Peru (72nd) falls five positions this year. The less favourable assessment in terms of ethics and corruption reflects the impact of the corruption scandals seen in the region during the past year and the impact it has had on the trust in both public and private institutions.

During the last year, the efficiency of financial markets and their ability to meet the needs of the business sector also negatively impacted the country’s competitiveness. At the same time, the country’s infrastructure and technological readiness are progressing.

### Performance overview

<table>
<thead>
<tr>
<th>Index Component</th>
<th>Rank/137</th>
<th>Score (1-7)</th>
<th>Trend</th>
<th>Distance from best</th>
</tr>
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<tbody>
<tr>
<td>Global Competitiveness Index</td>
<td>72</td>
<td>4.2</td>
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<tr>
<td>1st pillar: Institutions</td>
<td>79</td>
<td>4.4</td>
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<tr>
<td>2nd pillar: Infrastructure</td>
<td>116</td>
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<tr>
<td>3rd pillar: Macroeconomic environment</td>
<td>86</td>
<td>3.8</td>
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<td>4th pillar: Health and primary education</td>
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<td>5th pillar: Higher education and training</td>
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<td>6th pillar: Goods market efficiency</td>
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<tr>
<td>7th pillar: Labor market efficiency</td>
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<td>8th pillar: Financial market development</td>
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<td>9th pillar: Technological readiness</td>
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<td>10th pillar: Market size</td>
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<td>Subindex B: Efficiency enhancers</td>
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<td>11th pillar: Business sophistication</td>
<td>80</td>
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<tr>
<td>12th pillar: Innovation</td>
<td>113</td>
<td>2.6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


### Most problematic factors for doing business

- **Corruption**: 18.0
- **Inefficient government bureaucracy**: 13.9
- **Tax rates**: 10.0
- **Inadequate supply of infrastructure**: 8.8
- **Restrictive labor regulations**: 8.3
- **Crime and theft**: 8.0
- **Inadequately educated workforce**: 6.8
- **Access to financing**: 5.5
- **Tax regulations**: 4.8
- **Government instability/coups**: 3.8
- **Poor work ethic in national labor force**: 3.7
- **Insufficient capacity to innovate**: 3.3
- **Policy instability**: 3.2
- **Inflation**: 1.0
- **Poor public health**: 0.8
- **Foreign currency regulations**: 0.1

Note: From the list of factors, respondents to the World Economic Forum’s Executive Opinion Survey were asked to select the five most problematic factors for doing business in their country and to rank them between 1 (most problematic) and 5. The score corresponds to the responses weighted according to their rankings.
### Peru

**Index Component** | Rank/137 | Value | Trend
--- | --- | --- | ---
1st pillar: Institutions | 116 | 3.2 | 
1.01 Property rights | 109 | 3.7 | 
1.02 Intellectual property protection | 105 | 3.5 | 
1.03 Enforced laws | 115 | 2.5 | 
1.04 Public trust in politicians | 126 | 1.7 | 
1.05 Social unrest | 89 | 3.4 | 
1.06 Judicial independence | 106 | 3.0 | 
1.07 Favoritism in decisions of government officials | 114 | 2.3 | 
1.08 Efficiency of government spending | 104 | 2.5 | 
1.09 Burden of government regulation | 131 | 2.3 | 
1.10 Efficiency of legal framework in settling disputes | 129 | 2.2 | 
1.11 Efficiency of legal framework in challenging regulations | 95 | 2.8 | 
1.12 Transparency of government policymaking | 59 | 4.1 | 
1.13 Business costs of terrorism | 97 | 4.6 | 
1.14 Business costs of crime and violence | 129 | 3.2 | 
1.15 Organized crime | 129 | 3.2 | 
1.16 Reliability of police services | 130 | 2.6 | 
1.17 Ethical behavior of firms | 121 | 3.1 | 
1.18 Strength of auditing and reporting standards | 46 | 5.0 | 
1.19 Efficacy of corporate boards | 71 | 4.8 | 
1.20 Protection of minority shareholders' interests | 59 | 4.1 | 
1.21 Strength of investor protection | 51 | 6.0 | 
2nd pillar: Infrastructure | 86 | 3.8 | 
2.01 Quality of overall infrastructure | 111 | 3.1 | 
2.02 Quality of roads | 108 | 3.0 | 
2.03 Quality of railroad infrastructure | 87 | 2.0 | 
2.04 Quality of port infrastructure | 83 | 3.7 | 
2.05 Quality of air transport infrastructure | 85 | 4.1 | 
2.06 Available airline seat kilometers | 42 | 632.7 | 
2.07 Quality of electricity supply | 62 | 5.1 | 
2.08 Mobile-cellular telephone subscriptions | 69 | 117.1 | 
2.09 Fixed-telephone lines | 84 | 9.7 | 
3rd pillar: Macroeconomic environment | 37 | 5.4 | 
3.01 Government budget balance % GDP | 56 | 2.3 | 
3.02 Gross national savings % GDP | 74 | 20.0 | 
3.03 Inflation annual % change | 66 | 3.6 | 
3.04 Government debt % GDP | 16 | 24.8 | 
3.05 Country credit rating 0-10 (best) | 42 | 66.9 | 
4th pillar: Health and primary education | 93 | 5.4 | 
4.01 Malnutrition incidence cases/100,000 pop. | 40 | 472.9 | 
4.02 Business impact of malaria | 15 | 5.4 | 
4.03 Tuberculosis incidence cases/100,000 pop. | 97 | 119.0 | 
4.04 Business impact of tuberculosis | 94 | 4.9 | 
4.05 HIV prevalence % adult pop. | 63 | 0.3 | 
4.06 Business impact of HIV/AIDS | 90 | 5.0 | 
4.07 Infant mortality death/k 1,000 live births | 74 | 13.1 | 
4.08 Life expectancy years | 70 | 74.8 | 
4.09 Quality of primary education | 129 | 2.6 | 
4.10 Primary education enrollment rate net % | 83 | 94.1 | 
5th pillar: Higher education and training | 81 | 4.1 | 
5.01 Secondary education enrollment rate gross % | 61 | 95.7 | 
5.02 Tertiary education enrollment rate gross % | 71 | 40.5 | 
5.03 Quality of the education system | 124 | 2.6 | 
5.04 Quality of math and science education | 125 | 2.7 | 
5.05 Quality of management schools | 90 | 4.0 | 
5.06 Internet access in schools | 86 | 3.8 | 
5.07 Local availability of specialized training services | 78 | 4.2 | 
5.08 Extent of staff training | 105 | 3.5 | 
6th pillar: Goods market efficiency | 75 | 4.3 | 
6.01 Intensity of local competition | 67 | 5.1 | 
6.02 Extent of market dominance | 98 | 3.4 | 
6.03 Effectiveness of anti-monopoly policy | 92 | 3.4 | 
6.04 Effect of taxation on incentives to invest | 65 | 3.6 | 
6.05 Total tax rate % profits | 64 | 35.6 | 
6.06 No. of procedures to start a business days | 111 | 26.0 | 
6.07 Time to start a business days | 53 | 6.0 | 
6.08 Agricultural policy costs | 80 | 3.6 | 
6.09 Prevalence of non-tariff barriers | 68 | 4.4 | 
6.10 Trade tariffs % duty | 38 | 1.9 | 
6.11 Prevalence of foreign ownership | 55 | 4.8 | 
6.12 Business impact of rules on FDI | 36 | 5.1 | 
6.13 Burden of customs procedures | 75 | 4.0 | 
6.14 Imports % GDP | 118 | 22.6 | 
6.15 Degree of customer orientation | 59 | 4.7 | 
6.16 Buyer sophistication | 78 | 3.3 | 
7th pillar: Labor market efficiency | 64 | 4.3 | 
7.01 Cooperation in labor-employer relations | 89 | 4.1 | 
7.02 Flexibility of wage determination | 20 | 5.7 | 
7.03 Hiring and firing practices | 129 | 2.7 | 
7.04 Redundancy costs weeks of salary | 42 | 11.4 | 
7.05 Effect of taxation on incentives to work | 108 | 3.7 | 
7.06 Pay and productivity | 90 | 3.7 | 
7.07 Reliance on professional management | 62 | 4.4 | 
7.08 Country capacity to retain talent | 52 | 3.7 | 
7.09 Country capacity to attract talent | 51 | 3.6 | 
7.10 Female participation in the labor force ratio to men | 68 | 0.81 | 
8th pillar: Financial market development | 35 | 4.5 | 
8.01 Availability of financial services | 57 | 4.4 | 
8.02 Affordability of financial services | 54 | 4.0 | 
8.03 Financing through local equity market | 69 | 3.6 | 
8.04 Ease of access to loans | 48 | 4.2 | 
8.05 Venture capital availability | 61 | 3.0 | 
8.06 Soundness of banks | 32 | 5.6 | 
8.07 Regulation of securities exchanges | 37 | 5.1 | 
8.08 Legal rights index 0-10 (best) | 23 | 8 | 
9th pillar: Technological readiness | 86 | 3.7 | 
9.01 Availability of latest technologies | 94 | 4.3 | 
9.02 Firm-level technology adoption | 105 | 4.1 | 
9.03 FDI and technology transfer | 62 | 4.5 | 
9.04 Internet users % pop. | 89 | 45.5 | 
9.05 Fixed-broadband Internet subscriptions /100 pop. | 82 | 6.7 | 
9.06 Internet bandwidth Mbit/user | 86 | 33.3 | 
9.07 Mobile-broadband subscriptions /100 pop. | 66 | 62.0 | 
10th pillar: Market size | 48 | 4.5 | 
10.01 Domestic market size index PPP $ billions | 46 | 4.3 | 
10.02 Foreign market size index PPP $ billions | 58 | 4.5 | 
10.03 GDP (PPP) PPP $ billions | 46 | 406.2 | 
10.04 Exports % GDP | 99 | 22.0 | 
11th pillar: Business sophistication | 80 | 3.8 | 
11.01 Local supplier quantity | 48 | 4.7 | 
11.02 Local supplier quality | 88 | 4.1 | 
11.03 State of cluster development | 105 | 3.2 | 
11.04 Nature of competitive advantage | 107 | 2.9 | 
11.05 Value chain breadth | 101 | 3.7 | 
11.06 Value chain length | 101 | 3.4 | 
11.07 Effect of taxation on incentives to invest | 65 | 3.6 | 
11.08 Ease of access to loans % pop. | 48 | 4.2 | 
11.09 Degree of customer orientation | 59 | 4.7 | 
11.10 Willingness to delegate authority | 74 | 4.3 | 
12th pillar: Innovation | 113 | 2.8 | 
12.01 Capacity for innovation | 113 | 3.6 | 
12.02 Quality of scientific research institutions | 105 | 3.2 | 
12.03 Company spending on R&D | 123 | 2.7 | 
12.04 University-industry collaboration in R&D | 107 | 2.9 | 
12.05 Gov’t procurement of advanced technology products | 116 | 2.7 | 
12.06 Availability of scientists and engineers | 102 | 3.5 | 
12.07 PCT patents applications/million pop. | 77 | 0.6 |