

Latam Daily: Peru Political and Budget Developments

- **Peru: Presidential impeachment attempt unlikely to succeed; meanwhile, 2022 budget passes with strong support**

PERU: PRESIDENTIAL IMPEACHMENT ATTEMPT UNLIKELY TO SUCCEED; MEANWHILE, 2022 BUDGET PASSES WITH STRONG SUPPORT

I. Motion to impeach President Castillo introduced into Congress, but is not likely to prosper

A motion to impeach President Castillo was introduced at the Congressional reception desk on November 25. For the impeachment to enter into debate would require 52 votes, and for an impeachment to be successful would need 87 votes. The three parties that are backing the motion, Fuerza Popular (24 votes), Avanza País and Renovación Popular, can tally 43 to 45 votes. Some members of Congress from the radical wing of the Peru Libre party have stated an intention to back the motion. If this wing does so fully, votes could reach to as many as 61 votes. This would not be enough to impeach President Castillo, but it would be enough to begin the proceedings and debate, which would include President Castillo being grilled by Congress, which may be the real objective of the motion. The vote for the debate to begin is not likely to take place before the second week of December.

II. Congress approves the 2022 fiscal budget at the proposed USD 50 bn

Congress approved the 2022 fiscal budget. The USD 50 bn budget received 116 votes in favor and only two against. This represents a 7% increase in the budget over 2021. Congress introduced moderate spending initiatives, which Finance Minister Francke said could be accommodated without raising the original budget targets. The government continues to forecast a 3.7% of GDP deficit for 2022, and a return to a 1% of GDP fiscal rule by 2025.

—Guillermo Arbe

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