

***“Enhancing the Investment  
Environment: Case study from  
PERU”***

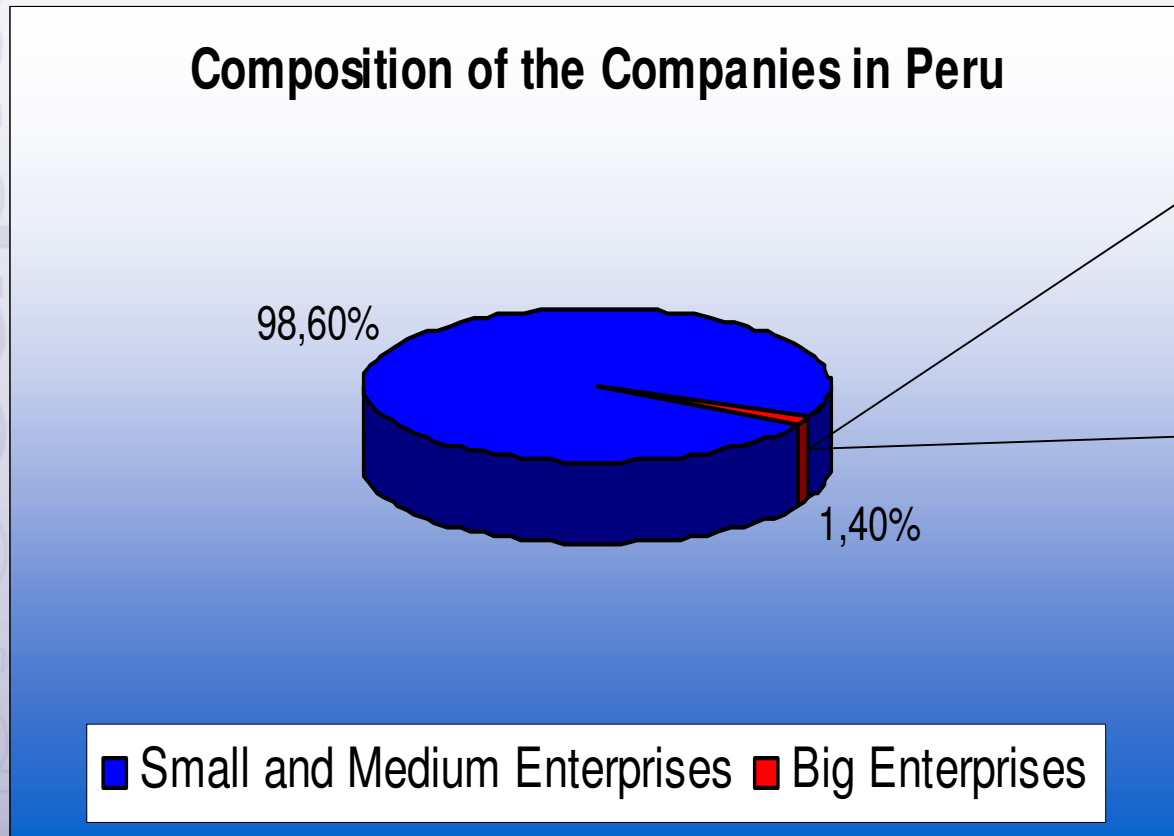
*Lima, march 27th*

## Current Situation

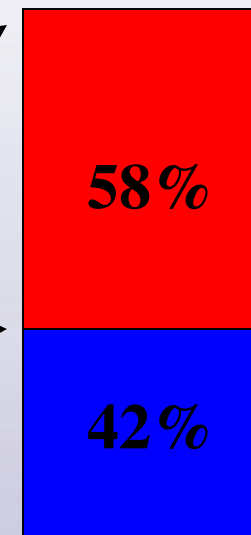
- The main constraint for the competitiveness of the Peruvian medium enterprise sector is the access to financing.

Barriers for the growth of enterprises (%)	
Financing	21,80
Informality	10,50
Unpredictability of the policy	9,30
Taxes	9,20
Transportation	8,70
Labor overcost	6,80
Absence of government policy	6,40
Unsufficient demand	4,60
Legal Uncertainty	3,80
Regulation	3,40
Technological Innovation	3,40
Others	12,10
Total	100
Source: World Bank, CAF	

# Current Situation

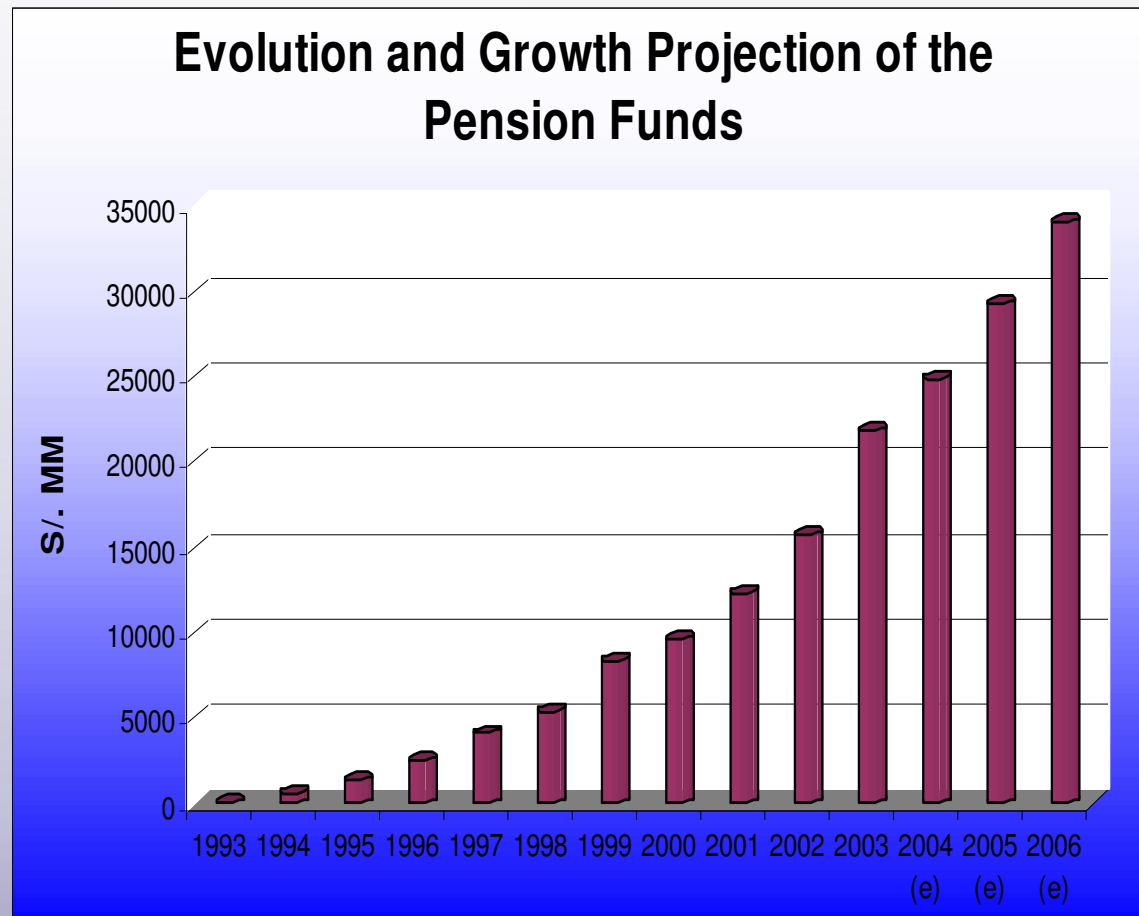


## Contribution to the GDP



## Current Situation

- There are not enough business opportunities where to allocate the available funds for the projects, generating an excess of supply of long term financial resources.



## Current Situation

- Only the big corporations can access to favorable bank financing and to the capital market. For the rest, the conditions are tougher.
- The lack of financial intermediaries difficults the flow of capital to investment opportunities, limiting the development of the small and medium enterprises.
- Underdeveloped culture of medium and long term financial instruments
- Absence of Venture Funds resources

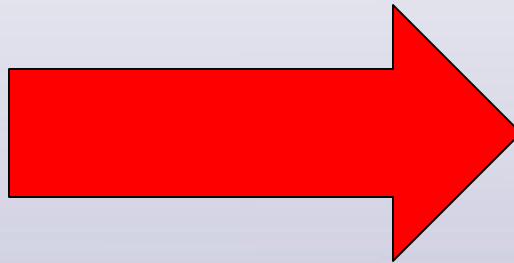
# Current Situation

**Tougher credit situation**

**Lack of financial intermediaries**

**Underdeveloped culture**

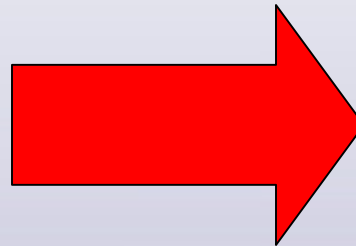
**Absence of Venture Funds Resources**



**Imperative need to actively promote the Venture Funds Industry**

## Venture Funds in Peru: **What Next?**

- Venture Funds culture has to be promoted among all market participants



**Government**

**Institutional  
Investors**

**Small and  
Medium  
Enterprises**

## Government

- Stability in the round rules
- Promote measures to free inefficient allocated private resources
- Improve the legal framework with a simplified regulation
- Allocate government entities resources in Venture Capital Funds

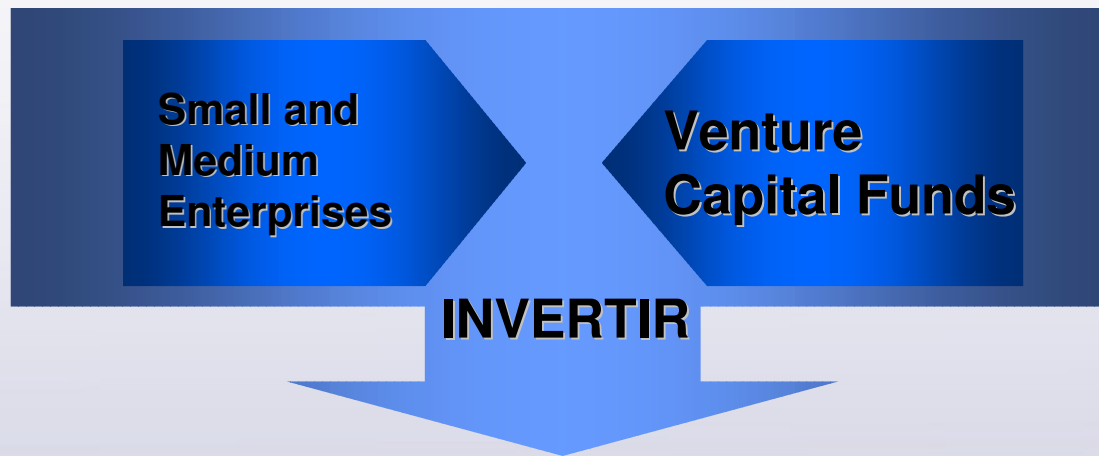
## **Institutional Investors**

- Allocate more resources to the Venture Capital Industry

## Small and Medium Enterprises

- Open family companies to outside investors
- Apply good corporate governance practices

## INVERTIR can be a market facilitator between Small and Medium Enterprises and the Venture Capital Industry



- ▶ • Provide top level training in business and corporate governance practices
- ▶ • Promote the Venture Funds culture
- ▶ • Promote and improve the access to long term financing