

# PERU

## “We have 20 Machu Picchus”

Long famous for its spectacular Inca ruins, Peru today is looking to a strategy of foreign investment, diversified trade, infrastructure investment, better education, and creative international promotion to boost growth and raise living standards.

As an upper-middle-income country, according to International Monetary Fund definitions, Peru enjoyed the world's twelfth-fastest real growth rate in 2010. Gross domestic product (GDP) was up another 6.2 percent last year, with 5.6 percent projected for 2012.

“Our macroeconomic governance is probably amongst the best in the region,” said Economy and Finance Minister Luis Castilla. “Banks are well capitalized and supervised.” Plans call for greater economic diversification to depend less on traditional sectors like mining and fishing, with greater added value.

“Maintaining growth means keeping up the foreign investment inflow; we are approaching an investment rate of 25 percent of GDP,” Castilla said. The ultimate goal is to eradi-

cate extreme poverty and improve income distribution; this requires better education.

Peru's foreign trade is shared more or less equally between Asia, the United States, Europe, Latin America, and the rest of the world. The country has numerous free trade partners, including the United States and China, with the European Union due soon. This offers some protection against regional downturns, but also ties Peru to general world performance. José Luis Silva Martinot, minister of external commerce and tourism, calls Peru “a multifaceted country.”

Attractions range from gastronomic delights, spectacular beaches, and modern Lima to Inca ruins and primitive Amazon Indians. Such variety spells tourism potential:

“The U.S. is a very important strategic partner for us”

Isabella Falco, PROMPERÚ

“We have 20 Machu Picchus,” he said. Some US\$3.7 billion of tourism-related projects have been identified.

Great hopes are pinned on international promotion, particularly in the United States, Peru's major market. A new national logo echoes the mysterious Nazca lines in southern Peru, but also the ampersat, or Internet “at” sign: “History, tradition and modernity,” said Martinot.

Former advertising executive Isabella Falco developed the logo at PromPerú, an award-winning government agency in charge of country branding and answering to Martinot: “Countries compete for the attention of tourists; a strong and positive logo is an advantage, stimulating recall in key audiences.”

Falco wants to promote investment and development that is compatible with Peru's challenging geography and valuable natural resources: “We need to think of econom-

ic activities for the [Amazon] jungle that respect ecological principles.” She's inviting airlines, hotels, and tour operators to develop rural and “green” tourism projects, while the government is investing in tourism infrastructure throughout the country. The new logo will also help boost exports of premium products like alpaca and cotton items and fresh asparagus. “Gaining international recognition is a gradual task... in the future consumers will pay more for our brand,” Falco said.

Pedro Olaechea, president of the National Society of Industries, attributed Peru's progress to its open economy, high investment, and diversification. “We have a range of products; we're not dependent on a single sector.”

One success story is Somerex, a company that exports value-added food ingredients and manufacturing inputs based on local biodiversity, employing international standards such as HACCP and GMP. “Mainly we seek the fruits of Peruvian biodiversity,” said Somerex CEO Manuel D'Ornellas. “Peru is still a bit behind in its manufacturing industry, but what matters is that investment is coming in.” ■



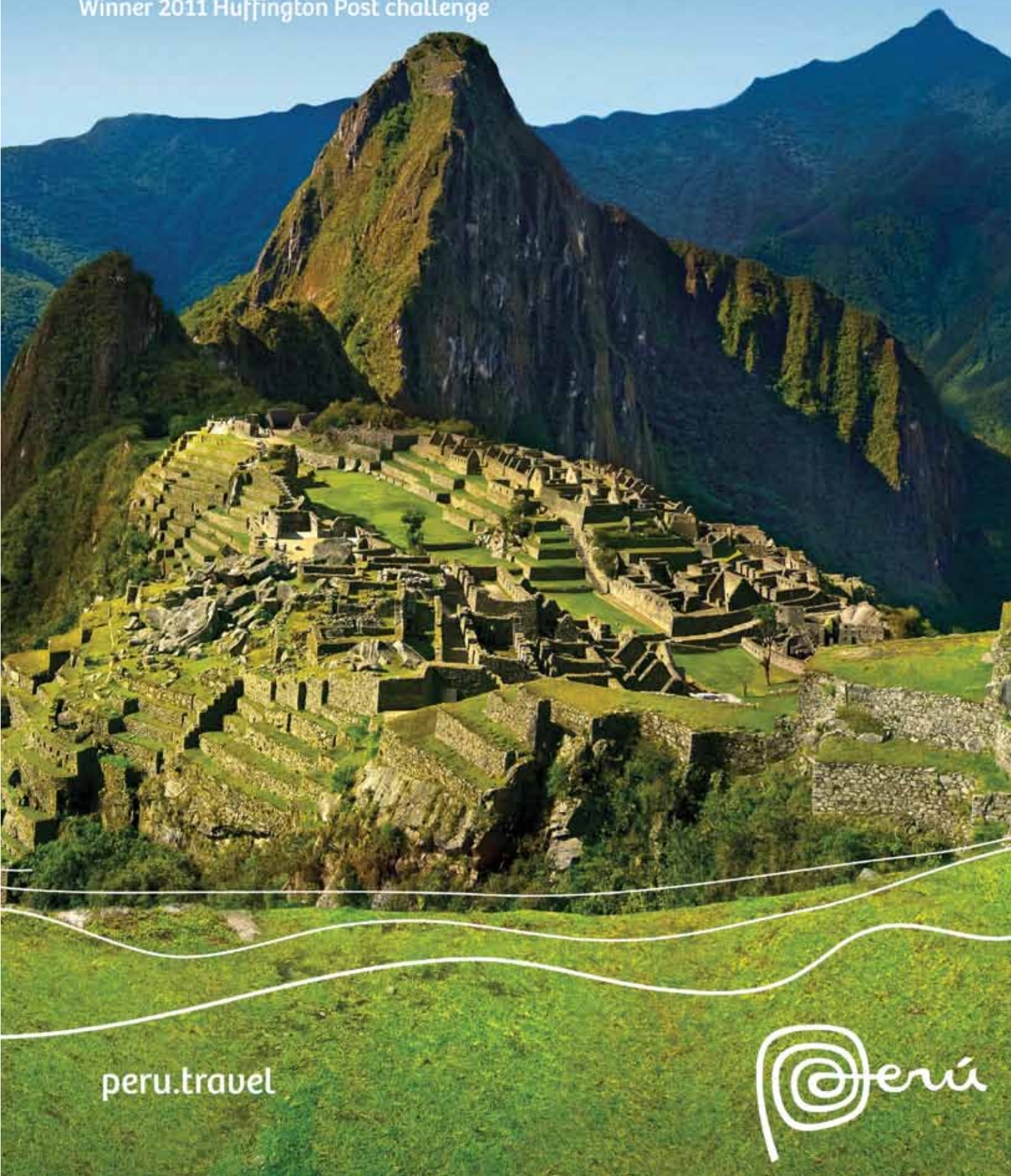
The image shows a product advertisement for SOMEREX. At the top is the SOMEREX logo, which features a stylized green plant with three leaves above the word "SOMEREX" in bold, black, sans-serif capital letters. Below the logo, the text "SOCIEDAD MERCANTIL EXPORTADORA S.A." is written in smaller capital letters. The advertisement is divided into three vertical panels. The left panel shows a close-up of green bell peppers and contains the text "We adapt our products to the needs of your industry in agriculture, fisheries and food." The middle panel shows a blue background with several small, light blue fish swimming. The right panel shows a close-up of a red, textured food product, possibly a fruit or vegetable. At the bottom of the advertisement, there is a list of products: "• Natural Insecticides • Agricultural Oils and Soaps • Preservatives • Stabilizers • Natural Dyes • Additives • Others". At the very bottom, there is a line of small text: "Tel: (511) 5023402 - Fax: (511) 5023451 - Av. Argentina 4050 Callao, Peru - ventas@somex.net - www.somex.net".

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