

## **Priorities for Productivity and Income (PPIs)**

### **Country Results**

**Peru**

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\*Results based on: Izquierdo et. al (2015). "In Search of Larger Per Capita Incomes: How to Prioritize Across Productivity Determinants?"

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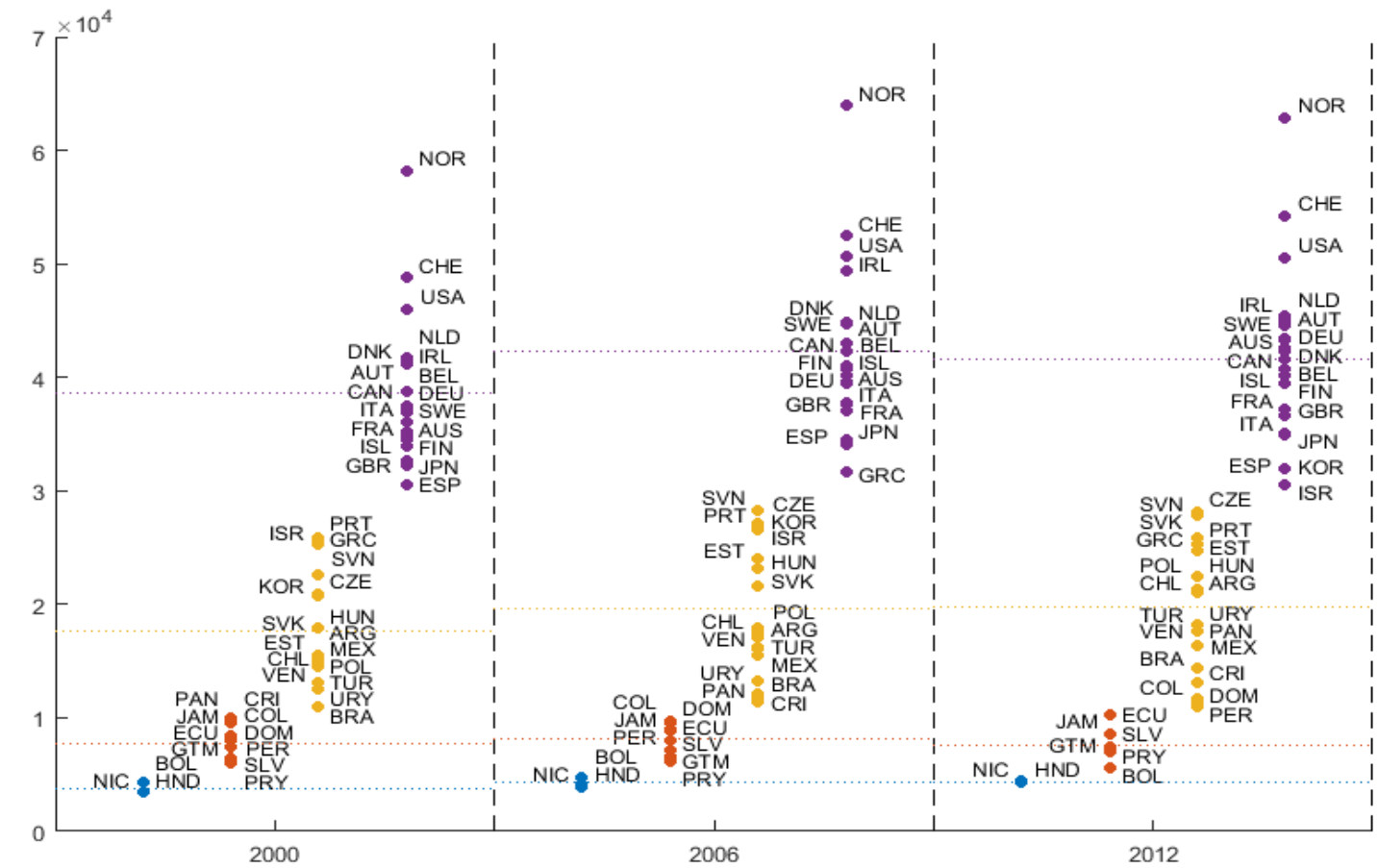
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Clusters by GDP p/c in Constant USD, PPP Adjusted

Year 2012			
<b>Cluster 1</b>	<b>Cluster 2</b>	<b>Cluster 3</b>	<b>Cluster 4</b>
Nicaragua	Ecuador	Czech Republic	Norway
Honduras	Jamaica	Slovenia	Switzerland
	El Salvador	Slovak Republic	United States
	Guatemala	Greece	Netherlands
	Paraguay	Portugal	Ireland
	Bolivia	Estonia	Austria
		Hungary	Sweden
		Poland	Germany
		Argentina	Australia
		Chile	Denmark
		Uruguay	Canada
		Turkey	Belgium
		Venezuela	Iceland
		Panama	Finland
		Mexico	France
		Brazil	United Kingdom
		Costa Rica	Italy
		Colombia	Japan
		Dominican Republic	Spain
		Peru	Korea
			Israel



Peru - is a member of Cluster 3 by GDP p/c in PPP

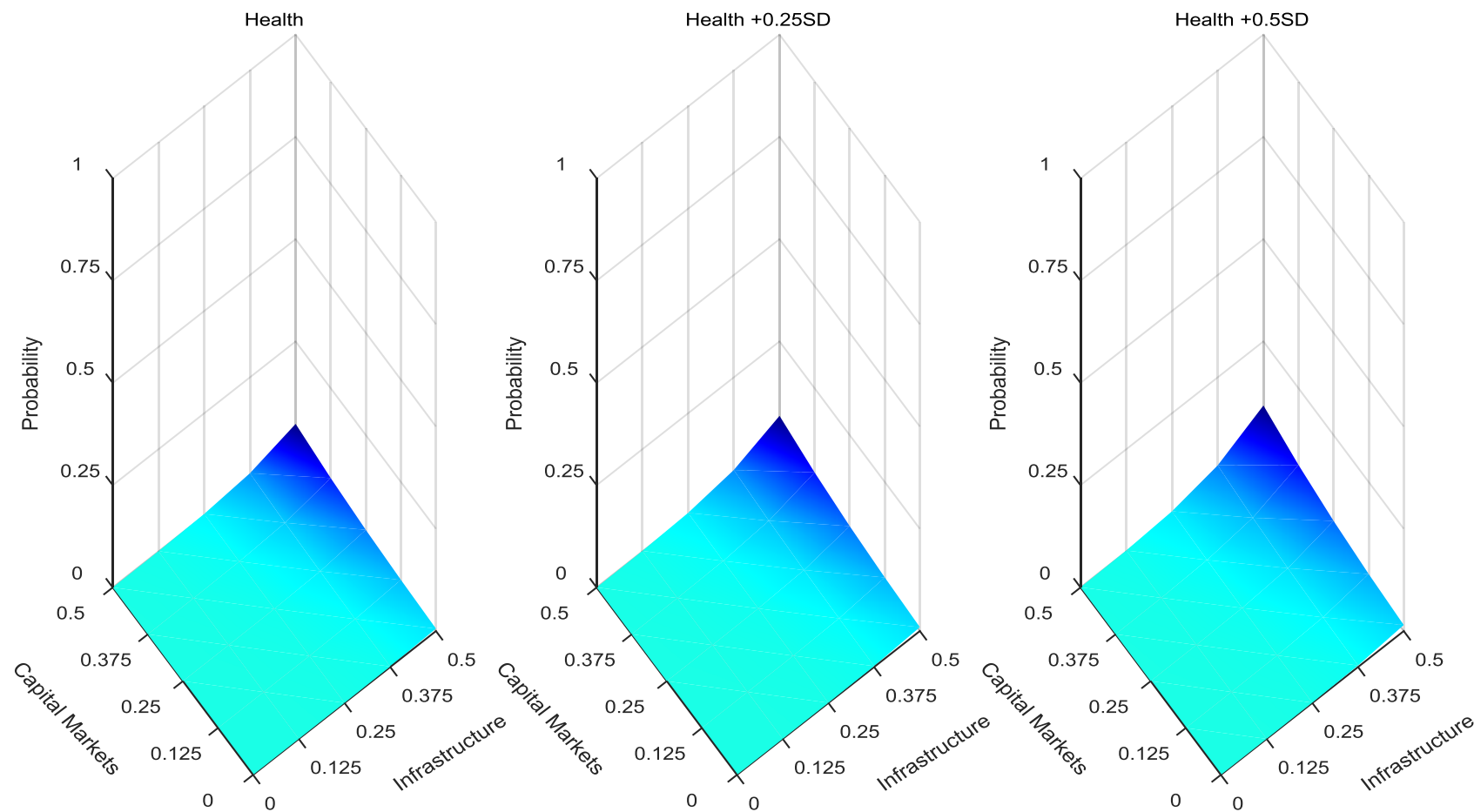
Priorities for Productivity and Income (PPIs)	
Infrastructure	1st Highest
Capital Markets	2nd Highest
Health	3rd Highest

	Budget in Std. Dev.	Probability at 2012 values	Probability	Infrastructure	Capital Markets	Health
Std. Dev. Budget Exercise	1.5	3.55508E-06	0.09	0.5	0.5	0.5
75% Probability Target Exercise	2.0125		>75%	1	0.5125	0.5

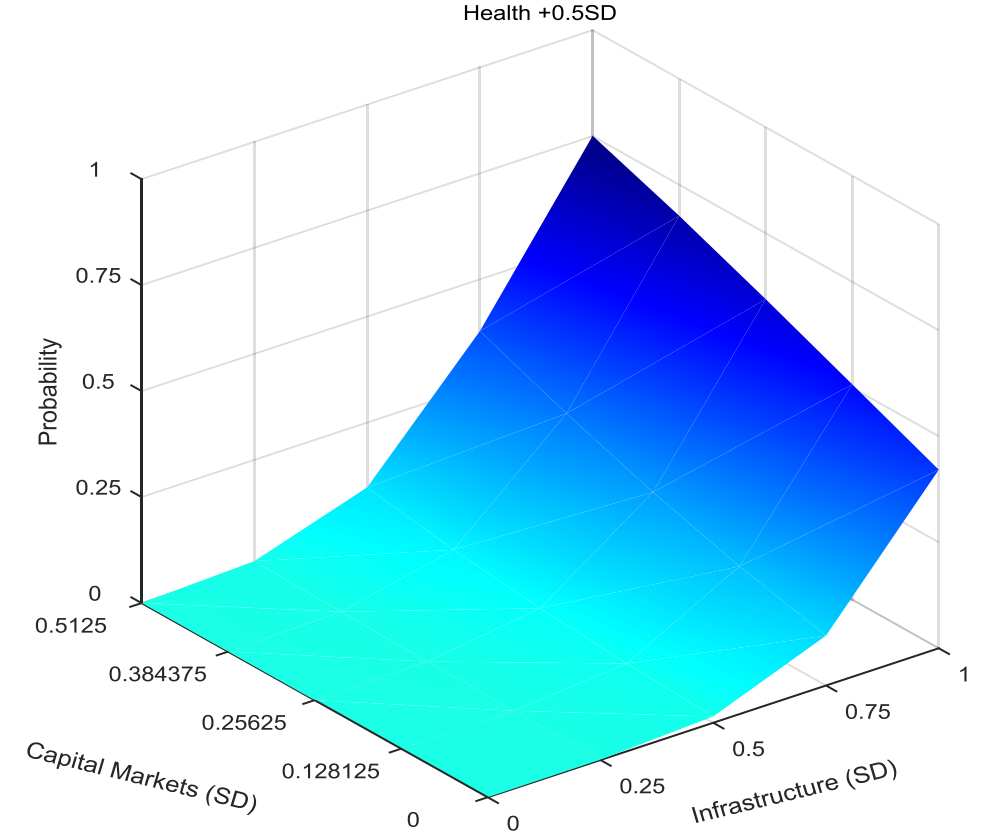
Comparison by Sector: Peru's Own Cluster and Next Cluster (Means)					
	Value 2012			Evaluation	
	Peru's normalized value in 2012	Mean own group in 2012	Mean next group in 2012	Gap with own group	Gap with next group
Innovation	-1.36	-0.08	0.73	-1.28	-2.09
Capital Markets	-1.05	-0.31	0.99	-0.74	-2.04
Infrastructure	-0.68	-0.25	1.10	-0.43	-1.78
Health	-0.59	0.25	1.03	-0.84	-1.62
Telecommunication	-0.37	0.48	1.20	-0.85	-1.57
Labor	-0.74	-0.06	0.72	-0.68	-1.46
Education	-0.33	0.26	0.94	-0.59	-1.27
Integration and Trade	-0.69	-0.19	0.29	-0.50	-0.98
Aggregate Indicator	-0.73	0.01	0.88	-0.74	-1.61

Comparison by Sector: Peru's Own Cluster and Next Cluster (Medians)					
	Value 2012			Evaluation	
	Peru's normalized value in 2012	Median own group in 2012	Median next group in 2012	Gap with own group	Gap with next group
Innovation	-1.36	-0.21	0.66	-1.15	-2.02
Capital Markets	-1.05	-0.37	0.86	-0.68	-1.91
Labor	-0.74	-0.04	0.9	-0.7	-1.64
Health	-0.59	0.4	1.05	-0.98	-1.64
Telecommunication	-0.37	0.52	1.24	-0.89	-1.61
Infrastructure	-0.68	-0.24	0.81	-0.44	-1.49
Education	-0.33	0.16	0.94	-0.49	-1.27
Integration and Trade	-0.69	-0.2	0.18	-0.48	-0.87
Aggregate Indicator	-0.73	0.06	0.85	-0.78	-1.58

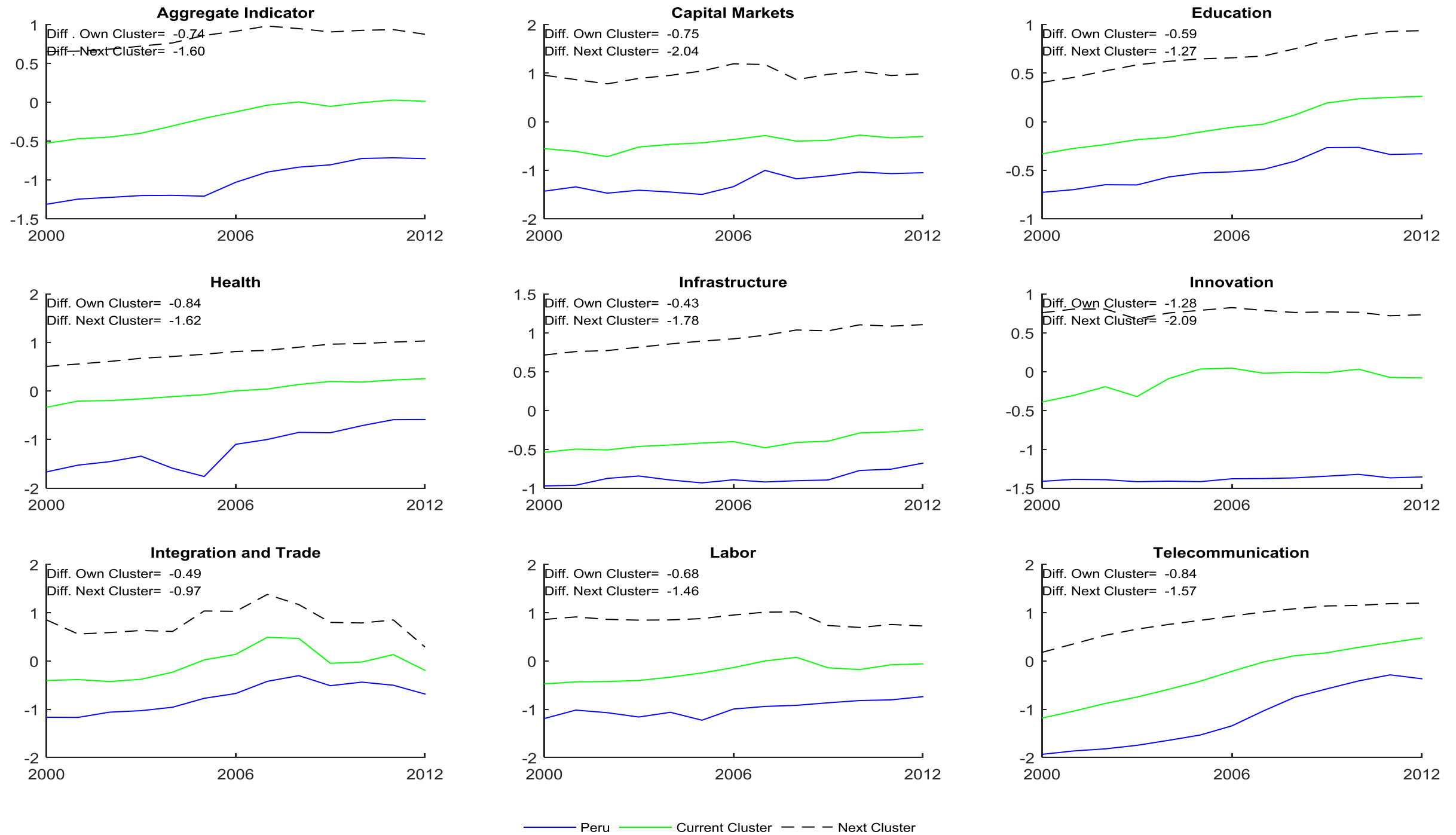
Peru: Probability of jumping to next Cluster for different increases in PPIs



Peru - Probability of jumping: Optimal Solution



Evolution of Peru's sectors: Comparison with means of its own cluster and the next cluster



Evolution of Peru's sectors: Comparison with means of its outgoing and incoming clusters

