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Peru's Ex-President Toledo Opens Lead in Election Polls as Economy Expands

By John Quigley - Jan 17, 2011

[Peru](#)'s former President Alejandro Toledo is leading in polls ahead of the April 10 presidential election as candidates pledge to maintain economic policies to spur private investment.

Toledo, who was president of the Andean country from 2001 to 2006, had 27 percent support in an Ipsos Apoyo survey published in [El Comercio](#) newspaper yesterday. That's up from 23 percent last month and 16 percent in October. Toledo, 64, also led in surveys published last week by CPI and Datum Internacional.

Peru's next president faces the task of sustaining the country's economic expansion. Peru's economy is [South America](#)'s second fastest-growing after [Argentina](#)'s over the last five years, according to the World Bank.

The vote isn't likely to have a "significant" impact on the currency, unlike in previous elections that were marked by uncertainty about whether business-friendly policies would remain in place, Scotiabank said in a report last week.

"Peru is undergoing a significant economic transformation," said Julio Carrion, a Peruvian-born [professor of politics](#) at the University of [Delaware](#) in [Newark](#). "A lot of people are willing to give Toledo a second chance to try to implement social programs without affecting the fundamentals of the economic model."

The country's gross domestic product almost tripled to \$153 billion from 2005 to 2010, the government said in a Jan. 10 report. Current President [Alan Garcia](#) took office in 2006.

Private Investment

Surging private investment helped create 2 million jobs since 2005, boost per capita GDP 82 percent to \$5,200 and reduce the [poverty rate](#) to almost 30 percent from 49 percent, the report said.

Rising tax revenue as a result of surging Chinese demand for Peru's copper, gold, zinc and silver exports allowed the government to almost double spending since 2005.

Peru's sol has strengthened 17 percent against the dollar since 2005, and the Lima General Index has

gained almost six- fold.

Scotiabank Peru, the country's third-largest lender, has projected a 4.5 percent gain in the sol this year and economic growth of 7 percent. The nation won its first-ever investment- grade rating in 2008 and may receive an upgrade once the elections have passed, Scotiabank said.

The three leading candidates have pledged to continue existing economic policies to spur growth, reduce poverty and create jobs.

Former President's Daughter

According to the Ipsos Apoyo survey, support for Keiko Fujimori, a Peruvian congresswoman and daughter of jailed former President [Alberto Fujimori](#), rose 2 percentage points to 22 percent, while backing for former Lima Mayor Luis Castaneda fell to 19 percent, down 4 percentage points from last month.

Opposition politician Ollanta Humala has 10 percent support. Former finance minister Pedro Pablo Kuczynski had 5 percent and Mercedes Araoz, candidate for the ruling Apra party, had 4 percent.

Araoz, also a former finance minister, announced last night that she was quitting the race.

The poll of 1,794 people in 17 Peruvian cities from Jan. 12 to 14 had a margin of error of 2.3 percentage points for Lima and 4.3 percentage points overall.

"Economic growth has increased the consensus about the economic model and reduced the weight the economy always has in the vote," said Alfredo Torres, head of Lima-based Ipsos Apoyo, in an e-mail. "Now there are other topics on the agenda like corruption, crime, and infrastructure projects."

Energy Investments

Toledo helped secure investments in infrastructure and energy, including Hunt Oil Co.'s \$4 billion liquefied-natural- gas plant, and initiated talks for a free-trade agreement with the U.S. that took effect in 2009. He worked for the [World Bank](#), the [Inter-American Development Bank](#) and the [United Nations](#). Toledo left Peru in 2006 to lecture at the Stanford University School of Education in [California](#).

Fujimori, 35, was elected to Congress in 2006 with more votes than any other candidate. She became Peru's first lady in 1994 following her parents' divorce and served until 2000 when her father's government collapsed. A mother of two, Fujimori has an MBA from [Columbia University](#) in [New York](#).

Her father, the son of Japanese immigrants, eliminated price controls, floated the currency and sold off hundreds of unprofitable state companies while president from 1990 to 2000. He was sentenced to 25 years in jail in 2009 for human rights violations committed by government-linked death squads and is

still serving his sentence.

Mayor of [Lima](#)

Castaneda, 65, was Lima's mayor from 2002 to 2010, during which he oversaw the construction of sewage treatment plants, parks and a public bus system for the city of more than 8 million people. He was a presidential candidate in the 2000 and 2001 elections before running for mayor of the capital, where his support is strongest.

Castaneda's second term was tainted by corruption allegations which his successor Susana Villaran has pledged to investigate.

Humala, 48, lost the presidency to Garcia by 5 percentage points in 2006's run-off vote. Humala says he would increase government intervention in the economy, giving the state ownership over natural resources and ports. He has promised to maintain fiscal discipline if elected and backs the independence of the central bank. His support is strongest among the poor in the southern Andean highlands.

"Peru is a different country," Carrion said. "There is very little appetite for change in the economic model among voters."

Garcia's approval rating slid 2 percentage points from December to 30 percent, according to the Ipsos Apoyo poll. His five-year term ends in July. Peruvian law bars presidents from serving two consecutive terms.

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