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Latam Daily: Peru Auto Strength Continues

- Peru: August auto sales accelerate, new vehicles reach their second-best month of the year; 2025 Outlook and market performance as of August 2025

PERU: AUGUST AUTO SALES ACCELERATE, NEW VEHICLES REACH THEIR SECOND-BEST MONTH OF THE YEAR

According to the Automotive Association of Peru (Asociación Automotriz del Perú – AAP), new vehicle sales reached 18,214 units in August, making it the second-highest monthly figure so far in 2025 (chart 1). This result exceeded the year's monthly average and slightly outperformed our expectations. While we continue to project a 15% growth in vehicle sales for the full year, our forecast now carries an upward bias following the approval of the latest pension fund withdrawal on September 20th, a measure that could further boost demand, particularly for light vehicles.

This strong performance is underpinned by several favourable economic conditions. Real household income has improved, supported by rising formal private employment and easing inflationary pressures. Additionally, the appreciation of the sol against the US dollar has made vehicle purchases more attractive, as prices—denominated in dollars—have become more affordable in local currency. Greater model availability and more favourable credit conditions have also contributed to the sector's momentum.

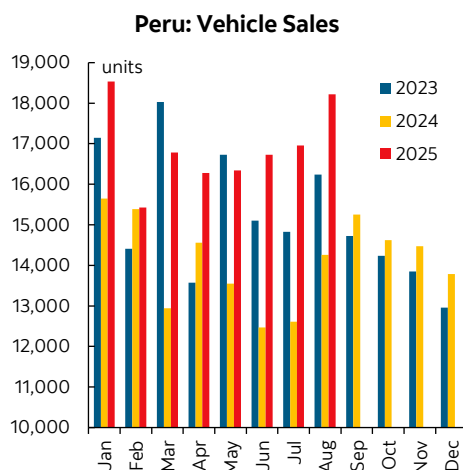
In the heavy-duty segment, sales were driven by increased demand from companies in the mining and construction sectors, followed by strong interest in buses from personnel transport operators.

2025 OUTLOOK

Looking ahead, we maintain our optimistic outlook for year-end vehicle sales to reach approximately 195,000 units (chart 2)—including both light and heavy-duty vehicles. If realized, this would mark a historic high for the Peruvian automotive market. The recent pension fund withdrawal adds further upside potential, as these funds may be used as down payments for vehicle purchases, especially in the final months of the year.

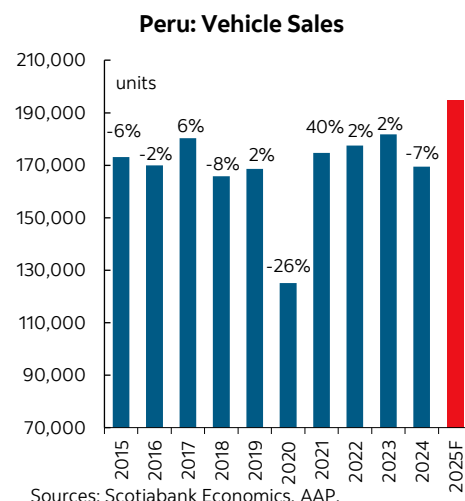
Although we had previously anticipated a moderate slowdown in Q4-25 due to a base effect (positive y/y comparisons since September 2024), current conditions suggest that this deceleration may be less pronounced. Overall, the sector is well-positioned to close the year on a strong note (chart 3), supported by solid fundamentals and renewed consumer confidence.

Chart 1



Sources: Scotiabank Economics, AAP.

Chart 2



Sources: Scotiabank Economics, AAP.

Our year-end projection for 2025 is supported by a solid foundation of favourable economic indicators. The continued improvement in formal private employment is a key driver of light vehicle demand, while the recent appreciation of the sol against the dollar has made imported vehicles more affordable for Peruvian consumers.

Business confidence is also on the rise, fueled by expectations of stronger private investment, an important factor influencing the purchase of heavy-duty vehicles. Additional tailwinds include relative price stability, which enhances real household income; a favourable sol-dollar exchange rate that lowers the average cost of imported vehicles (as all units are imported); improved financing conditions with lower interest rates; and a broader range of available models, particularly in the light SUV segment.

Looking ahead, the anticipated release of pension funds in the coming months could further stimulate demand, providing liquidity for down payments on vehicle purchases at the end of this year and into early 2026.

Nonetheless, some risks remain. These include the potential impact of the upcoming 2026 presidential election, which could affect consumer sentiment, and uncertainties in the global trade environment, particularly changes in tariff policies that may disrupt supply chains. Even so, the sector appears well-positioned to maintain its growth trajectory, supported by strong fundamentals and resilient demand.

MARKET PERFORMANCE AS OF AUGUST 2025

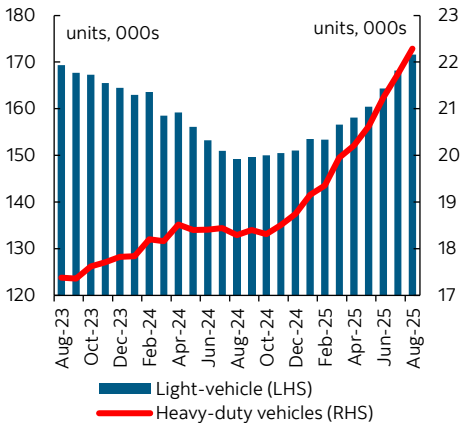
Between January and August 2025, new car sales in Peru totaled 135,243 units—an impressive 21% increase compared to the same period in 2024, according to AAP. By category, light vehicle sales reached 119,874 units, also growing by 21%. Within this segment, SUV sales rose by 27%, reflecting strong consumer preference for spacious, high-capacity vehicles, while pick-up truck sales surged by 30%, driven by demand from companies operating in remote areas, particularly in the mining and construction sectors.

Heavy-duty vehicle sales also posted solid gains, growing nearly 30% in August alone. Within this category, truck sales stood out—August marked the third-highest month for truck sales in 2025—alongside strong performance in bus sales. Notably, except July, August recorded the highest monthly sales for heavy vehicles since October 2013.

From January to August, truck demand increased by 29%, largely due to operational needs in the mining, manufacturing, and construction sectors, in line with the recovery in private investment. Bus sales rose by 36%, supported by higher orders from personnel transport and interprovincial transport companies, although growth in this segment has moderated slightly compared to previous months.

—Carlos Asmat

Chart 3
Peru: Vehicle Sales, Last 12 Months



Sources: Scotiabank Economics, AAP.

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