

INNOVATION



ADOPTER

Peru

Searching for an entrepreneurial foothold

Despite a push by the government to promote business development and shift the country’s economy away from a dependence on mining, Peru’s new business entry rate is fewer than three new ventures per 1,000 people — a stark contrast to the rate of neighboring Chile. However, a partnership between the capital city of Lima and the MIT Regional Entrepreneurship Acceleration program aims to turn that around with a two-year incubator program.

Despite Peru’s disappointing percentage of highly-skilled workers, the country nevertheless keeps pace with much larger international players in the proportion of degrees awarded in STEM programs.

The country performed well in Tax Friendliness, earning a ‘B+’ for a tax rate, on the lower end of those imposed by other countries.

A laissez-faire approach to emerging tech boosted the country’s grades, allowing short-term rentals and ridesharing to operate freely. Peru earned a slightly lower grade (“B”) in Drones for rules that require users who want to fly drones over two kilograms to register with the Ministry of Transport and Communications.

Sources: (TechCrunch) (Inter-Cep) (Gestión)

WHAT DID WE DO RIGHT?

Peru allows ridesharing and short-term rental services to operate free of burdensome federal rules.

WHAT CAN WE DO BETTER NEXT YEAR?

The country can support the testing and development of self-driving vehicles.

Diversity	B
Freedom	C+
Broadband	C+
Human Capital	D+
Tax Friendliness	B+
R&D Investment	F
Entrepreneurial Activity	C-
Drones	C
Ridesharing	A
Short-Term Rentals	A
Self-Driving Vehicles	F
Environment	D+



Tax Friendliness

Peru’s 29.5 percent corporate tax rate is higher than several other Scorecard countries, but the country does not tax streaming services, earning a “B+” in Tax Friendliness.



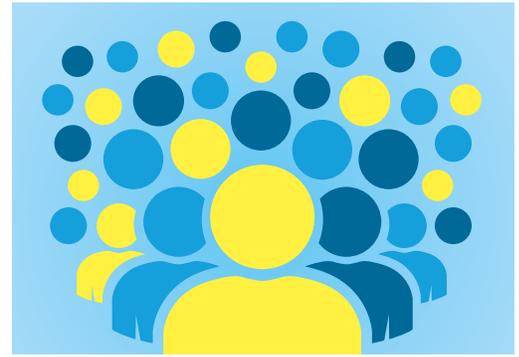
Ridesharing

Allowed throughout Peru and particularly popular in Lima, where companies compete for riders. South American app Easy Taxi makes as many as 50,000 trips a day in the city.



Short-Term Rentals

Can function without intervention or limitations by the Peruvian government.



Diversity

Despite its small percentage of immigrants, Peru has great ethnic diversity and gender parity in the workplace, on par with that of several highly-ranked countries.

LIMA

As part of an effort to move Peru’s economy away from its dependence on mining, the Peruvian government’s Ministry of Production has plans to dramatically increase investment in innovation over the next 10 years.

The move, which would put the nation on par with other regional players, is among other government efforts to back local ingenuity. In 2014 the Ministry of Innovation launched Innovate Peru to bolster companies and entrepreneurs and foster collaboration throughout the Peruvian innovation ecosystem.

Peru’s capital city is making its own moves to promote innovation. Lima has partnered with the MIT Regional Entrepreneurship Acceleration program, a two-year program designed to buttress the entrepreneurial ecosystem to the benefit of local ventures. Lima is in the program’s most recent cohort, which also includes Madrid, Spain and Lagos, Nigeria, among other cities worldwide.

The capital city is also home to the Universidad de Ingeniería y Tecnología, an engineering and technology school that houses its own entrepreneurship department, UTEC Ventures. Since it was launched in 2014, the program has played accelerator, incubator and investing network for a host of up-and-coming start-ups.

Sources: (TechCrunch) (UTEC Ventures) (Sociable) (Andina) (Inter-Cep)



Lima and the MIT Regional Entrepreneurship Acceleration program entered into a partnership designed to analyze and improve the Peruvian capital’s entrepreneurial ecosystem. Similar homegrown efforts like UTEC Ventures from the Universidad de Ingeniería y Tecnología have supported startups in Lima with accelerator and incubator programs.