



## Peru P3 Market Snapshot

Peru is a strategic partner for Canada in the Americas, with significant commercial opportunities unlocked by the 2009 Canada-Peru Free Trade Agreement. Canada and Peru are mutually committed to long-term partnership in order to expand trade and investment opportunities. Peru is Canada's third largest bilateral trading partner and third largest destination for Canadian direct investment in South and Central America. In 2018, Canadian exports to Peru reached almost \$752 million, doubling pre-free trade agreement levels from 2008. Canadian foreign direct investment in Peru totalled \$14.2 billion in 2018.

Peru's economic growth and investor friendly policies, combined with the Canada-Peru Free Trade Agreement, encourage Canadian investors to enter the country. Peru's sizable infrastructure gaps (approximately CAD\$ 144 billion) generate significant opportunities for Canadian firms operating in the infrastructure sector.

Peru recently launched its first National Infrastructure Plan for Competitiveness (PNIC 2019), as the first effort of the Peruvian State to define a vision and objectives for closing infrastructure gaps, prioritizing and articulating investments to boost growth, competitiveness and development in the country. It presents a portfolio of 52 projects throughout the country, with a value of approx. CAD\$ 39 billion, of which 29 projects are planned to be carried out as Public-Private Partnerships, for an estimated value of CAD 25 billion. The plan includes the

construction of roads, ports, airports, irrigation, energy and solid waste projects.

Peru promoted the recent creation of the Urban Transportation Authority for the capital city Lima and neighbouring jurisdiction Callao (ATU in Spanish). Through the ATU it will be possible to plan, regulate, integrate and supervise ground transportation services. This entity can take advantage of Canadian capabilities in its mandate, such as planning the future lines of the Lima Metro, road and rail infrastructure, new signaling technology, and smart transportation systems.

Peru has been modernizing its framework for Public-Private Partnerships. It is actively seeking to improve the quality of projects it is putting to market by hiring international financial, technical and legal advisors. It hopes that this strategy will increase competition, diversify the origin of investments and lure better companies to the market.

The relative openness of its capital markets and its history of strong economic growth make it one of the most attractive markets in South America for attracting private sector investment.

ProlInversion, an agency created by the Government of Peru, is in charge of procuring the P3s that it has been assigned by government ministries and also those that are received via private initiative. Private initiatives are projects formulated by the private sector and incorporated into the project pipeline if deemed viable by the competent government authorities and ProlInversion.



ProInversion has an ambitious pipeline of projects, ranging from ones that are planned to others that are in the transaction stage, which they hope to adjudicate between 2019 and 2021. The pipeline includes 50 projects valued at US\$10.8B.

- Transport - 40% at US\$4.308B
- Mining - 23% at US\$2.5B
- Health - 10% at US\$1.057B
- Water and Sanitation - 9% at US\$1.015B
- Energy - 8% at US\$924M
- Irrigation - 4% at US\$399M
- Telecommunications - 3% at US\$359M
- Education - 3% at US\$329M

The full P3 pipeline can be found at:  
<http://www.proinversion.gob.pe/peruinvest/>

For Canadian companies looking to enter Peru's P3 market, the opportunity to work with ProInversion as a technical, financial or legal advisor offers a low-risk opportunity to learn about how to do business in Peru and to gain deeper insights into its P3 system. Given Canada's clear track record for formulating and executing world class P3 projects, its companies are seen by Peru as industry leaders.

*Peru is committed to improving its infrastructure in various areas and is willing to see more Canadian companies developing these projects. The decision is yours!*

For additional information please contact:  
[Felix.JimenezCieza@international.gc.ca](mailto:Felix.JimenezCieza@international.gc.ca)

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