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Peru: Country Overview and U.S. Relations

Peru is a geographically and ethnically diverse country encompassing portions of the Amazon Basin, the Andean highlands, and the Pacific coast of South America (**Figure 1**). In 2001, Peru transitioned from a period of domestic terrorism, authoritarian rule, and erratic economic performance to one of improved security, democratic governance, and market-oriented economic growth. Nevertheless, Peru's ongoing challenges with political instability, endemic corruption, and violence fueled by organized crime have weighed on economic growth and stoked public dissatisfaction with Peru's democratic institutions.

The U.S. and Peruvian governments have worked to stem narcotics-related transnational crime and promote bilateral trade. The Congressional Caucus on Peru seeks to strengthen ties between the U.S. and Peruvian people and to engage on issues of mutual concern, including trade and migration. Some U.S. policymakers, including in Congress, have expressed concerns about Peru's relations with the People's Republic of China (PRC, or China). The 119th Congress may consider whether and how to shape security and commercial relations with Peru through legislation, oversight, or other measures.

Political Situation

Peru's 1993 constitution, written under the authoritarian government of former President Alberto Fujimori (1990-2000), established a representative form of government with independent executive, legislative, and judicial branches. Political and economic power historically have been concentrated in the coastal capital of Lima. At times, such concentration has fueled conflict between urban communities, on the one hand, and rural and Indigenous populations in the country's interior, on the other, over how wealth generated by Peru's export-led economy is distributed.

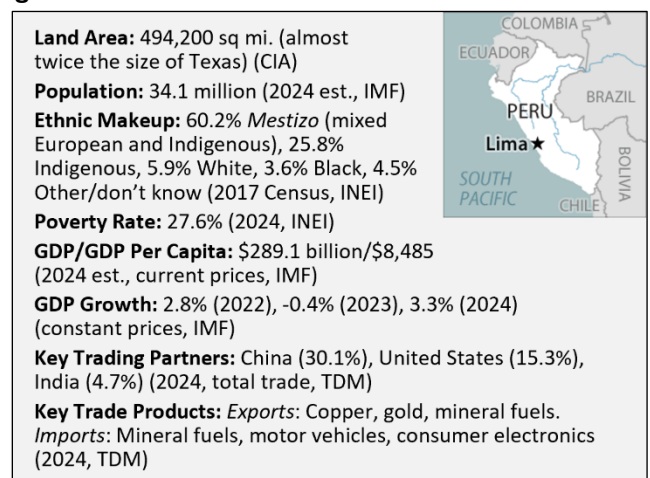
Clashes between Peru's legislature and executive and signs of public disillusionment with the government have contributed to increased political instability since 2018. Corruption scandals involving Peru's presidents and other high-level officials have shaken public trust in the country's political leadership. The 130-member unicameral congress is fragmented among 14 blocs, and political party affiliations are fluid, which has complicated efforts to build governing coalitions. The constitution's low bar to impeachment and removal by congress has weakened the presidency, leading to the impeachment or forced resignation of four of the six presidents since 2018.

Boluarte Administration (2022-present)

Dina Boluarte became Peru's first female president in December 2022. She previously served as vice president for then-President Pedro Castillo (2021-2022) of the left-leaning *Perú Libre* party, assuming the presidency following a failed "self-coup" attempt by Castillo that resulted in his impeachment and removal from office.

Following Castillo's arrest, tens of thousands of his supporters, especially in rural and Indigenous-majority areas, staged protests across much of Peru's interior. Clashes between protesters and security forces across the country in late 2022 and early 2023 led to the deaths of 49 protesters. An Inter-American Commission on Human Rights report found evidence of human rights abuses committed by security officials and instances of protester violence and vandalism. In June 2024, two human rights groups submitted a complaint to the International Criminal Court accusing President Boluarte and members of her administration of crimes against humanity in connection with the violence. President Boluarte faces several investigations for alleged wrongdoing and deep unpopularity (3% approval according to a June 2025 poll).

Figure 1. Peru at a Glance



Security policy has emerged as another key focus for Peru's government. Peru's homicide rate remains relatively low compared with regional peers but rose nearly 36% in 2024 relative to 2023, seemingly fueled by violence related to organized crime. Violence associated with illegal mining has surged alongside rising gold prices; some analysts assert that illegal gold mining has replaced drug trafficking as Peru's most lucrative illicit activity. The Boluarte administration has decreed several states of emergency and has deployed the armed forces to parts of the country to assist with public security in response to rising criminal violence. Some observers have expressed concern that several measures passed by the Peruvian congress may exacerbate the situation by limiting criminal enforcement against illegal logging, illegal mining, and organized crime.

Some actions taken by the Peruvian congress have prompted U.S. concerns about democratic institutions and the rule of law in Peru. In March 2025, for example, Peru's congress passed a law to expand government control over nongovernmental organizations that receive foreign funding. In 2024, some U.S. Members of Congress and diplomats from 16 countries,

including the United States, voiced concern that the law could weaken civil society groups' ability to operate independently.

Peru is scheduled to hold national presidential and legislative elections in April 2026. A constitutional reform passed by its congress in 2024 to reestablish the 60-member senate (abolished in 1993) and permit legislators to serve consecutive terms (prohibited since 2018) is set to take effect for the 2026 legislative elections. Forty-three political parties have registered to participate in the elections.

Economic and Social Conditions

Political stability, market-oriented economic reforms, and strong global demand for its copper and other minerals fueled Peru's economic growth during the first decade of the 21st century. From 2002 to 2013, Peru averaged 6.1% gross domestic product (GDP) growth and reduced the national poverty rate from 54.3% to 23.9%. Between 2014 and 2024, annual growth slowed to an average of 2.4% amid stagnating investment and political instability. Poverty also has remained elevated since the COVID-19 pandemic, estimated at 27.6% in 2024. The International Monetary Fund (IMF) projects GDP growth of 2.8% in 2025.

Peru's export-oriented economy, centered on raw materials, is facilitated in part by the country's 22 free-trade agreements, including agreements with the United States, China, and the European Union. Peru's mining sector is a key economic driver; in 2024, Peru was the second-largest global exporter of copper and ranked among the top five globally in estimated copper, silver, molybdenum, lead, and zinc reserves. The IMF says that mining projects valued at some \$64 billion in Peru have stalled due to opposition from local communities, weighing on the mining sector's growth projections. Meanwhile, the value of Peru's agricultural exports increased some fifteen-fold between 2000 and 2022, according to the World Bank.

U.S.-Peru Relations

The United States has maintained ties with successive Peruvian governments, including that of President Boluarte. In April 2025, U.S. Deputy Secretary of State Christopher Landau met with Peru's foreign minister and discussed ways to strengthen investment and commercial ties and to address regional challenges, including transnational crime. Stemming the flow of illicit drugs from Peru to the United States has been a key aspect of bilateral cooperation for decades. Peru is the second-largest cocaine producer globally. In May 2024, a bilateral agreement to non-lethally intercept airplanes suspected of involvement in drug trafficking entered into force. In November 2024, the United States pledged to transfer nine UH-60 Black Hawk helicopters to strengthen Peru's counternarcotics efforts; Peru's national police received the first three in May 2025.

Commercial Ties

Under the 2009 U.S.-Peru Trade Promotion Agreement (approved by Congress in P.L. 110-138), U.S. goods trade with Peru more than doubled, from \$9 billion in 2009 to over \$20.5 billion in 2024, with the United States recording a \$1.9 billion trade surplus in 2024, according to U.S. Census Bureau data. Under the agreement, both countries committed to eliminating nearly all tariff and non-tariff bilateral trade barriers. On April 2, 2025, President Trump issued an executive order declaring a national emergency over "a lack of

reciprocity" in bilateral trade relationships and imposed a minimum tariff of 10% on all imports to the United States (including those from Peru), with exceptions for certain goods, effective April 5, 2025, and notwithstanding P.L. 110-138. On July 30, 2025, President Trump issued a proclamation to impose 50% tariffs on certain copper imports; according to the U.S. Census Bureau, Peru was the fourth-largest copper exporter to the United States in 2024, although it is unclear how the tariffs may impact U.S. copper imports from Peru. Congress may examine any shifts in the Administration's U.S. trade policy with Peru while considering congressional and executive authorities over foreign trade agreements and assess whether to address U.S. tariff policy with Peru through legislation.

Foreign Assistance

The United States allocated an estimated \$100.4 million in foreign aid to Peru in FY2023 (latest year available). U.S. assistance for Peru has aimed to reduce the production and trafficking of cocaine, combat transnational crime, and support Peru's efforts to assist and integrate Venezuelan refugees and migrants residing in Peru, among other goals. A review of U.S. aid programs has led to the termination of numerous programs and grants and efforts to close the U.S. Agency for International Development (USAID); some analysts estimate more than half of USAID programming for Peru has been cut. Congress may assess U.S. foreign policy objectives in Peru and how the Administration's actions to restructure and reduce foreign aid may affect them, as well as whether to authorize or appropriate any future U.S. foreign assistance for Peru.

PRC's Presence in Peru's Economy

China is Peru's largest trading partner (see **Figure 1**). Investment by PRC-linked firms in strategic sectors, such as electricity, mining, and infrastructure, has grown since the 2010s; Peru joined the PRC's Belt and Road Initiative in 2019. In December 2024, a deepwater port in Chancay, Peru—majority-owned and exclusively operated by PRC state-owned firm COSCO Shipping—began operations. The port could reportedly generate up to \$4.5 billion in commercial activity. In November 2024, then-U.S. Southern Command leader General Laura Richardson reportedly stated that the Chancay port could serve a dual commercial-military use. Peruvian officials have asserted that the port is intended solely for commercial use and that a Peruvian mining firm holds a 40% stake.

Some Members in the 118th and 119th Congresses expressed concerns about the PRC-backed port. The Biden Administration collaborated with the Peruvian government to strengthen security at the port by providing technical assistance and cargo and inspection scanners. Several bills introduced during the 118th Congress sought to expand U.S. alternatives to PRC investment for critical infrastructure (e.g., S. 3878/H.R. 7571). The 119th Congress could assess the implications of PRC investments in Peru through reporting requirements, hearings, or other oversight mechanisms and consider whether to address such PRC influence in legislation.

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