

Chinese firms in the Peruvian economy: presence and evolution

**Center for China and Asia-Pacific Studies
Universidad del Pacífico, Peru**

**Working Paper Series No. 12
February
2025**

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How to Cite (APA Style 7th edition)

Center for China and Asia-Pacific Studies. (2025). *Chinese firms in the Peruvian economy: presence and evolution*. Working Paper No. 12. Universidad del Pacífico.

Abstract

Relations between Peru and China date back to the 19th century, and the Andean country's ties with the People's Republic of China (hereafter, China) have been established for over half a century. Yet it was not until the start of the 21st century that China's economic and business presence in Peru gained momentum, facilitated by the Asian giant's entry into the World Trade Organization (WTO), the negotiation of a free trade agreement between the two economies, and Peru's accession to the Belt and Road Initiative (BRI). Despite the notable Chinese business presence in modern-day Peru, however, there is little empirical information to enable in-depth analysis. How many Chinese firms currently operate in Peru? Who are their owners, and in which sectors and regions are they active? What is the total amount of direct Chinese investment, and where is it concentrated?

With these questions in mind, the Center for China and Asia Pacific Studies (CECHAP) has produced four databases to collect and organize information on Chinese firms in Peru, their investments, and their involvement in public service provision between 1992 and 2022. The purpose of this working paper is to publicize the basic findings, and to encourage other researchers to engage in the analysis and expansion of this endeavor.

Among the key discoveries, the CECHAP team learned that 208 Chinese firms were registered in Peru between 1992 and 2022—186 by way of taxpayer identification number (Registro Único de Contribuyente, RUC) and 22 with a foreign resident's card (Carnet de Extranjería). Of those firms with a RUC, 152 (81%) were active at the end of 2022 across 16 categories of the International Standard Industrial Classification (ISIC).¹ Their activities are concentrated in four key areas of the Peruvian economy: most prominently in mining, followed by construction, trade, and electricity supply.

Strikingly, 32% of the Chinese enterprises registered in Peru are formally private under the Chinese legal framework. Nonetheless, over 90% of Chinese investment comes from large state-owned enterprises. At the end of 2023, China's direct investment in Peru totaled an estimated US \$27,877 million. According to UNCTAD data and the CECHAP databases, in 2023 Chinese investment accounted for 21% of all foreign direct investment (FDI) in Peru, placing China as one of the country's foremost foreign investors.

In addition to direct investments, the team identified major Chinese enterprises involved in the construction of public works in Peru. Between 2018 and 2022, 25 Chinese companies were selected for 201 public works tenders worth an estimated US \$6,467 million. These projects were distributed throughout most of the country: in 23 of the 24 administrative departments.

The paper concludes with suggestions for a future research agenda, followed by methodological appendices and identification of sources to encourage further development of the data presented and, in turn, better understanding of the considerable Chinese presence in Peru.

This paper was prepared primarily by Darissa Cama of CECHAP, with significant contributions from Rodrigo Herrera for the 2025 version. We thank Dr. Rosario Santa Gadea, former director of CECHAP, for her inspiration and contributions, as well as Enrique Bossio for his excellent editing.

Keywords: Chinese enterprises, Chinese investment, public tenders.

¹ The International Standard Industrial Classification (ISIC) used by SUNAT covers all economic activities, traditionally referred to as productive activities: that is, those that produce goods and services.

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1. Introduction

The dynamics of Peruvian–Chinese relations, whose historical roots stretch back to the 19th and early 20th centuries and which were diplomatically consolidated more than fifty years ago, has undergone major changes since the turn of the Millennium. By 2000, Peru was a member of the Asia-Pacific Economic Cooperation forum (APEC), partly due to Chinese support for its accession. In 2001, China's entry to the WTO and its “Going Global” strategy opened up new trade opportunities with developing countries. In 2009, with a view to further strengthening its international ties, China formulated a foreign policy strategy that prioritized relations with the so-called Global South, bolstering strategic alliances, economic links, and partnerships through diverse international institutions (Lei, 2015; Jiang, 2015). For its part, Peru negotiated a free trade agreement (FTA) with China that came into effect in 2010, marking a new milestone in the bilateral relationship.

Following these measures, China expanded its presence and established itself as Peru's main exporter of manufactured goods and importer of raw materials. By 2014, the country overtook the United States as Peru's main trading partner. Although the mining industry has dominated these relations, there has been a notable increase in Peruvian exports of non-traditional agricultural products such as avocado and blueberry.

Ties between Peru and China extend beyond the realm of trade, as demonstrated by the increasing Chinese investment in the country. Mining has also been the main recipient of Chinese investment in Peru, but in recent years there has been growing interest in other industries, such as infrastructure and energy.

In 2013, China launched the Belt and Road Initiative (BRI) under the leadership of President Xi Jinping. The main objective was to improve connectivity and international cooperation through large investments in infrastructure, facilitating trade and the flow of capital between China and its partners. Through this initiative, China has invested not only in infrastructure projects but also in special economic zones and industrial areas designed to create jobs. The BRI has also promoted the adoption of Chinese technologies such as the 5G network, propelled by Huawei—one of the global leaders in telecommunications (Vadell, 2019).

In 2019 Peru joined the initiative, becoming the 19th Latin American country to do so. During the Second Belt and Road Forum, held in Beijing in 2019, Peru and China conducted talks to promote the development of ambitious projects like the Bioceanic Railway from the Brazilian to the Peruvian coast, the Amazon Waterway project for the transit of large vessels through the rivers of that region, and the construction of a megaport in Chancay to the north of Lima. As of January 2025, however, the Port of Chancay was the only project already underway—COSCO Shipping (a Chinese state-owned enterprise) had begun construction of the first phase in collaboration with the Peruvian firm Volcan.

Despite the notable Chinese presence in Peru, there is limited empirical evidence with which to analyze it. How many Chinese enterprises currently operate in Peru? Who are their owners, and in which industries and regions are they active? What is the total amount of Chinese direct investment, and where is it concentrated?

Given the growing need for such empirical information, CECHAP has created four databases² to collect and organize important information on Chinese enterprises, their investments in Peru, and their involvement in public service provision in the country. These databases, inspired by important international sources such as the LAC–China Network Monitor and the Global China Investment Tracker,³ are intended to provide

²These databases are available in the Universidad del Pacífico repository.

<https://datasets.up.edu.pe/dataset.xhtml?persistentId=hdl:20.500.14139/UXKG5N>

³See China–LAC Network. (n.d). Monitor of Chinese OFDI in LAC. <https://redalc-china.org/monitor/> and AEI. (n.d).

more detailed information on the specific case of Peru.

The aim of this paper is to present a comprehensive picture of the presence of Chinese enterprises in the Peruvian economy, based on data collected between 1992 and 2022 (or, in some cases, early 2023). It is hoped that the findings can help to stimulate new debates about the Chinese presence in Peru, and serve as a valuable resource for researchers, journalists, and decision-makers.

The paper is divided into four sections. The first analyzes how the presence of Chinese enterprises in Peru has evolved, the industries in which they operate, and their ownership types. The second examines Chinese direct investment over time, identifying the main enterprises and industries in which their investments or activities have been concentrated. The third section assesses the participation of Chinese enterprises in the provision of public services. Finally, some general conclusions are presented. This structure corresponds to the logic used in the preparation of the databases, and is intended to facilitate a coherent and orderly discussion.

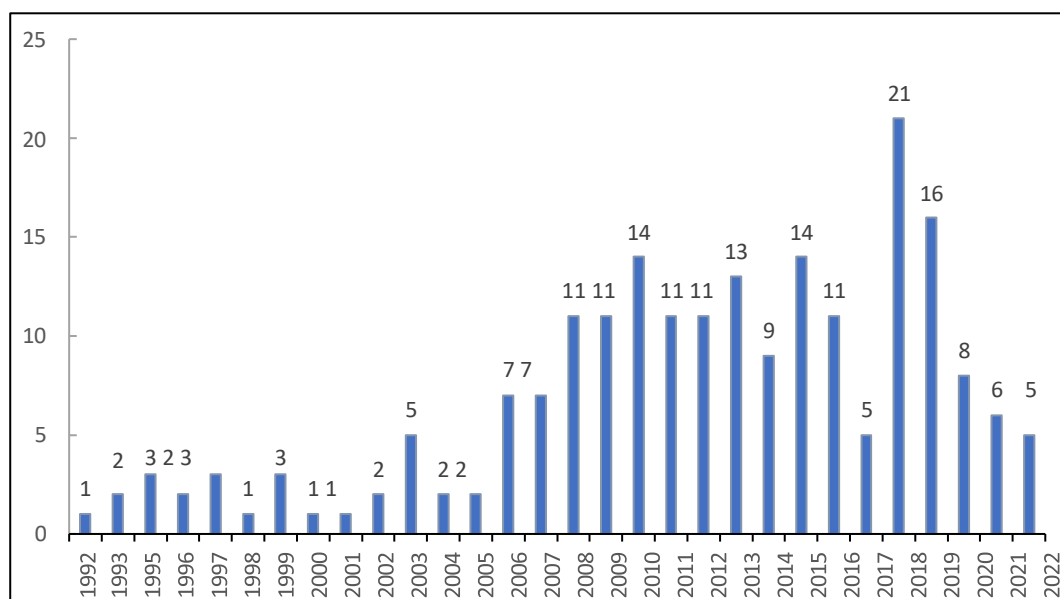
2. Evolution of Chinese enterprises

This section analyzes the entry of Chinese companies into Peru and the industries in which they have been active. We identified and categorized Chinese enterprises based on the criteria of subsidiaries, branches, acquisitions, and mergers. Moreover, we identified the parent companies in China, as well as their ownership type and the relationship with the Chinese state that this implies. The methodology used for our analysis is detailed in **Appendix 1**.

2.1. Evolution over 1992–2022 by number of enterprises and industry distribution

We identified 208 Chinese companies that started operations in Peru at some point during the last three decades; of them, 186 possess a taxpayer identification number (Registro Único de Contribuyente, RUC) and 22 are registered with a foreign resident's card (Carnet de Extranjería). **Figure 1** provides a year-on-year breakdown of the entry of Chinese enterprises into Peru over the study period, showing that the largest number of Chinese enterprises entered the country during the 2010s. In the 1990s, only 14 companies arrived. This number increased threefold during the first decade of the 21st century (2000–2009), when 44 companies started operations in Peru. An even greater rise occurred in the 2010s, when 113 companies entered: close to double the number recorded over the previous two decades combined. In the first two years of the 2020s (2020–2022), we identified only 15 companies.

Figure 1. Number of Chinese enterprises with taxpayer ID that entered the Peruvian market, by year (1992–2022)



Source: CECHAP (2023a). Compiled by authors.

We carried out an industry-level analysis to identify and account the number of Chinese companies that entered the Peruvian economy each decade. To this end, we employed the International Standard Industrial Classification (ISIC)⁴ Revision 4, whose nomenclature is used by the Peruvian tax authority (Superintendencia Nacional de Aduanas y de Administración Tributaria; SUNAT) for the registration of enterprises. It is worth noting that an enterprise registers with SUNAT at the time of its incorporation, so the stated classification does not necessarily reflect any new economic activities that it may have assumed since then.

1990s (1992–1999)

During the 1990s, a total of 14 Chinese enterprises entered the Peruvian market, spanning 9 economic activities, or industries. Despite this extensive participation, two industries were of particular salience: mining (ISIC Section B), comprising 21% of the total, and trade (ISIC Section G), also accounting for 21%. The first Chinese enterprise to invest in Peru was Shougang Corporation, a state-owned mining enterprise that acquired the Peruvian state-owned Hierro Perú and its operations in the Marcona district. China National Petroleum Corporation (CNPC), another Chinese state-owned enterprise engaged in the petroleum industry, acquired lots in Talara, Piura, from PetroPerú (also under Peruvian state ownership) in 1993 (Sanborn et al., 2024).

2000s (2000–2009)

In the 2000s, 44 Chinese enterprises registered in Peru, representing a marked increase from the previous decade. This growth was accompanied by a slight diversification of China's business presence, which now encompassed ten different ISIC sections. Mining (ISIC Section B) now ranked first outright with 36% of the total, followed by trade (ISIC Section G) with 24%, and, in third place, fishing (ISIC Section A) with 18%.

⁴ The ISIC is the official classification used in national records of enterprises by primary economic activity (INEI, 2014). The classification breaks down each activity into four levels of aggregation: section (broadest), division, group, and class (most specific). The SUNAT registry provides information regarding the classes of ISIC Revision 4 corresponding to each enterprise. Thus, we were able to discern the class and, at the broadest level, the section to which the main activity of each enterprise pertains.

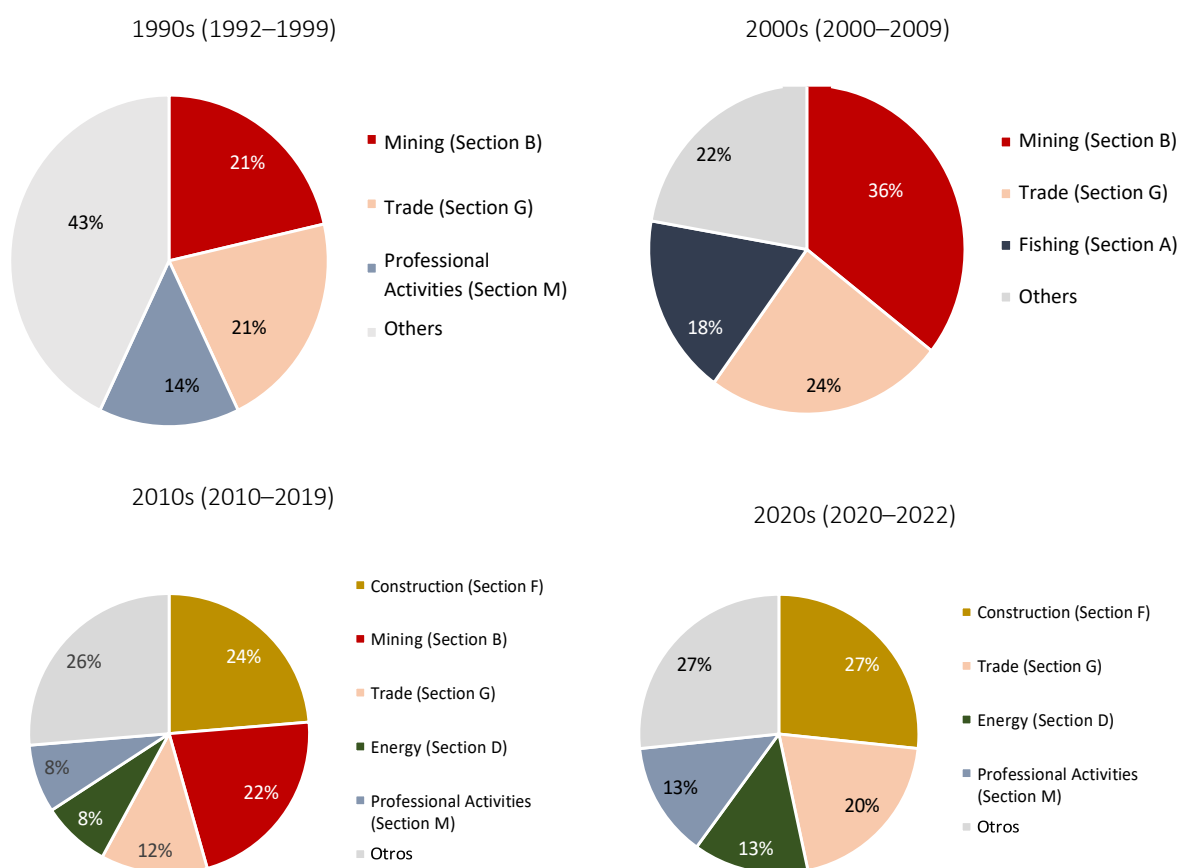
2010s (2010–2019)

During the 2010s, Chinese enterprises entered the Peruvian market in record numbers and levels of diversification by industry: 113 enterprises distributed across 15 different ISIC sections. This more varied sectoral landscape marked a major departure from previous periods, with Chinese enterprises now concentrated to the greatest extent in a new economic activity: construction (ISIC Section F), which comprised 24% of the total. Mining (ISIC Section B) dropped to second place, with a 22% share, followed by trade (ISIC Section G), with 12%. Also notable was the growing Chinese presence in the production, transmission, and distribution of electricity (ISIC Section D), which became the fourth-most prominent activity, accounting for 8% of Chinese enterprises that decade.

2020s (2020–2022)

Finally, in the first two years of the 2020s, 15 Chinese enterprises became active across 8 ISIC sections. This period marked the consolidation of Chinese companies in the field of construction (ISIC Section F), in which they gained a 27% share. This was followed by trade (ISIC Section G), at 20%, and then by electricity generation and distribution (ISIC Section D), with 13%.

Figure 2. Entry of Chinese enterprises, by industry and decade (1992–2022)



Source: CECHAP (2023a). Compiled by authors.

Graph 2 shows that during the first two periods (1990s and 2000s), the Chinese enterprises entering the Peruvian market were concentrated mainly in the mining industry (ISIC Section B). As we have noted, the 2010s saw construction (ISIC Section F) become the foremost economic activity as well as greater overall diversification, with Chinese enterprises now spanning 16 ISIC sections.

2.2. Industry distribution of enterprises active in SUNAT as of December 2022

Having analyzed Chinese enterprises by economic activity, it is necessary to determine how many remain active and how many have ceased operations. SUNAT provides information for all registered enterprises (see **Appendix 1**), which allows us to identify the status of each individual taxpayer. The tax authority's records show that 152 of the 186 registered Chinese enterprises were active in 2022, accounting for 81% of all Chinese firms that had entered the Peruvian market until that year. Of the 34 Chinese enterprises that have wound up, the largest number pertained to the fishing industry, followed by mining and construction.

After discounting the inactive enterprises, we determined the industry-level distribution of the 152 Chinese companies active in SUNAT as of December 2022, as shown in Table 1.

Table 1. Number of Chinese enterprises active as of December 2022, by ISIC (Rev. 4) section

ISIC Rev. 4 Section	No. enterprises	Share (%)
B. Mining and quarrying	36	23%
F. Construction	29	19%
G. Wholesale and retail trade; repair of motor vehicles and motorcycles	27	17%
D. Electricity, gas, steam and air conditioning supply	12	8%
M. Professional, scientific and technical activities	10	6%
S. Other service activities	7	4%
H. Transportation and storage	6	4%
K. Financial and insurance activities	6	4%
C. Manufacturing	4	3%
A. Agriculture, forestry and fishing	3	2%
J. Information and communication	3	2%
N. Administrative and support service activities	3	2%
I. Accommodation and food service activities	2	1%
L. Real estate activities	2	1%
P. Education	1	0.6%
Q. Human health and social work activities	1	0.6%
TOTAL	152	100%

Source: CECHAP (2023a). Compiled by authors.

Table 1 outlines the Chinese business landscape in Peru as of December 2022. Initially, these enterprises were engaged primarily in extractive activities such as mining and fishing. Over time, most companies in the fishing industry and some in mining ceased to operate. As shown in **Table 1**, the mining industry was the most prominent by number of enterprises, with a 23% share of the total.

Starting from the 2010s, as noted earlier, Chinese involvement in the construction (ISIC Section F) and energy (ISIC Section D) industries increased, representing 19% and 8% of the total, respectively. There has also been a clear trend over time toward diversification across industries: Between the 1990s and 2022 the number of industries with participating Chinese enterprises almost doubled, from 9 to 16 ISIC sections.

Despite this diversification, 75% of all Chinese companies active in Peru as of December 2022 are still concentrated among five ISIC sections: mining, construction, trade, electricity generation and supply, and professional activities. Besides mining, all of these economic activities cater for the domestic market.

2.3. Identification of parent companies and ownership structure

A parent company⁵ is an entity that owns and controls other enterprises, whether subsidiaries or branches. Parent companies and their ownership type (private or state) is of particular significance in China, where state-owned enterprises are used as strategic instruments to meet public policy objectives and manage the economy (Allen et al., 2022).

A state-owned enterprise is a particular type of business organization that is owned or operated by the state. Although these enterprises are profit-making, they also pursue non-financial objectives such as the provision of public goods and employment. Under Chinese law state-owned enterprises are structured as conglomerates under a parent company, which is a special limited liability company whose sole shareholder is the State-owned Asset Supervision and Administration Commission (SASAC) (Megginson, 2017).

There are two main types of Chinese state-owned enterprises: national-level (NSOEs) and regional-level (RSOEs). The main difference between the two is that the former are under the control of SASAC, while RSOEs are dependencies of local governments and are supervised by local state asset management commissions. In the case of NSOEs operating outside China, concerns have been raised about the observance of fair competition rules and their policy objectives due to the centralized control exercised by SASAC. Although this paper does not address the governance of NSOEs operating outside China, the issue warrants further attention in future research.

The ownership type of each Chinese parent company is a key factor in our analysis, and the CECHAP databases include this variable. Overall, we identified 112 China-based parent companies registered in Peru. Of this total, 49% are state-owned or dependencies of a state-owned enterprise in China. In turn, 36% of this group are NSOEs and 13% RSOEs.

On the other hand, we found that 32% of the enterprises—36 in total—are private, including 3 of the 4 Chinese telecommunications companies present in Peru. Finally, 20 companies could not be classified due to a lack of sufficient information (CECHAP, 2023a). The complete list of parent companies is detailed in **Appendix 2**.

A Chinese parent company can establish multiple local subsidiaries. Among the most notable cases is China Three Gorges (CTG), which has founded and/or acquired 16 enterprises in Peru—most of them in the energy industry (ISIC Section D). In turn, China Fishery Group (CFG) acquired or established 12 enterprises, all in the fishing industry (ISIC Section A), although most are no longer operational. China National Petroleum and Junefield have each created or acquired 10 companies, mainly in the mining industry (ISIC Section B).

Finally, China Railway Group Limited (CREC) has set up 8 companies, most of which are engaged in construction (Section F).

3. Chinese direct investment in Peru

3.1. Evolution of Chinese direct investment

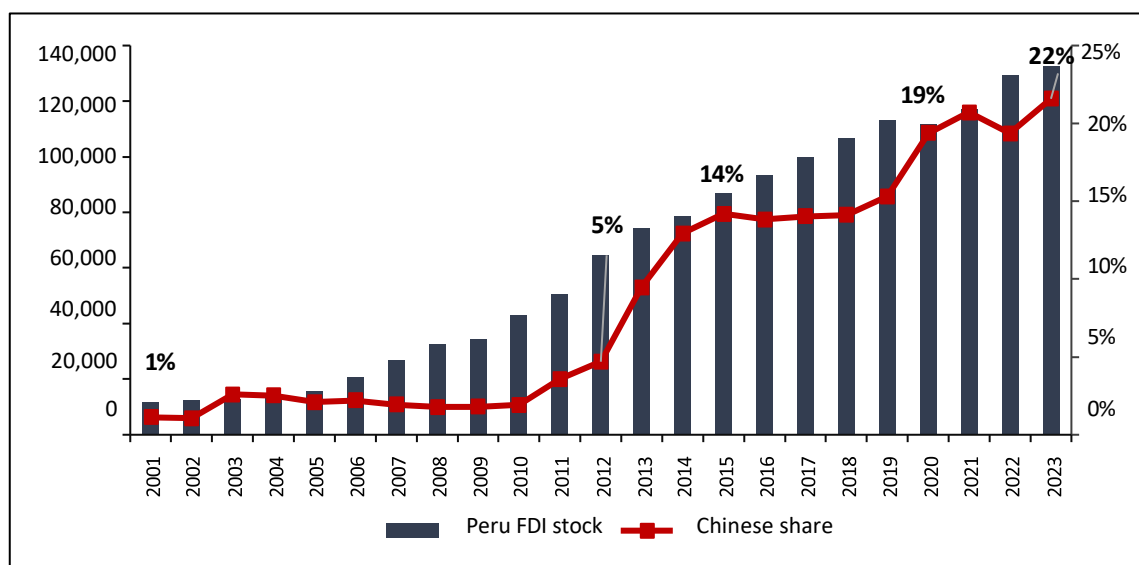
Chinese direct investment⁶ in Peru has increased exponentially in little over two decades. Between 2001 to 2010 the estimated Chinese direct investment stock reached just US \$500 million, and in 2009 China's share of the total foreign direct investment (FDI) received by Peru was around 1%, as shown in

⁵ For a parent company to be considered Chinese, we introduced the criterion that its headquarters be located in China.

⁶ The estimation methodology is detailed in Appendix 3.

Figure 3. By the end of 2023 China's cumulative investment in Peru had soared to US \$27,877 million, and the country contributed around 22% of Peru's total FDI for that same year.

Figure 3. Share of Chinese direct investment in total Peruvian FDI, 2002–2022 (accumulated stock in millions of USD)



Source: CECHAP (2023c), UNCTAD (2024). Compiled by authors.

According to the Economic Commission for Latin America and the Caribbean (ECLAC, 2024), in 2022 FDI in Peru exceeded US \$10 billion in for the second time in 20 years, which was the sixth-highest figure among Latin American countries (ProInversión, 2024). A major impetus behind this trend is Chinese investment; although no official or government sources record the exact figures invested by China, analysis of the CECHAP and UNCTAD databases reveals that the country has consolidated its position as one of the biggest investors in the Peruvian economy.

Chinese investment has been subject not only to significant increases but also to diversification of its target industries. As **Table 2** shows, China's accumulated investment as at 2023 was concentrated primarily in the mining industry, which represented 47% of the total, followed by the electricity generation and distribution industry, at 33%. The remainder of the investments were distributed across the oil and gas (10%), infrastructure (4%), and finance and insurance (2%) industries.

Table 2. Chinese direct investment stock as at August 2023, by industry

Industry	Amount (Millions of USD)	Share
Mining	13,028	47%
Electricity generation and distribution	9,166	33%
Oil and gas	2,800	10%
Infrastructure (port)	1,300	5%
Fishing	1,157	4%
Finance and insurance	425	2%
Total	27,877	100%

Source: CECHAP (2023c). Compiled by authors.

The mining industry has been one of the most attractive for Chinese investment in Peru, due to the country's abundant natural resources and China's strong demand for minerals. By the end of 2023, the Chinese investment stock totaled US \$3,028 million, which amounted to almost half of China's investment in Peru.

Another industry that has gained ground is energy, most notably with the arrival of two large state-owned Chinese enterprises: China Three Georges (CTG) and China Southern Power Grid (CSG). This industry has attracted the second-highest level of Chinese investment in the Peruvian economy: US \$9,166 million, which comprises one third of the total.

Meanwhile, the infrastructure industry may not currently feature among the most valuable, but the future growth prospects are promising—driven especially by the development of the Port of Chancay. Total investment in this project, whose first phase was inaugurated in November 2024, is estimated at US \$3,600 million. Once completed, the megaport could propel the infrastructure industry into the position of third-most valuable in the coming years.

3.2. Main projects and enterprises by industry

Mining

Mining was the first Peruvian industry in which a major Chinese enterprise invested, in the form, as noted earlier, of the state-owned Shougang Corporation (now Shougang Group). The multinational entered Peru in 1992, acquiring the Peruvian state-owned Minera Hierro Perú S.A. and subsequently constituting the Shougang Hierro Perú S.A. Shougang's arrival ushered in a new stage for the company, boosting exports to the Chinese market (Shougang Hierro Perú S.A., 2023). Later, in 2017, Shougang set up Minera Shouxin Perú S.A. alongside Baiyin Nonferrous Group S.A. with the aim of expanding the operations of its mine located in Marcona district, department of Ica. Over the years, Shougang has engaged in the exploitation and marketing of iron ore, with an accumulated total investment of US \$255,255 million as at 2022 (CECHAP, 2023c).

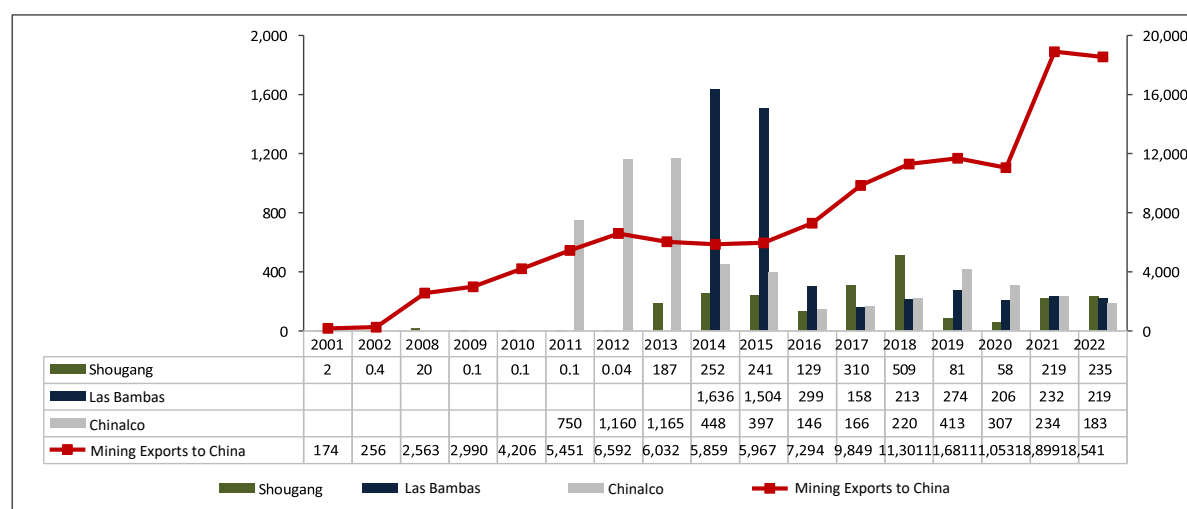
In 2007, another major Chinese state-owned enterprise, Aluminum Corporation of China (Chinalco), entered the Peruvian mining industry. Chinalco founded Minera Chinalco Perú S.A. to develop and operate the Toromocho copper mine in the department of Junín. The investment in this project was first crystallized in 2011, with the construction of the Kingsmill Tunnel water treatment plant (Chinalco, 2024). From 2007 to 2022, Chinalco invested a total of US \$5,590 million in infrastructure, equipment, development and preparation, exploration, and other areas related to mining operation (CECHAP, 2023c).

China's interest in the mining sector was further consolidated during the 2010s—most notably with the arrival of MMG Limited, Guoxin International Investment Co., and CITIC Ltd. in 2014. These Chinese state-operated enterprises acquired the Las Bambas mining unit, one of the largest copper projects in the country, located in the department of Apurímac. Las Bambas has three pits, Ferrobamba, Chalcobambaba, and Sulfobamba, although at the end of 2024 only the first was in operation. Between the acquisition of the site, in 2014, and 2022, these three Chinese enterprises invested a total of US \$4,741 million in infrastructure, equipment, development and preparation, exploration and other key aspects of the mining operation (CECHAP, 2023c).

During this same period, 12 other small Chinese enterprises entered the Peruvian mining industry, together investing a total of US \$441 million. These enterprises have yet to undertake significant exploration or other related activities, and their development has not made a major impact (MINEM, 2023). Nonetheless, the incursion of small Chinese enterprises into the mining industry is growing and stands to become more significant.

In sum, then, most of China's investment in mining is concentrated on the four aforementioned projects—all of them led by state-owned enterprises—which together account for around 95% of all Chinese investment in this sphere. These investments have had a significant impact on mining exports to China, thereby strengthening trade relations between the two countries (see **Figure 4**). As we have seen, a milestone in this process occurred in 2014, when China became Peru's main trading partner; it was also the year that the Las Bambas mining unit came under Chinese ownership. In 2022, mining exports to China accounted for approximately 90% of the industry's total foreign consignments (Adex Data Trade, 2024).

Figure 4. Annual direct investment flows from Chinese mining enterprises and value of mining exports from Peru to China, 2001–2022 (millions of USD)



Source: CECHAP (2023c), Adex Data Trade. Compiled by authors.

Despite China's importance for mining investment, and the impact of this investment on the Peruvian economy, some Chinese enterprises have still faced hurdles in this industry—especially with regard to environmental, social, and governance (ESG) matters. These problems have proven so complex that they have stalled some Chinese capital projects for years at a time (Sanborn et al., 2024; Sanborn & Chonn, 2016).

A prominent example is the Río Blanco project, located in the department of Piura, with a projected investment of more than US \$2.5 billion for the construction of a mine and a slurry pipeline to the Pacific coast. In 2007, Río Blanco was acquired by a consortium of three Chinese state-owned companies: Zijin Mining Group Co. Ltd. (51%), Tongling Non-Ferrous Metals Group Holding Co. Ltd. (35%), and Xiamen C&D Co. Ltd. (14%). In 2024, despite ongoing feasibility studies and a detailed environmental impact study (EIA-d) that was prepared a decade earlier, the project remained at a standstill due to resistance from several communities in its area of influence (MINEM, 2023; Sanborn et al., 2024).

Besides Río Blanco, another three Chinese-backed mining projects remain undeveloped for various reasons. These include the El Galeno project, a copper and gold concession located in Cajamarca, led by China Minmetals Corporation (60%) and Jiangxi Copper Ltd. (40%), with a projected investment of US \$3.5 billion; Pampa de Pongo, an iron ore concession located in Arequipa, led by Zhongrong Xinda Group Co. Ltd. (49%) and Jiangtong Group (51%), with an investment potential of US \$2.55 billion; and Don Javier, a copper concession located in Arequipa, led by Junefield Mineral Resources Holding Limited, estimated at US \$600 million (MINEM, 2023) worth of investment. These three projects along with Río Blanco have a combined investment potential of US \$9.15 billion (CECHAP, 2023c).

Oil and gas

The second Peruvian industry to attract Chinese enterprises was oil and gas, with China National Petroleum Corporation (CNPC) leading the way. In 1993, Sapet Development Peru Inc. (SAPET), a subsidiary of CNPC, entered into an enhanced oil recovery (EOR) service agreement with the Peruvian Ministry of Energy and Mines to exploit Lots 6 and 7 in Talara, Piura. This project marked CNPC's first foreign venture (CNPC, 2022).

A decade later, in 2003, CNPC acquired the shares of Argentina's Pluspetrol for US \$200 million to take over the operation and management of Lot 8, in the department of Loreto. Thereafter, in 2013, CNPC purchased the Peruvian assets of the Brazilian state-owned multinational Petrobras—encompassing Lots 10, 57, and 58—for a total of US \$2.6 billion. Lot 10 is also located in Talara, Piura, while Lots 57 and 58, which contain gas reserves, are found in Cusco. In 2016, the commercial discovery of Lot 58 was announced. Then, in April 2018, a plant was built in Lot 57 with a natural gas production capacity of 2 billion cubic meters per year (CNPC, 2022).

Overall, Chinese investment in oil and gas is worth an estimated US \$2.8 billion (CECHAP, 2023c). This figure may even be an underestimate as no precise information is available for the investments in Lots 6 and 7, or for the other operations since lot acquisition. Table 3 provides an overview of the lots operated by CNPC.

Table 3. Main Chinese investments in the oil and gas industry

Year	Investor	Project	Location	Status
1993 –1994	CNPC/SAPET	Lot 6 and 7 (oil)	Piura	Abandoned
2005	CNPC/SAPET	Lot 111 (oil)	Madre de Dios	Operational
2012	CNPC/SAPET	Lot 1AB (oil)	Loreto	Operational
2012	CNPC/SAPET	Lot 8 (oil)	Loreto	Operational
2013	CNPC/PetroChina	Lot 10 (oil)	Piura	Abandoned
2013	CNPC/PetroChina	Lots 58 and 57 (gas)	Cusco	Abandoned

Source: CECHAP (2023c); Sanborn et al. (2024). Compiled by authors.

As at 2023, CNPC controlled Lots 6, 7, and 10 in Piura, and Lots 57 and 58 in Cusco. Lots 6 and 7 were operated by its subsidiary SAPET, accounting for around 37% of all national oil production. However, when the original contract ended in October 2023, SAPET withdrew from the area (Sanborn et al., 2024).

CNPC Peru's license to exploit Lot 10 expired on May 19, 2024. In November 2023, the MINEM approved the enterprise's "abandonment plan" for Lot 10. This plan requires the enterprise, upon completion of operations, to submit an environmental study so that the lot is left in optimal conditions for the next licensee. In April 2024, PeruPetro awarded Lot 10 to a new consortium, without any Chinese involvement (Cruz, 2024).

Fishing

Chinese investment in the Peruvian fishing industry began in the early 2000s with the arrival of China Fishery Group (CFG), a subsidiary of Pacific Andes Resources Development Limited, and continued for around a decade. CFG, an investment holding company based in Hong Kong, is engaged in industrial fishing—including the capture, processing, and distribution of a variety of fish and fish products (EMPEA, 2011).

In 2006, CFG made an initial public offering on the Mainboard of the Singapore Stock Exchange with the aim of raising capital to fund its growth. The enterprise used the funds raised to acquire Peruvian

fishing vessels and processing plants, which it utilized to venture into the fishmeal business (EMPEA, 2011). By 2011, CFG had consolidated its fishmeal operations, acquiring 15 Peruvian fishing companies for a total investment of US \$362 million. In 2014, the company bought Copeinca S.A., one of Peru's largest fishing companies, for US \$795 million. With these acquisitions, Chinese investment in the fishing industry totaled US \$1,157 million (CECHAP, 2023c).

In 2014, CFG fell into financial difficulties due to arrears in the repayment of a loan it obtained the previous year to refinance the purchase of Copeinca S.A., its most valuable asset in the Peruvian industry. In 2016, when the firm's creditors—which included HSBC, Standard Chartered, and Maybank, Malaysia's largest financial services group—raised the alarm, CFG filed for Chapter 11 bankruptcy in the United States bankruptcy courts. Upon completion of this process Pacific Andes Resources, the parent company, publicly announced CFG's bankruptcy (Global Turnaround, 2018). In 2024, the assets of Copeinca S.A. were sold to a Canadian company, which all but ended the Chinese presence in Peru's fishing industry (Milla, 2024).

Electricity generation and distribution

By the end of the 2010s, the Chinese presence in the Peruvian energy industry was well established. Of particular note is the arrival of China Three Gorges Corporation (CTGC), a state-owned energy group with global operations, through various subsidiaries, centered on the development and operation of large-scale hydroelectric projects. The multinational's first venture in Peru took place in 2016 through its subsidiary China Three Gorges International Corporation (CTGI). That year, Hydro Global, a strategic cooperation platform between CTGI and Energías de Portugal (EDP), entered into an agreement with the MINEM and the state-owned energy company San Gabán to jointly develop the SanGabánIII hydroelectric project, with a total investment of US \$447 million. Construction began in 2017 (CTGC, 2016; CECHAP, 2023c). In 2019, CTG bought another Peruvian hydroelectric facility, the Chaglla Hydroelectric Power Plant, through its subsidiary Hubei Energy Group. This project marked the first overseas investment for the subsidiary, totaling US \$1.4 billion (CTGC, 2019; CECHAP, 2023c).

Until that point, CTGC's investments had been centered on electricity generation; in 2019, however, it expanded and diversified its operations in Peru with the acquisition of Luz del Sur, the country's largest electricity distributor, for US \$3.59 billion. This acquisition, carried out through its subsidiary China Yangtze Power Co., Ltd. (CYPC), was the largest international merger/acquisition operation completed by a Chinese enterprise in 2019, as well as the largest global acquisition of electrical assets over the three preceding years (CTGC, 2019). The Luz del Sur purchase also included several sizeable hydroelectric plants operated by Inland Energy SAC, a subsidiary of Luz del Sur. Among the most important were the Santa Teresa, Lluclla, and Ahobamba hydroelectric power plants (CeCo, 2023).

The Chinese presence was further consolidated when, in 2018, China Southern Power Grid (CSG), one of the foremost Chinese state-owned enterprises in the field, acquired 27% of the shares of the Transelec Group, a Chile-based leader in electrical transmission that entered the Peruvian market in 2016 with the foundation of Conelsur SAC (Apoyo & Asociados, 2022). However, CSG's most significant move came in 2023 when, through its subsidiary China Southern Power Grid International Co. Ltd. (CSGI), it acquired Enel Peru, an electricity distribution company that operates in the north of Metropolitan Lima, the Constitutional Province of Callao, and several other provinces in the department of Lima (Huaura, Barranca, Huaral, and Oyón). Under the agreement, the equity stakes held by Enel Perú in Enel Distribución Perú SAA (Enel Distribución) and Enel X Perú SAC (Enel X) were sold to CSGI for a total of US \$2.9 billion (Enel Perú, 2024; China and Asia-Pacific Study Centre, 2023c).

To begin with, the acquisition of these Peruvian assets by Chinese state-owned enterprises was a source of controversy—particularly when the companies concerned represented a major proportion of the electricity distribution market in Peru. There were fears that a potential Chinese state monopoly—spanning 56% of the regulated market and 24% of non-regulated customers—could harm users (CeCo, 2023; Bonifaz, 2023). Nonetheless, after conducting an investigation into possible risks, the National

Institute for the Defense of Competition and Protection of Intellectual Property (INDECOPI) authorized CSGI's takeover of Enel, subject to guarantees of transparency in energy supply mechanisms intended to assure competition and consumer interests (Enel Peru, 2024)

In 2023, Chinese investment in Peru's electricity generation and distribution market totaled US \$9,166 million, making it second-greatest recipient of Chinese investment that year (CECHAP, 2023c).

Infrastructure

China COSCO Shipping Corporation Limited, known simply as COSCO Shipping, is one of the world's largest shipping companies. This Chinese state-owned enterprise owns 1,417 vessels, with an overall deadweight tonnage of 116 million tons, and operates in more than 100 ports internationally (COSCO, 2024). In 2019 a COSCO Shipping subsidiary, Cosco Shipping Ports Limited, bought a controlling stake (60%) in Terminales Portuarios Chancay SA and renamed it Cosco Shipping Ports Chancay Peru (CSPCP). This capital injection reduced the interest of the Peruvian company Volcan to 40%.

In 2021 the contract for the construction of the first phase of the Chancay Multipurpose Port Terminal project was finalized. According to Peru's Ministry of Transport and Communications, the estimated investment for the first stage of this megaproject amounts to US \$1,213 million, while the project as a whole will exceed US \$3.6 billion (Ministry of Transport and Communications, 2022).

Narrea (2024) has identified at least three key opportunities associated with this project. First, the Port of Chancay could position Peru as a strategic maritime hub and South America's gateway for trade with Asia. Second, the port's area of influence could encompass highly competitive production centers that already export to international markets. Finally, the megaport offers an opportunity to embrace “Industry 4.0,” characterized by intensive data usage and the digitization of processes in order to increase efficiency and reduce consumption per unit of product (Molinaro & Orzes, 2022). To realize these opportunities, complementary policies should be implemented in order to facilitate the adoption of digital technologies.

Finance and Insurance

In the 2000s, China, through its state banks, became an important financial partner for Latin America. In the specific case of Peru, Chinese banks did not begin to arrive until the following decade. The Industrial and Commercial Bank of China Ltd. (ICBC Ltd.) is the largest Chinese state-owned commercial bank and one of the biggest financial institutions in the world (ICBC, 2023). In 2011, the Superintendency of Banking, Insurance, and Pension Fund Administrators (SBS) granted the Industrial and Commercial Bank of China (Peru) an operating license, allowing the institution to establish a subsidiary in Peru and become the first Chinese bank to enter the Peruvian financial system. To assess the level of investment that this bank has made in the Peruvian economy, one need only look at the US \$110 million in equity that ICBC Peru Bank reported in 2022 (CECHAP, 2023c).

Bank of China Limited is the China's longest-established state-owned bank, having been in continuous operation for more than a century. It is also the most globalized and integrated Chinese bank, with over US \$3 trillion in assets and US \$27 billion in earnings. In 2019, Euromoney ranked it as the “best bank in emerging markets,” while Asiamoney classed it as the “best bank for foreign trade operations” (Bank of China, 2023). That same year, Bank of China incorporated its subsidiary in Peru, known as Bank of China (Peru) or BOC Peru. It then obtained its operating license and officially opened in 2020 (Bank of China, 2023). Like ICBC Peru Bank, BOC Peru's equity in 2022—US \$63 million—can be taken as an indicator of the investment made by this institution in the Peruvian economy (CECHAP, 2023c).

A major player in Peru's insurance sector is Fosun International, one of the largest privately owned

conglomerates in China. In 2018, this enterprise acquired La Positiva Seguros y Reaseguros, a Peruvian enterprise engaged in miscellaneous insurance and reinsurance operations to provide risk coverage nationally and internationally, as well as executing investments in accordance with the regulations issued by the SBS (La Positiva Seguros, 2021). The takeover was valued at US \$106 million. Taking into account the investments made by La Positiva following its acquisition, Fosun International's total investment in Peru's finance and insurance market can be calculated at US \$425 million (CECHAP, 2023c). Nonetheless, this sum is relatively low compared to the figures invested in other industries (CECHAP, 2023c).

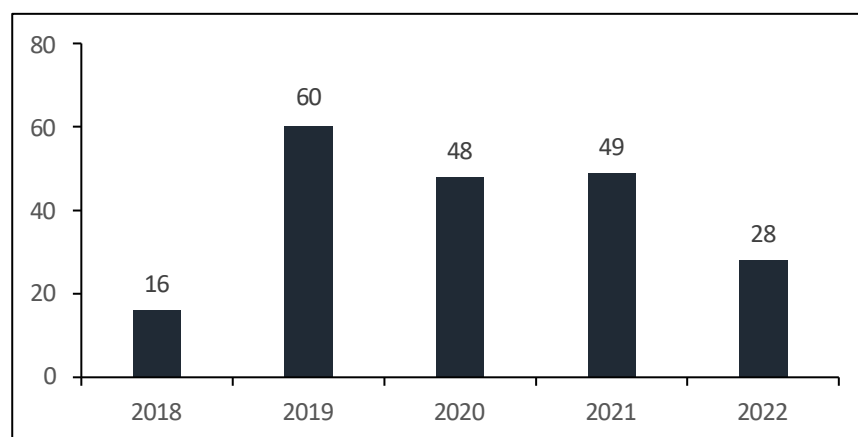
4. Infrastructure projects awarded to Chinese enterprises through public tenders in Peru

4.1 Sectoral composition and evolution by number of enterprises and project value

Chinese enterprises started to win tenders for public works in 2018. Between that year and 2022, 25 Chinese enterprises won 201 public tenders worth a total of US \$6,467 million.⁷

In 2018 alone, 16 public tenders were awarded to 8 Chinese companies for a total of US \$1,283 million. As more Chinese enterprises won public tenders in the years that followed, Chinese infrastructure projects increased in number and value. Chinese enterprises were awarded tenders worth a total of US \$1,756 million in 2021, making this the most lucrative single year, while the 60 tenders won by Chinese firms in 2019 is higher than any other 12-month period (**Figures 6 and 7**). In 2022 the situation changed, with a decrease in both average project value and the number of awards.

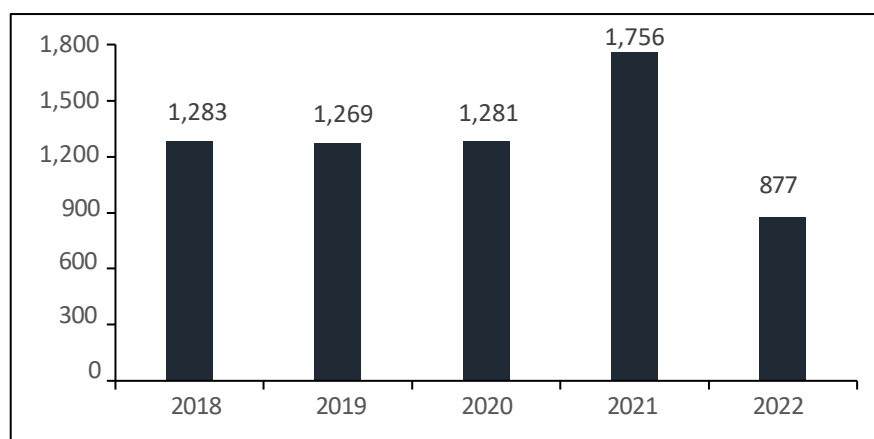
Figure 5. Number of public projects awarded to Chinese enterprises by year, 2018–2022.



Source: CECHAP (2023d). Compiled by authors.

⁷ The estimation methodology is presented in Appendix 4.

Figure 6. Value of public projects awarded to Chinese enterprises by year, 2018–2022.



Source: CECHAP (2023d). Compiled by authors.

The 25 Chinese enterprises that won public tenders over this period correspond to 13 parent companies. Among them, the enterprise to have been awarded the highest overall amount in public tenders is China Railway Construction Corporation (CREC) which, through seven subsidiaries, took on public projects totaling US \$2,126 million. CREC is followed by Power Construction Corporation of China (Powerchina), which secured projects worth US \$1,641 million through two subsidiaries; and China Civil Engineering Construction Corporation (CCECC), with projects totaling US \$642 million. **Appendix 5** gives an overview of the 13 parent companies and their respective subsidiaries.

As noted earlier, the Chinese enterprises that enter the Peruvian market are, for the most part, large state-owned corporations. In the Forbes Global Fortune 500 ranking in 2022, China Railway Construction Corporation (CREC) and PowerChina ranked 34th and 100th, respectively. These two Chinese enterprises lead the way in terms of the value of public awards in Peru (Forbes, 2022).

4.2 Most important projects: Ranking by total and sector

There are nine public projects exceeding US \$100 million in value that involve Chinese enterprises, as shown in **Table 4**. These projects all pertain to connectivity infrastructure, besides one in the sphere of social infrastructure. The combined value of these projects is US \$2,043 million, which amounts to 32% of the total amount in works awarded to Chinese firms. The largest of these nine projects was for the construction of Chinchero Airport. Although the main contractor in this case is a Korean state-owned enterprise, the airport's construction was subcontracted to a Chinese firm. Among the large-scale projects under the direct charge of Chinese companies are the construction of the Huánuco highway corridor and the drinking water and sewerage system in Lima.

Table 4. List of major works (worth more than US \$100 million) awarded to Chinese companies, 2018–2022 (millions of USD)

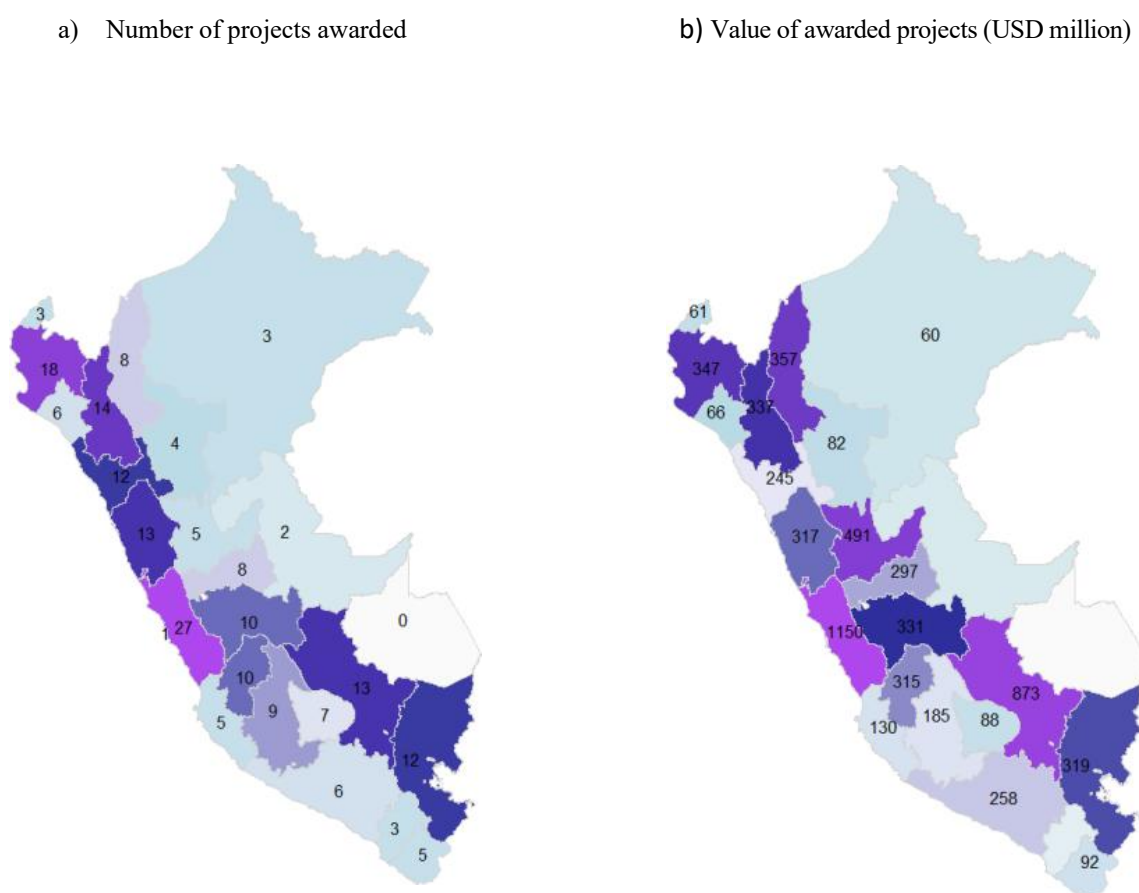
Year	Project type	Department	Participating Chinese enterprise	Amount (millions of USD)
2021	Chinchero Airport	Cusco	SinohydroCorporation Limited, Peru Branch.	462
2018	Road	Huanuco	China Railway20 Bureau Group, Peru Branch	377
2021	Water and sewerage system	Lima	China Machinery Engineering Corporation	301
2019	Road	Lima	China Road and Bridge Corporation, Peru Branch.	159
2018	Road	Pasco	China Gezhouba Group Company Limited, Peru Branch.	135
2018	Water and sewerage system	Lima	Sinohydro Corporation Limited, Peru Branch.	132
2018	Road	Piura	Sinohydro Bureau 8 CO, LTD	131
2019	Broadband	La Libertad	YOFC Network Consortium	129
2019	Broadband	Ancash	YOFC Network Consortium	122

Source: CECHAP (2023d). Compiled by authors.

The Chinese enterprises involved are, respectively, Sinohydro Corporation Limited, a subsidiary of Power China; China Railway 20 Bureau, a subsidiary of CREC; and China Machinery Engineering—all of them state-owned. On the other hand, 168 of the 201 projects are valued at less than US \$50 million.

As to the geographical distribution of public tenders, Figure 7 shows that notwithstanding a concentration in coastal (such as Lima, Ancash, La Libertad) and southern departments (Cusco, Puno, and Ayacucho), Chinese-owned enterprises have won public awards in 23 of Peru's 24 regions. The largest projects are in the south, particularly in Cusco and Puno; in the central region, projects in Lima, Huánuco and Junín stand out; while notable projects in the north are located in Amazonas, Cajamarca, and Piura. Figure 4 which shows the location of the largest projects.

Figure 7. Number and value of public projects awarded to Chinese enterprises, by department, 2018–2022



Source: CECHAP 2023d). Compiled by authors.

Figure 7 shows that despite the majority of projects being situated in the coast, there is no real concentration of projects in any single part of the country; project location is fortuitous and corresponds to the tenders issued by the Peruvian government throughout the country. The participation of Chinese enterprises in the provision of public services is a relatively recent phenomenon; it was only in 2019 that their participation became evident.

4.3 Analysis by type of infrastructure

Table 5 outlines the main public works projects awarded to Chinese enterprises. As noted, most activity is concentrated in the sphere of connectivity infrastructure, which accounts for over half of all Chinese involvement in projects in terms of number and value: 65% and 59% respectively. In second place is social infrastructure, with a total value of US \$2.02 billion (31%) across 60 projects (30%). Next comes electricity generation infrastructure, with five projects (2%) worth a combined US \$54 million (1%). Other infrastructure types not included in the aforementioned categories total US \$189 million in value (3%) across 18 projects (9%).

Table 5. Infrastructure: value and number of public projects awarded to Chinese enterprises, by sector, 2018–2022 (millions of USD)

Industry		No. projects	Share (%)	Amount (millions of USD)	Share (%)
Infrastructure (Connectivity)	Transportation	114	57	3,776	58
	Communications	4	2	427	7
Subtotal		118	59	4,203	65
Infrastructure (Social)	Healthcare	28	14	1,057	16
	Water and sewerage	12	6	655	10
	Education	15	7	254	4
	Storm drainage	5	2	55	1
Subtotal		60	30	2,020	31
Infrastructure (Electricity generation)	Rural electrification	2	1	53	1
	Other energy	3	1	1	0
Subtotal		5	2	54	1
Infrastructure (Other)	Real estate	5	2	75	1
	Irrigation	3	1	47	1
	Prison facilities	1	9	38	0
	Environmental	5	2	24	0
	Natural disaster prevention and remediation	4	2	4	3
Subtotal		18	9%	189	3%
Overall total		201	100%	6,467	100%

Source: CECHAP (2023d). Compiled by authors.

Connectivity infrastructure

Connectivity infrastructure includes road, bridge, airport, and communications projects. In 2018, seven Chinese companies participated in this sphere for the first time, winning nine public tenders. Notably, each of these public projects corresponds to road construction—five of them awarded by the Ministry of Transport and Communications, and the rest by municipalities and other public entities. In 2018, the total value of projects in this domain amounted to US \$942 million, representing 73% of the total.

The following year, 2019, the participation of Chinese companies in this area continued to increase, in terms of both project number and overall value. This year was notable for the entry of Chinese companies into the field of telecommunications. The YOFC Network Consortium, a subsidiary of the Hong Kong-based Yangtze Optical Fibre and Cable Joint Stock Limited Company (YOFC), was awarded four broadband projects for all-round connectivity in the La Libertad, Ancash, Arequipa, and Huánuco departments. This state-owned enterprise, a technological innovator in the optical fiber and cable industry, won projects awarded by the National Telecommunications Program (PRONATEL) worth US \$427 million.

In 2021, a new record was set for overall project value in this category: US \$1,756 million across 26 projects awarded. One of the reasons behind this increase is the award that year of two major projects. The first corresponds to the construction of the new international airport in Cusco, awarded to the Natividad Chinchero Consortium, which includes the Chinese-owned Sinohydro Corporation along with Korea's Hyundai Engineering as well as Peruvian partners. This MTC-led project is the largest involving a Chinese company through a public tender, with a total value of US \$462 million. The second project corresponds to the improvement and conservation of the Huánuco Road corridor,

awarded by MTC–Proviás Nacional to China Railway 20 Bureau Group Corporation for a total of US \$377 million—making it the second-largest to be awarded to a Chinese enterprise.

Social infrastructure

This field includes projects related to hospitals, schools, water, and sanitation works, among others. In 2018, the Chinese-owned Sinohydro Corporation Limited, Sucursal del Perú, was awarded five hospital and water and sanitation projects totaling US \$272 million. The projects were led by regional governments and other public entities, such as the Safe Water Program for Lima and Callao.

In 2021, a project to expand and improve drinking water systems in Lima was awarded to the San Miguel Consortium, which includes China Machinery Engineering Corporation, for US \$301 million. This is the largest social infrastructure project awarded to a Chinese enterprise in terms of value.

Unlike connectivity infrastructure, this field is notable for the increase in Chinese participation, in terms of value and number of projects, between 2018 and 2022. The main awarding entities in this category are regional governments, municipalities, and social programs such as the National Urban Sanitation Program.

Electricity Generation Infrastructure

Although there were only five public tenders in the electricity generation infrastructure sphere during the period of analysis, three of them were awarded to Chinese enterprises. Chinese participation began in 2019, with the award to the Changjiang Institute of Survey, Planning, Design and Research, Sucursal del Perú, of a US \$516,000-contract for consulting service provision related to a pre-investment study on water security for the development of the Tambo River basin in Arequipa. This award meant that the company dominated the field. The awarding bodies in this sphere were MINEM, the Subsectorial Irrigation Program, and Empresa de Generación Eléctrica San Gabán S.A.

5. Conclusions

In recent decades, the Chinese business presence in Peru has undergone remarkable growth and diversification. Our research at CECHAP shows that a total of 2008 Chinese enterprises registered in Peru at some point between 1992 and 2022, of which 152 remained active by the end of the period. These companies are distributed across 16 industries within the Peruvian economy—most numerous in the mining industry, followed by construction, trade, electricity supply, and professional activities. With the exception of mining, most of the activities involving Chinese enterprises in Peru are oriented primarily toward the domestic market.

As for Chinese direct investment, the accumulated value of FDI as of 2023 is estimated at US \$27,877 million. According to UNCTAD sources as well as our own databases, in 2000 Chinese investment accounted for just 1% of total FDI in Peru. By the end of 2023, this share had soared to 22% (CECHAP, 2023; UNCTAD, 2024). The figure may even be an underestimate since it has not been possible to fully quantify the investments of all Chinese enterprises that operate in the country—especially those of large private companies such as Huawei. Despite this limitation, it is still evident that China is of the biggest foreign investors in Peru.

Another major finding is the recent growth of the Chinese presence in Peru's construction industry. Among the main Chinese investment projects in Peru is the Port of Chancay, developed by COSCO Shipping Ports in partnership with the Peruvian enterprise Volcan. The first phase of the port was inaugurated in November 2024, during the visit of Chinese President Xi Jinping to Peru. Also notable is the expansion of Shougang's Marcona mine and the enterprise's plans to develop a port in that district. However, most activities involving Chinese construction companies do not pertain to Chinese FDI but to public works contracts. In particular, we determined that a total of 201 public tenders worth a total of US \$6,467 million were awarded to 25 Chinese enterprises between 2019 and 2022. Nonetheless, it is

difficult to obtain detailed information about these concessions—especially with regard to the operational performance of the executing companies. In some cases, delays or stoppages of projects awarded to Chinese construction companies have been reported, while in others expectations have been exceeded. These factors underpin the need for further research before general conclusions can be drawn.

The findings presented can inspire several possible lines of research as part of a future agenda centered on public works and direct investments by Chinese enterprises in Peru. An area of ongoing interest is the mining industry, in which the largest share of Chinese FDI has long been concentrated. Yet despite this dominance, at present only four mines owned or controlled by Chinese enterprises are operational, with an equal number of Chinese-backed mining projects subject to delays or paralysis. It would be interesting to analyze the factors behind this stagnation, and to compare the situation facing Chinese enterprises with that of other foreign enterprises in this historically complex field.

Another area that merits further attention is energy, which currently constitutes the second largest recipient of Chinese investment in Peru. The major Chinese multinationals present in this industry are involved at the levels of both electricity generation as well as transmission and distribution. When it comes to the relatively recent acquisitions, questions have arisen about how these Chinese state-owned enterprises will act in a context of growing concerns about sustainability. China has established a clear policy to support the global energy transition, but will its state-owned enterprises follow the same path in Peru? That is, will they develop projects that promote clean and sustainable energy sources? Moreover, will their relations with societal stakeholders be as fraught as those of many large mining actors, or will they exhibit different social dynamics?

Peru's construction industry, as we have seen, has attracted some of the biggest Chinese corporations. It is pertinent to question what it is that drives these companies to bid for public works in Peru, which are relatively modest in proportion to the overall scale of their operations. Again, questions arise as to whether their performance will differ from that of other enterprises in an industry historically plagued by corruption—as evidenced by the cases of Lava Jato and the behavior of the so-called Club de la Construcción.⁸ It is also worth asking whether the Peruvian authorities will be capable of preventing the recurrence of such problems.

Another outstanding line of research is a deeper exploration of Chinese enterprises in public bidding processes. The databases presented in this paper identify 201 public works awarded to 25 Chinese companies during the period 2018–2022. However, this figure does not include those tenders in which Chinese companies bid but did not win. Having access to systematized information about these unsuccessful bids would allow us to sketch out a more complete picture. And besides the analysis of the impact of awarded works, it might be worth exploring the areas in which Chinese enterprises are less successful, the geographical distribution of their bids, and the competitors to which they have lost out. A better understanding of the dynamics behind unwon tenders could provide keen insights into public bidding processes—and especially the potential legal, technical, and economic hurdles faced by Chinese enterprises.

There is also a need to study the partnership dynamics of Chinese companies participating in public tenders. Of the 201 public works awarded to Chinese enterprises during the period of analysis, we identified 131 cases in which the winning bidder was a consortium composed of at least one Chinese enterprise. By contrast, there were only 11 consortia involving multiple Chinese companies. These figures suggest that Chinese enterprises prefer to partner with domestic firms rather than establishing alliances with other Chinese businesses. Analyzing the specificities of these partnerships—the other enterprises involved, whether the partnerships are formed for single or multiple projects, the needs they are intended to meet, and whether they increase the prospects of successful bidding—would aid our understanding of the dynamics of Chinese participation in infrastructure projects in Peru.

Finally, we have addressed the extensive participation of Chinese state-owned enterprises in the Peruvian economy. It would be useful to study how the Peruvian authorities regulate these enterprises,

⁸See Proética (n.d.). Lava Jato Case. <https://www.proetica.org.pe/casos-emblematicos/caso-lava-jato/> y Fiscalía de la Nación. (n.d). Caso Club de la Construcción. https://www.mpfm.gob.pe/equipo_especial/caso_uno/

and whether this ownership structure influences their decisions and actions in the Peruvian corporate milieu. Yet it is also important to note that one third of the Chinese enterprises we identified are privately-owned in accordance with the Chinese legal framework. As yet, we have limited knowledge about how this group of private enterprises operate, how they are financed, or what relationship they have with the political authorities in their country of origin.

We at CECHAP reiterate our commitment to contribute knowledge and seek answers to these and other fundamental questions—especially given the increasing importance of relations with China with its diversified presence in Peru. Understanding and analyzing this relationship is key to exploiting the opportunities and addressing the challenges that the Chinese presence poses for Peru's development.

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Appendices

Appendix 1. Estimation methodology for the presence of Chinese enterprises

To analyze the presence of Chinese companies in the Peruvian economy, we constructed a database for the period 1992 to 2022. To this end, we included several categories of enterprise.

As noted by Pérez (2009), for foreign enterprise to expand their operations in another country, they must establish footholds within local society. These footholds can take the legal form of subsidiaries, branches, acquisitions of local companies, or mergers, among others.

Subsidiaries are independent legal entities wholly or partially owned by a parent company. These enterprises have a certain degree of autonomy in decision-making, depending on their structure and the agreement established with the parent company. Branches, on the other hand, are operational extensions of parent companies in different geographical locations. Unlike a subsidiary, a branch is not a separate legal entity but an integral part of the parent company. It operates under the same name and legal structure as the parent company and is subject to its direct control.

Acquisitions are a means by which foreign enterprises gain a foothold in a market by purchasing local companies that are already legally constituted; in the case of mergers, foreign and local enterprises form a new legal entity in which both are included. Through these footholds, foreign enterprises can carry out a variety of range of activities in the country such as trade, participation in public tenders, execution of projects, and so on.

Given these definitions, we carried out a search of 14 different sources to identify the Chinese enterprises operating in Peru—including, as far as possible, these different categories. Using the databases consulted, including those maintained by the Lima Stock Exchange, CAPECHI, Fortune Global 500, LinkedIn, and SUNARP, we carried out an identification procedure based on the following steps: first, we identified in these databases the enterprises whose name includes the word “China”; and, second, we searched the internet for each enterprise identified to confirm that its headquarters are located in China. The sources used, listed in alphabetical order, are presented in Appendix 1.

We systematized the information collected from these sources on a consolidated basis, identifying a total of 208 Chinese companies with a presence in the Peruvian economy as of December 2022. The legal incorporation of these enterprise entails the receipt of a taxpayer identification number (Registro Único de Contribuyentes, RUC). In some cases, the foreign company may be registered using the foreign resident's card of one of its owners or partners. Of the 208 companies identified, 186 have a RUC while 22 operated with a CE.

With regard to those Chinese enterprises in possession of a RUC, SUNAT provides the following information: (i) main economic activity, (i) date of registration, and (iii) taxpayer status. This information is not available for enterprises registered with a CE so the analysis presented in this paper focuses solely on Chinese companies with taxpayer ID.

SUNAT identifies whether an enterprise with RUC is active or has ceased to operate based on the following definitions:

Types of taxpayer status

Active	Status of a taxpayer engaged in activities that generate tax obligations
Temporary suspension	Status of a taxpayer that reported the suspension of its activities generating tax obligations for up to twelve (12) consecutive calendar months
Provisional deregistration	Status of a taxpayer whose request for RUC deregistration is under evaluation
Permanent deregistration	Status of a taxpayer that requested permanent RUC deregistration
<i>Ex officio</i> provisional deregistration	Status of a taxpayer, attributed by SUNAT, that has presumed to have stopped carrying out activities generating tax obligations.

Source: SUNAP

To record trends in the evolution of Chinese enterprises operating in Peru over time, the analysis of RUC-registered enterprises presented in this paper also takes into consideration those that entered the Peruvian market over the period 1992–2022. This analysis took into account the total number of enterprises that have been established in Peru, regardless of whether they are still active today. However, in order to gain a current perspective on the magnitude of Chinese business activity in Peru, we only took into account Chinese enterprises active as of December 2022.

This information is compiled in the Universidad del Pacífico repository in databases entitled “Base de datos de empresas chinas que operan en el Perú con RUC” and “Base de datos de empresas chinas que operan en el Perú directamente con carné de extranjería de la empresa” (Center for Studies on China and Asia-Pacific of the UP, 2023a; 2023b).

Sources used

- **Asociación de Empresas Chinas en el Perú (AECOP):** Identification of association members through website. (AECOP, August 2022)
- **Apoyo y Asociados:** Information about Conelsur SAC, a subsidiary of China Southern Grid, obtained from a report by this credit rating agency. (Support and Partners, 2022)
- **Lima Stock Exchange (BVL):** Consultation of the database of enterprises registered in the BVL and, in turn, identification of registered Chinese enterprises. (BVL, 2019)
- **Peruvian–Chinese Chamber of Commerce (CAPECHI):** Consultation of the list of CAPECHI member enterprises and identification of those of Chinese origin. (Peruvian–Chinese Chamber of Commerce, July 2022)
- **Chinese Federation of Enterprises (CFE):** The CFE publishes ranking of the top 500 companies in the People's Republic of China. The 2021 list enabled identification of major Chinese enterprises operating in Peru. (CFE, 2021)
- **Forbes Fortune Global 500:** a Forbes ranking of the top 500 highest-earning companies in the

world. Identification of Chinese-owned enterprise and, in turn, those that operated in Peru, using the 2022 list. (Forbes, 2022)

- **LinkedIn:** Identification of the list of Chinese-owned enterprises registered on this platform and verified those operating in Peru.
- **Ministry of Energy and Mines (MINEM):** Consultation of the list of companies in the Directory of Mining, and identification of those of Chinese origin. (MINEM, June 2022)
- **Media:** Compilation of a list of Chinese-owned enterprises mentioned in Peruvian news reports during 2023.
- **Ministry of Commerce of China (MOFCOM):** Consultation and inclusion of the ministry's list of Chinese enterprises operating in Peru for 2011, 2014, and 2020—the only years for which data was accessible.
- **Ministry of Transport and Communications (MTC):** Identification of the Chinese enterprises included in the Provías Nacional “Gestión y Rendición de Cuentas” bulletins corresponding to 2018, 2019, and 2020.
- **Peru Top 20,000:** Consultation of the enterprise and economic group rankings database prepared by the Peru Top 20,000 magazine for 2020 and 2021 (as most of this search process was carried out in 2022) and subsequent identification and selection of Chinese-owned enterprises. (Perú Top 20,000, 2020;2021)
- **National Superintendency of Public Registries (SUNARP):** Search of the institution's website to identify Chinese-owned enterprises registered in Peru.

Appendix 2. List of Chinese parent companies by ownership type

ID	Entry	Chinese parent company	Ownership type
1	<u>1992</u>	Shougang group	NSOE
2	<u>1993</u>	China National Petroleum Corporation (CNPC)	NSOE
3	<u>1993</u>	Guangxi LiuGong Machinery Co., Ltd.,	Unknown
4	<u>1995</u>	Aviation Industry Corporation of China (AVIC)	NSOE
5	<u>1996</u>	China Cosco Shipping Corporation Limited	NSOE
6	<u>1997</u>	China Three Gorges Corp	NSOE
7	<u>1999</u>	China Xinxing Group Co Ltd	NSOE
8	<u>1999</u>	State Grid Corporation of China (SGCC)	NSOE
9	<u>2001</u>	Tiens Group	PO
10	<u>2002</u>	ZTE Corporation	NSOE
11	<u>2003</u>	Aluminum Corporation of China (CHINALCO)	NSOE
12	<u>2003</u>	Huawei Technologies Co., Ltd	PO
13	<u>2003</u>	Wan Xin Group	PO
14	<u>2005</u>	Lenovo	PO
15	<u>2005</u>	CEP Logistics Group	Unknown
16	<u>2006</u>	China Fishery Group	PO
17	<u>2007</u>	China Communications Construction Company Ltd. (CCCC)	NSOE
18	<u>2007</u>	Zijin Mining Group	NSOE
19	<u>2007</u>	Hanban	NSOE
20	<u>2007</u>	Delfin Group	PO
21	<u>2007</u>	Tongling Nonferrous	RSOE
22	<u>2007</u>	Xiamen	RSOE
23	<u>2007</u>	Beijing Rich Gold Investment Co.	Unknown
24	<u>2008</u>	China Minmetals Corp	NSOE
25	<u>2008</u>	Sinochem Group Co.	NSOE
26	<u>2008</u>	DT RESOURCE LTD (HONG KONG)	PO
27	<u>2008</u>	Junefield Holdings Ltd	PO
28	<u>2008</u>	Jiangxi Bureau of Geology, Mineral Resources, Exploration and Development	RSOE
29	<u>2008</u>	Jiangxi Copper Corp	RSOE
30	<u>2009</u>	China Development Bank	NSOE
31	<u>2009</u>	Sunda Guangzhou international Trading Co., Ltd	PO
32	<u>2009</u>	Zhongrong Xinda Group	PO
33	<u>2009</u>	Anhui Geology and Mining Investment Ltd	RSOE
34	<u>2009</u>	Jiaqi Steel and Iron Industry Co. Ltd	Unknown
35	<u>2010</u>	China General Technology Group	NSOE
36	<u>2010</u>	China Poly Group	NSOE
37	<u>2010</u>	China Sfeco Group	NSOE
38	<u>2010</u>	Qingdao Associated Textiles Group Import & Export Co Ltd	PO
39	<u>2010</u>	SANY Group	PO
40	<u>2010</u>	Shaanxi Sunriseetech Co., Ltd	PO
41	<u>2010</u>	Yanjian Group	PO

42	2010	Hubei Geological & Mining Exploration Co., Ltd	RSOE
43	2010	China Electro Ceramic Import & Export Co	Unknown
44	2010	Jidi Mining	Unknown
45	2011	Hexing Electrical Co., Ltd	PO
46	2011	Kerui Group	PO
47	2011	Baiyin Nonferrous Group Co., Ltd.	RSOE
48	2011	Hainan Geology Co., Ltd.	RSOE
49	2011	Yuanda Mining Company	Unknown
50	2012	Jiangsu International Economic Technical Cooperation Corporation	NSOE
51	2012	China National Agricultural Development Group Co., Ltd.	NSOE
52	2012	General Institute of Chemical Geological Survey	NSOE
53	2012	Industrial and Commercial Bank of China (ICBC)	NSOE
54	2012	Neusoft Medical SystemsCo., Ltd	PO
55	2012	Guangdong Shunde Shuangsheng Mining Powder Co., Ltd.	Unknown
56	2012	Jiangsu Fantai Mining Development Company	Unknown
57	2013	China Shipbuilding Industry Corporation	NSOE
58	2013	Hytera Communications Corporaion Limited	PO
59	2013	Mindray Medical International Limited	PO
60	2013	Tan Shan Jinshi Drilltech	PO
61	2013	TBEA Co., Ltd	PO
62	2013	YANJIAN GRUP Co., Ltd.	PO
63	2013	Yantai Ousheng negocios internacionales Co., Ltd.	PO
64	2013	Fujian Global Ocean Biotechnology Co.,Ltd	Unknown
65	2013	Zhejiang Xianfeng Machinery Co., Ltd	Unknown
66	2014	CITIC Metal Co. Ltd.	NSOE
67	2014	MMG Limited	NSOE
68	2014	Power Construction Corporation of China (PowerChina)	NSOE
69	2014	Hengtong Group	PO
70	2014	Guoxin International Investment Co. Ltd.	RSOE
71	2014	Taiyuen Heavy Industry Co. Ltd	RSOE
72	2015	China Railway Group Limited (CREC)	NSOE
73	2015	Shandong Energy Group	NSOE
74	2015	TP-Link Technologies CO. LTD	PO
75	2015	Zhejiang Dahua Investment Management Co., Ltd.	PO
76	2015	Changjiang Institute of Survey, Planning, Design and Research (CISPDR)	RSOE
77	2015	Yantai Jereh Oilfield Services Group Co.,Ltd.	Unknown
78	2015	Yantai Moon Group Co., Ltd.	Unknown
79	2016	China Metallurgical Group Co. Ltd.	NSOE
80	2016	Gungzhou Ulix Industrial & Trading Co	PO
81	2016	HNA Group	PO
82	2016	Ingram Micro Inc	PO
83	2016	Shanghai Yikuang E-Commerce Co., Ltd	PO
84	2017	China Energy Engineering Group Co., Ltd.	NSOE
85	2017	Dongfeng Motor Corporation (DFM)	NSOE
86	2017	Vpower	PO
87	2017	Grand Tai International Co. Ltd	Unknown

88	<u>2018</u>	China Electronics Corporation	NSOE
89	<u>2018</u>	China Electronics Technology Group Corporation	NSOE
90	<u>2018</u>	China National Machinery Industry Corporation (SINOMACH)	NSOE
91	<u>2018</u>	China Railway Construction Corporation (CRCC)	NSOE
92	<u>2018</u>	China Rainbow International Investment Co., Ltd. (CRIIC)	NSOE
93	<u>2018</u>	China Southern Power Grid	NSOE
94	<u>2018</u>	CITIC Limited	NSOE
95	<u>2018</u>	Fosun International	PO
96	<u>2018</u>	Zhong Hong International Engineering Co. Ltd.	PO
97	<u>2018</u>	Weihai Construction Group Company Limited	RSOE
98	<u>2018</u>	CMEC Engineering Machinery Import & Export Co., Ltd	Unknown
99	<u>2019</u>	Bank of China	NSOE
100	<u>2019</u>	Yangtze Optical Fiber and Cable Company Ltd. (YOFC)	NSOE
101	<u>2019</u>	Cyber Credit Natural Resources Group Limited	PO
102	<u>2019</u>	Anhui Shuian Construction Group Co., Ltd. (ASCG)	RSOE
103	<u>2019</u>	Shenzen Glory Medical Co., Ltd.	RSOE
104	<u>2019</u>	Shanghai Ruiyang Marine technologies Co., Ltd.	Unknown
105	<u>2019</u>	Zhejiang First Hydro & Power Construction Group Co. Ltd.	Unknown
106	<u>2020</u>	China State Construction Engineering Corporation	NSOE
107	<u>2020</u>	FiberHome Telecommunication Technologies Co., Ltd.	PO
108	<u>2020</u>	Xiaojia Kuaizhi Inc. (Didi Chuxing Technology)	PO
109	<u>2021</u>	Shandong Hi-Speed Group Corporation	RSOE
110	<u>2021</u>	Guangzhou Sonlink Industry Co., Ltd.	Unknown
111	<u>2022</u>	Zoomlion Heavy Industry Science & Technology Co., Ltd.	PO
112	<u>2022</u>	Jinjiang Tengda Ceramics Co., Ltd-	Unknown

Appendix 3. Sources used and estimation methodology for Chinese investment

According to the Organisation for Economic Co-operation and Development (OCDE, 2011), foreign direct investment (FDI) is the means by which a direct investor establishes a lasting economic interest in an enterprise domiciled in an economy other than their own. “Lasting interest” refers to a long-term relationship between the investor and the recipient enterprise, as well as a significant level of influence on the enterprise's management.⁹

Direct investment includes an initial capital contribution that meets the threshold of at least 10% of the enterprise's equity and all subsequent financial transactions between the investor and the enterprise. These transactions are not limited to investment in shares and other equity; they also include reinvested earnings and intercompany debt (net loans between the subsidiary and the parent company) (OECD, 2011). Within this definition, FDI includes several modalities such as mergers and acquisitions as well as greenfield investments, which are entirely new operations created in a foreign country.

The various sources used for the preparation of a consolidated database of Chinese direct investment in Peru are outlined in Appendix 2. The information gathered from all these sources includes that pertaining to 53 direct investment operations in Peru. These investments have been classified by economic activity as follows: (i) Mining, (ii) Oil and Gas, (iii) Fishing, (iv) Infrastructure–Electricity Generation, (v) Electricity Distribution, (vi) Infrastructure–Port, and (vii) Finance and Insurance.

The database includes, as applicable, investments made as well as investments announced. For the purposes of this paper the analysis covers only the investments made; we excluded the announced investments for which we found no evidence of realization. Moreover, in some cases, the figures presented take into account profit reinvestment but do not include net loans from the parent company.

This information is compiled in the Universidad del Pacífico repository under the title “Base de datos de inversión directa china en el Perú por sectores, a agosto 2023” (Centro de Estudios sobre China y Asia-Pacífico de la UP, 2023c).

Sources used

- Central Reserve Bank of Peru (BCRP): The BCRP study notes allowed identification of the acquisitions made by China Fishery Group (CFG) in 2007.
- Lima Stock Exchange: Aviso de oferta pública de adquisición previa (OPA) de acciones comunes representativas del capital social de La Positiva Seguros y Reaseguros S.A.As y Reaseguros S.A.A
- Class & Asociados S.A – Informe de fundamentos de clasificación de riesgo: Specifies the value and the year of the Luz del Sur takeover bid.
- CNPC – official website: Information on the lots conceded to China National Petroleum Corporation in Peru.
- *El Cronista* newspaper: Information on the sale of part of Pluspetrol Norte's capital to the Chinese state-owned holding company China National Petroleum Corporation.
- *El Comercio* newspaper: Information on the purchase by China National Petroleum

⁹ Enterprises that make direct investments are enterprises that may have subsidiaries, when they hold more than 50% of the voting power, or partners, when they hold between 10% and 50% of the voting power. They can also be quasi-corporations, as is the case with branches, which are 100% owned by their respective parent companies (OECD, 2011).

Corporation of the assets of the Brazilian oil company Petrobras in Peru.

- *El Peruano* official gazette – Publication of official Ministry of Transport and Communications ministerial resolution N.º 353-2025-MTC/01.02: Information on the value of Chinese investment in the Port of Chancay.
- *El Peruano* official gazette – Publication of the Resolución del Acuerdo de Directorio de la Autoridad Portuaria Nacional (APN): Information on the value of the investment made by Shougang Hierro Perú S.A.A. in the Port Terminal of San Nicolás (new San Nicolás Terminal).
- *Gestión* newspaper: Information obtained from the April 25, 2019 edition on the value of the sale of the Chaglla Hydroelectric Plant to China Three Gorges.
- Enel – official website: Information on the acquisition of Enel Peru's shares in Enel Distribución Peru and Enel X Peru.
- Annual Report of China Three Georges, 2019: Information on the value of the enterprise's purchase of Luz del Sur stocks.
- Annual Report of La Positiva Seguros: Information on the reinvestments made after the acquisition of the enterprise by Fosun International.
- Ministry of Energy and Mines: Information corresponding to mining investments, by owner, between 1996 and 2023, obtained through Public Transparency Portal.
- Ministry of Energy and Mines – Cartera de Proyectos de Construcción de Mina 2021
- Moody's – Informe de Clasificación: Information on the equity of Bank of China (Peru) S.A. and ICBC Perú Bank S.A. as at 2022.
- PROINVERSIÓN: Information on the value of the investment to build the San Gaban III Hydroelectric Plant, obtained from the investment contract between Hydro Global Perú S.A.C. and PROINVERSIÓN.
- Río Blanco Copper – official website: Information on the Río Blanco project in Peru.
- Superintendency of the Securities Market: Prospecto Informativo sobre la OPA de Acciones Comunes Representativas del Capital Social de la Empresa La Positiva Seguros y Reaseguros
- International Labor Organization (OIT, 2018): Information on the value of the acquisitions made by China Fishery Group.

Appendix 4. Estimation methodology Provision of public services

To develop a consolidated database of infrastructure projects awarded to Chinese enterprises, we identified the enterprises whose main activity registered with SUNAT is construction (Section F) and/or professional, scientific, and technical activities (ISIC Section M). In this way, we were able to ensure the inclusion of construction services as well as maintenance, supervision, and studies corresponding to infrastructure works. After reviewing these ISIC sections, we identified a total of 47 Chinese enterprises.

Subsequently, we sought information on the contracts that these enterprises have obtained through public tenders. This search was conducted on a company-by-company basis using the following public search engines: (i) Buscador de Proveedores del Estado and (ii) Buscador del Sistema Electrónico de Contrataciones del Estado (SEACE). As a result, we identified 201 projects awarded in public tenders to 24 Chinese companies between 2018 and 2022.

The base year in the database is 2018, since no tenders were won by Chinese enterprises prior to that year. (Foreign enterprises were not legally permitted to bid for public tenders prior to 2016.)

We also included the following project information based on the provisions of the award contracts: investment value (in soles and dollars), whether the project was carried out as part of a consortium with other companies, the public awarding entity, the project description, and the project purpose. In addition, we ascertained the parent company corresponding to each of the 24 Chinese enterprises that won public tenders in Peru.

With this available information, we systematized the public tenders won by Chinese enterprises by type of project. This systematization was based on four spheres: (i) connectivity infrastructure, covering all road projects, local roads, airports, bridges, and telecommunications; (ii) social infrastructure, covering projects such as hospitals, schools, and others; (iii) electricity generation infrastructure, covering energy-related projects such as rural electrification; (iv) and other infrastructure, which spans a range projects from public buildings to irrigation projects.

This information is compiled in the Universidad del Pacífico repository, in a database entitled “Base de datos de proyectos públicos en infraestructura adjudicados a empresas chinas en el Perú, 2018-2022” (Centro de Estudios sobre China y Asia-Pacífico de la Universidad del Pacífico, 2023d).

Appendix 5. Value of projects awarded by parent company and branch, 2018–2022 (USD million)

		Amount (Millions of USD)	
Parent company	Chinese enterprise	BY BRANCH	BY PARENT COMPANY
China Railway Construction Corporation (CREC)	China Railway N° 10 Engineering Group Co., Peru Branch.	889	2,126
	China Railway Tunnel Group Co., Peru Branch.	510	
	China Tiesiju Civil Engineering Group Co. Ltd., Peru Branch.	136	
	China Railway Eryuan Engineering Group Co. Ltd., Branch co Ltd.	91	
	China Railway International Group, Peru Branch.	75	
	China Railway First Survey & Design Institute Group Co. Ltd., Peru Branch.	48	
	China Railway 20 Bureau Group Corporation, Peru Branch.	377	
Power Construction Corporation of China (Powerchina)	Sinohydro Corporation Limited, Peru Branch.	1,441	1,641
	Sinohydro Bureau 8 Co., Branch co Ltd.	173	
China Civil Engineering Construction Corporation (CCECC)	China Civil Engineering Construction Corporation, Peru Branch.	642	642
China Energy Engineering Group Co	China Gezhouba Group Company Limited, Peru Branch.	550	550
China National Machinery Industry Corporation (SINOMACH)	China Machinery Engineering Corporation, Branch engineering Corporation.	391	486
	China Camc Engineering Co., Peru Branch.	58	
	Sumec Complete Equipment & Engineering Co. Ltd., Peru Branch.	38	
Yangtze Optical Fibre and Cable Joint Stock Limited Company (YOFC)	YOFC Network Consortium, YOFC Network Branch.	427	427
Weihai Construction Group Company Limited	Weihai Construction Group Company Limited., Branch company Limited.	401	401
China Communications Construction Company Ltd	China Road And Bridge Corporation, Peru Branch.	205	321
	China Harbour Engineering, Company Limited Branch.	68	

	CCCC Del Peru Sac., Peru Branch.	48	
China Three Gorges Corp. (CTG)	China International Water & Electric Corp (Peru), Peru Branch.	102	102
China State Construction Engineering Corporation (CSCEC)	China Construction Third Engineering Bureau Co., Branch co Ltd.	48	48
Changjiang Institute of Survey, Planning, Design and Research (CISPDR)	Changjiang Institute of Survey, Planning, Peru Branch.	26	26
Shenzhen Glory Medical	Glory Medical Co. Ltda., Peru Branch.	24	24
China Minmetals Corporation	Las Bambas S.A., Peru Branch.	12	12