A Probe into the Trends and Causes of Peruvian Economy Since the 21st Century

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Keywords: Peruvian economy, Free trade policy, International financial crisis

Abstract: Peru is a traditional agricultural and mining country. The economy is at a medium level in Latin American countries. Since the 21st century, the Peruvian economy has achieved objective construction results, with an average growth rate of more than 4%. This article briefly describes the trend of the Peruvian economy since the 21st century. The analysis and the reasons for the continued growth of the Peruvian economy have been explored, hoping to learn from relevant advanced economic development experiences and improve China's economic development pattern.

1. Introduction

China is Peru's world's largest trading partner and the largest export market. Peru is China's sixth largest trading partner in Latin America. The Peruvian economy has close ties with China's economy. In recent years, China has intensified its efforts. All the way "economic strategic measures, trade exchanges with Peru have become more frequent. Peru, as China's main economic and trade country, explores Peru's economic trends to help ensure the correctness of China's relevant economic decisions.

2. Analysis of the Trend of Peru's Economy Since the 21st Century

2.1 Industry and Mining

After the Second World War, the South American economy developed rapidly and the economic structure changed significantly. Peru has a new development direction under the overall reconstruction of the economic and financial structure. The industrial and mining economy is the main component of Peru's overall economy. Peru's domestic industry is mainly based on mining and manufacturing. The mining industry and manufacturing industry have made great contributions to the overall growth of the Peruvian economy, mainly due to the contribution of the mining industry and manufacturing industries. Peru's domestic oil, lead, zinc, silver, antimony and other important resources are abundant, which greatly promotes the development of Peru's import and export trade.At present, Peru's domestic savings account for 27% of GDP, which is the highest among the six largest economies in the region. Domestic savings are four times the balance of short-term external debts, and the economic base is relatively stable. In addition, relevant data show that in 2010, Peru's industry The growth rate was 8.2%, of which the manufacturing industry increased by 13.6% and the construction industry increased by 17.4%. The main industrial and mining products are copper, iron, zinc, gold, silver, oil, natural gas, etc. The mineral products and oil have become Peru under the free trade policy. The main export products, in 2011, Peru's total foreign trade reached 83.193 billion US dollars, of which exports 46.226 billion US dollars, an increase of 30.1%.

2.2 Agriculture, Animal Husbandry

As an important economic cooperation partner of China, Peru is in an inseparable relationship with the economic development of China under the pattern of global economic integration. In history, Peru is a traditional agricultural country with forest cover. The rate reached 58%, the land area is 78 million hectares, the fishery resources are abundant, the fishmeal production is in the forefront of the world, and the comprehensive promotion of free trade policy has quickly driven the

pace of economic development in Peru. According to relevant information from the Peruvian Ministry of Agriculture, the output value of Peru's agriculture and animal husbandry increased by 4.3% in 2010. The main agricultural and animal husbandry and fishery products in Peru include sugar cane, coffee, cotton, potato, wheat flour, rice, fish meal, etc. It has reached a production of 9,660,800 tons and has become a major contributor to the agricultural economy. In addition, Peru's agriculture also plays an important role in the economies of South America. The agriculture, animal husbandry and fishery products have become the main components of Peru's export products. In 2018, Peru's total foreign trade reached 90.835 billion yuan, of which agriculture and animal husbandry and fishery exports 256.98. 100 million yuan, an increase of 8.16%, 10.68%, the agriculture, animal husbandry and fishery economy has been significantly improved. This economic outcome is not only related to Peru's rich agricultural resources, but also to Peru's sound economic policies.

2.3 Tourism

Since the Second World War, Peru's overall economy has been on an upward trend, which is inextricably linked to the correct economic policy support within Peru.In recent years, Peru's transportation network has gradually improved. As far as railways are concerned, passenger traffic has reached 1.653 million passengers in 2009, and the freight volume has reached 9.082 million tons. The transportation channels for road, water and air transportation have also been fully developed. .On this basis, Peru's tourism industry has ushered in the spring of development. As the birthplace of Inca civilization, Peru has rich tourism resources. In the era of global integration, people's living standards have been significantly improved, and the quality of life has been improved. Pursuance has also gradually increased. In 2010, Peru received 2.2 million foreign tourists, and tourism foreign exchange income reached 3.756 billion US dollars, an increase of 11% year-on-year. The booming tourism industry has made tremendous contributions to the improvement of Peru's overall economy. Not only that, the development of tourism has also led to the expansion of related industry space. As far as hotels are concerned, there are 28 five-star hotels, 41 four-star hotels and 476 three-star hotels in Peru, which is the overall economic development of Peru. Provides important support.

3. Analysis of the Reasons for the Sustained Growth of Peru's Economy

3.1 Political Stability

According to information from the Central Reserve Bank of Peru, Peru's gross domestic product (GDP) reached US$17.5 billion in 2011, with a per capita GDP of US$5,200 and foreign exchange reserves of US$57 billion. In South American countries, Peru's economic level The promotion is very obvious. Through the analysis of Peru's internal policies, it can be found that the overall political structure of the Peruvian countries tends to be stabilized. Under the comprehensive implementation of relevant political countermeasures, Peru has a good economic development environment. As far as Peru's investment policy is concerned, in order to fully open up the trade pattern, some domestic and foreign investment in Peru is divided into public investment and private investment. National treatment of foreign investment is not implemented, but incentives are not implemented. However, industry incentives have been formulated for agricultural investment. The income tax rate for policies, agriculture, agro-processing and aquaculture is 15%, which is only half of the rate of other industries, which greatly promotes the development of agriculture, animal husbandry and fishery. At the same time, in terms of the VAT refund policy, Peruvian law stipulates that only enterprises with an investment amount of US$5 million can enjoy it, but agricultural enterprises do not have a limit on the amount of investment. In addition, Peru has also formulated regional incentive policies for the new reconstruction of the economic structure, effectively shortening the economic gap between regions.

3.2 Economic System Improvement

In 2017, Peru's economic growth rate was 2.5%, GDP was 2,153.84 US dollars, and per capita GDP was 6,728 US dollars. According to Peruvian central bank data, it was promoted by the central region and local governments, Peru from January to July 2018. The total amount of public investment reached 14.397 billion sor, which was about 4.389 billion US dollars, an increase of more than 19% year-on-year, of which 2.799 billion sols in July, about 853 million US dollars, an increase of 15.9%.Such considerable data has fed back the highly efficient economic development trend in Peru. In 2008 and 2009, in the face of the global financial crisis, Peru still maintains a growth rate of 6.5% and 3.4% of GDP, which is in line with Peru's improved economic system. Have an inseparable relationship. In 2001, after the Toledo government came to power, it began to implement economic recovery policies. The comprehensive application of economic policies has greatly improved the macroeconomic situation in Peru. With the advent of the era of global economic integration, Peru also has an internal economic system. With real-time updates and adjustments, Peru has become the only country in the six Latin American economies that has not adjusted its rating or risk outlook.

3.3 Good Energy Environment

According to relevant data released by the Peruvian Exporters Association, from January to August 2018, Peru's total industrial exports reached US$3.507 billion, an increase of 13.7% year-on-year, the highest growth rate in the past four years, and the Peruvian economy showed a sustained recovery[1].).In addition, according to data from the Peruvian National Institute of Information Statistics, Peru's economic growth in the first half of 2018 was 4.29%, maintaining a record of 107 consecutive months of growth. Such rapid economic development has fully demonstrated the good development environment and development of the Peruvian economy. space. Through the analysis of the internal composition of Peru, it can be found that Peru has a good energy environment among the six Latin American economies, rich in agriculture and mineral resources, and the Kuczynski government attaches great importance to giving play to the leading role of the market in economic development. Advocating free trade, making high use of Peru's domestic agricultural and mineral resources, giving full play to Peru's domestic energy and environmental advantages, based on free trade policies, on mineral products and petroleum, agricultural and livestock products, textiles, fish products After exporting, China, the United States, Brazil, Canada and other countries as the main economic and trade partners, fully expanded the market distribution channels[2].

3.4 Adequate Infrastructure Supply

As mentioned above, the Peruvian economy has a good policy environment and comprehensive support for the sustainable development of the Peruvian economy. It can be seen from the analysis of the economic development environment in Peru that Peru has a good infrastructure supply environment and transportation. The facilities are fully improved and laid a solid foundation for the supply of goods. As a major import and export country, Peru has 80% of the country's total transportation volume. The water transportation channel extends in all directions, and the seaborne volume of foreign trade has reached 92%. Peru's domestic economic transportation channels are fully expanded and highly developed for the economic market. Full development and extension have been supported. In addition, in terms of topography, Peru is close to the Pacific Ocean, with many excellent ports along the coast, and inland areas, especially the Amazon region. The rivers provide a good foundation for the construction and supply of waterway transportation facilities, in the long-term economic construction. Peru has established 19 seaports, 4 river ports and 1 lake port. According to the Peruvian Ministry of Transport and Communications, in 2009, Peru's various civilian vessels reached 8,933, with a cargo volume of 20.79 million tons, basically achieving the economy. Improvement of infrastructure construction[3].

3.5 Product Advantages Are Higher

At present, the international economic situation is becoming more and more complicated, and the economic development of each country faces different degrees of difficulty. However, Peru has become a Latin American country with favorable external balance measures and high levels of international reserves and low levels of public debt. One of the countries with the best macroeconomic bases in the region. According to the report of the Republic of Peru on October 8, 2018, Peru's domestic savings accounted for 27% of GDP, the highest among the six largest economies in Latin America, and domestic savings were four times the balance of short-term foreign debt. The trade market is fully exploited. Through market research, it can be found that Peru's export products have a higher quality in quality, and higher product quality has established a good reputation for Peru's import and export economy. Therefore, Peru's import and export trade value continues to increase, promoting The long-term growth of Peru's economic level has effectively improved the internal economic environment of Peru and enhanced Peru's economic risk resilience.

4. Analysis of the Impact of Economic Growth in Various Sectors on Gdp in Peru Gross

Domestic product (GDP) is often regarded as the best indicator of a country's economic condition. It can reflect not only the economic condition of a country, but also the strength and wealth of a country. Therefore, it is of practical significance to analyze the impact of various industries on GDP and study the growth law of GDP.

We analyzed the scatter diagram of the relationship between Peru's GDP and the output value of industry, mining, transportation, agriculture, animal husbandry and fishery respectively, and concluded that there was an obvious linear relationship between the GDP values of various industries. Regression analysis is an important part of statistical analysis. Linear regression analysis is an effective method to study the relationship between independent variables and dependent variables. Therefore, we established a multiple linear regression model and obtained the model with MATLAB, as follows:

(1) problem analysis: establish a quantitative model between GDP and output value of industry, mining, transportation, agriculture, animal husbandry and fishery, and make predictions on the future economy To study the relationship between GDP and output value of industry, mining, transportation, agriculture, animal husbandry and fishery, mathematical models can usually be established by mechanism analysis. Economic problems are stochastic problems, and modeling can be completed by collecting a large amount of data and conducting systematic analysis on the data. Since there are three main factors that affect GDP, namely output value of industry and mining, output value of transportation and output value of agriculture, animal husbandry and fishery, a linear regression model can be established and the significance of the model can be tested.

(2) Model hypothesis

Assume :① all statistical data are within the allowable error range; ② ignore due to abnormal conditions caused by the huge fluctuations in data;

(3) the quantitative model of GDP and output value of industry, mining, transportation, agriculture, animal husbandry and fishery through searching relevant data on the Internet, the data of Peru's GDP from 2000 to 2018, industrial and mining industry, transportation industry and output value of agriculture, animal husbandry and fishery were finally obtained, and three linear regression models were finally obtained respectively, namely:

①industrial and mining output value and GDP:

$y=143.95+2.45X1+$ epsilon;

②output value of transportation industry and GDP:

$y=3612+1.5X2+$ epsilon;

③agricultural, animal husbandry and fishery output value and GDP: $y=-25784+9X3+$ epsilon;

Therefore, there is a strong linear relationship between the four mentioned above, and a multiple linear regression model can be established:

y = rho0x1 + rho2x2 + rho3x3 + epsilon

The regression coefficient estimate and its confidence interval (confidence level alpha =0.05) were obtained by solving the model directly with MATLAB statistical toolbox. The results of test statistics R2, F and P are shown in the following table:

Table 1

Beta	Parameter estimation	A confidence interval
β0	732.3	[-589.6 2054.2]
β1	1.9	[1.7 2.0]
β2	4.0	[2.9 5.1]
β3	0.03	[-0.03 0.4]
R2=0.9989 F=30900 p<0.0001		

(4) Future economic forecasts If the estimated value of regression coefficient is substituted into the model, the future GDP situation can be predicted. After substituting into the model, the model can be obtained:

y= 732.3 + 1.9x1 + 4x2 + 0.03x3 + epsilon

5. Conclusion

In summary, Peru's current economic growth, internal policies and external infrastructure supply, Peru's continued economic growth is inextricably linked to correct decision-making and policy support. In the long run, Peru will continue to maintain in the long run. Economic growth.

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