



Republic of Peru

Overview

Area	1,285,220 km ²
Capital City	Lima
Borders	Bolivia, Brazil, Chile, Colombia, Ecuador and the Pacific Ocean
Climate	Tropical in the east, desert in the west, temperate to frigid in the Andes
Government	Constitutional republic, civil law legal system
Independence	July 28, 1821 from Spain
Constitution	December 29, 1993
Population	29 million (2007 est.)
Official Languages	Spanish and Quechua
Currency	Nuevo Sol
Major Industries	Copper, silver, gold, petroleum, timber, fish

Country Snapshot

Peru is perhaps best known as the heart of the ancient Incan civilization. From 1533 when the conquistadores captured the Incan empire until the 1820s, Peru was under Spanish rule. The country declared its independence in 1821 and finally won its freedom in 1824. Throughout the 1980s and 1990s, the Peruvian government slowly became more democratic.

Throughout the early 1990s, Peru's economy flourished and the guerrilla group, the "Shining Path" was effectively disbanded. President Alberto Fujimori left office in 2000 after 10 years in office. In mid-2006, Alan Garcia once again became Peru's president, more than 15 years after first being elected to the post.

Mining Activity

Peru's mining industry exported over \$17 billion in 2007. The country is the world's largest producer of silver, mining nearly 3.5 million fine kilos (17% of global production) in 2007. Peru is also the world's second largest producer of copper and zinc.

Mining Law

Under Peruvian mining law, the right to explore for and exploit minerals is granted by way of a mining concession. A Peruvian mining concession is a property-related right, distinct and independent from the ownership of land on which it is located, even when both belong to the same person. Ownership of surface rights in Peru is independent of the ownership of mineral rights under mining concessions.

In 2005, an amendment to the mining law (the first change since 1992) was enacted implementing the payment of royalties to the Peruvian government. Production from any mining operation is now subject to a royalty of 1% to 3% payable to the Peruvian government based on the value of the ore concentrates less the costs for indirect taxes, insurance, freight and storage in ports. The 2005 amendment provides that mining companies that previously contracted with the Peruvian government to pay mining royalties for government-owned mining properties which were acquired prior to the enactment of the new royalties law, will be subject to the terms of the pre-existing contracts and will not be subject to the new royalties.



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<http://www.economist.com/countries/Peru>

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