peru with more payment alternatives for your customers, all in a single platform.

Being able to offer flexibility in payments can empower your business to grow. With PayRetailers, you get to achieve just that from anywhere in the world to drive business growth in Latin America. We offer a fully localised solution for payment processing in the region. With a single API integration, you gain access to over 250 local payment methods.

Our payment gateway supports multi-channel and multi-currency payments, enabling you to provide unparalleled customer check-out experiences to maximise sales. With our always-available, robust and scalable payment infrastructure, you can start processing transactions within 48 hours.

Fraud prevention & risk management

PayRetailers ensures a completely compliant solution with a focus on the highest standards of security as part of our fraud prevention solutions.

Local collection, global settlements

Make sales in Peruvian soles and receive US dollars, anywhere in the world. We offer unified settlement across all currencies through a 24-hour fixed forex rate in USD and EUR.

Turnkey merchant services

With our highly scalable cloud-based solutions, you can access data quickly and easily, at any time and from anywhere.

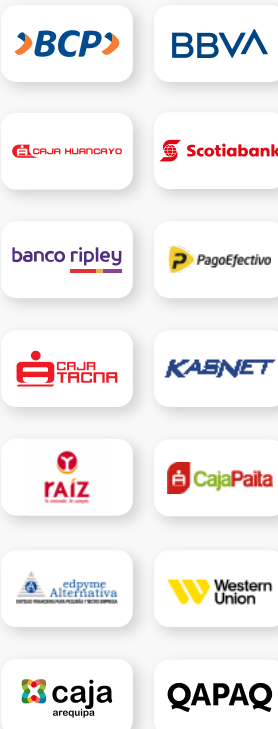
Localised solutions

Maximise your market reach by offering the most popular local payments methods without needing to set up a local entity.

Online Payments



Cash Payments



+ AND MORE



Fintech associations



Our commitment to financial inclusion & financial education

We foster business growth for your company to drive innovation in financial solutions with an aim to building financial inclusion. We believe that we can further ensure inclusion by providing knowledge and skills for people to better manage their personal finances and improve their well-being. We use our collective knowledge and industry best practices to improve financial services for everyone.

Are you interested in the Peruvian market?

Our team of experts can help you:

- Understand your Peruvian customer and their preferences.
- Get local expertise and assistance.
- Find the reliable payment methods trusted by Peruvian consumers in your industry to form a local payment strategy.

50+ leading companies trust us.
Operate via a local partner, so that there is no need to set up a local entity.

PayRetailers bridges the access gap between Latin Americans and international companies. Contact our sales expert team and discover our solutions for yourself.



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