

Peru Investment Grade: Finally!

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Peru's new investment grade rating could spark the social-economic transformation of the country.

BY WALTER T. MOLANO

S&P's decision to upgrade Peru marked a brave moment for the credit rating industry. It's not so much that Peru did not deserve an investment grade rating. Peru has some of the best macroeconomic indicators in Latin America. It was that the rating agencies were afraid of moving it into the vaunted position prior to the elections. The high probability that Ollanta Humala, a close ally of Venezuelan President Hugo Chavez, will win the presidential elections in 2011 poses a risk that the next administration will radically undermine Peru's macroeconomic policies. Hence, the rating agencies would lose credibility by having to downgrade it again. However, the decision to upgrade Peru may actually spark such a profound economic change that it will propel Peruvian society in a whole new political direction.

Read the entire article from the Latin Business Chronicle:

<http://www.latinbusinesschronicle.com/app/article.aspx?id=2596>