

## **Peru's Solid Economy Ready to Face International Financial Crisis**

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Even though the bankruptcy of Lehman Brothers and the sale of Merrill Lynch have proven that an international financial crisis is to continue, our economy is solid and prepared to withstand the situation because the necessary precautions have been taken, said Peru's Economy and Finance Minister Luis Valdivieso.

"The situation has gotten very complicated and if the international recession gets worse and demand for our products decreases, thanks to the fact that we have saved and our Net International Reserve, we can compensate for lower demand and support public spending," affirmed the minister.

Peru's Net International Reserve is currently at \$35.17 billion.

The head of the finance ministry added that another of Peru's defenses against the international crisis was that the fiscal surplus goal had been increased to 2.7 percent of the country's GDP, "which means more savings for the country".

### Sectors affected

After the prices of metals dropped and the demand for textile products decreased, among those affected first have been mining companies and exporters in the Andean country.

Since the United States is Peru's top clothing market, demand for Peruvian textile products has decreased for the past three months, reported the production ministry, explaining July had been the worst month with a 22 percent drop.

**Source: [LivinginPeru.com](http://LivinginPeru.com)**