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## Latam Daily: Strong Peruvian Cement Sales Reflect Economic Momentum

- **Peru: Solid cement sales performance in 2025**

Cement sales reached 12.7 million metric tons in 2025, marking the highest volume in the past three years and the second-highest level in history, surpassed only by the record of 13.5 million tons in 2022. In 2025, cement demand expanded by 7% year over year, representing the strongest growth rate since 2021 (+37.8%), a year characterized by a sharp post-pandemic rebound.

This performance highlights broad-based and resilient demand, supported by both the dynamism of self-construction and the steady progress of public and private investment projects. Stronger cement consumption reflected several favourable factors: i) more robust formal labour market and moderating inflation, coupled with stable construction material prices—the average cement price declined 0.1% in 2025 vs. 2024, according to INEI—encouraging households to allocate a higher share of income to self-construction, which accounts for roughly 70% of total cement demand, ii) additional liquidity stemming from the availability of CTS withdrawals (May and November), facilitating home improvements and expansions, iii) greater activity in the formal real-estate market, driven by higher new-home sales nationwide—particularly in Lima, and, iv) ongoing progress in private investments and concession-based infrastructure projects, reinforcing demand from the infrastructure segment.

### Outlook for 2026

We expect cement demand to grow around 4% in 2026. Our projection assumes that the core drivers that supported activity in 2025 will remain in place for most of the year. Additional positive forces include: i) higher household liquidity linked to the recent pension fund withdrawals, part of which is likely to be directed toward self-construction, ii) continuity of private-sector projects, supported by a business sentiment that remains in the optimistic zone and a relatively contained level of electoral uncertainty, iii) continued improvement in purchasing power amid easing inflationary pressures, enabling households to channel more income into home upgrades and expansions, and iv) sustained momentum in the formal real-estate sector, which continues to benefit from lower mortgage rates compared with recent years.

Although growth could temporarily moderate in 2Q26 due to the general elections, any slowdown is expected to be milder than in previous electoral cycles, given the resilience of consumer confidence in recent months.

Chart 1

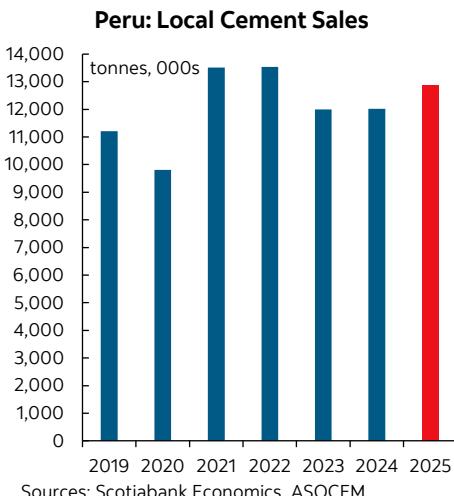
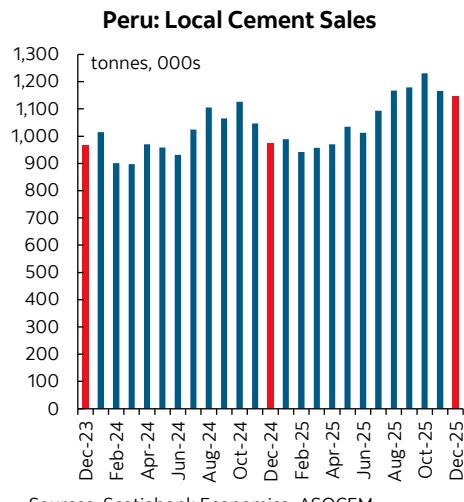


Chart 2



**December 2025 Performance**

Local cement sales posted a robust 17.7% YoY increase in December, totaling nearly 1.15 million metric tons, surpassing initial expectations. This was the highest monthly growth rate of 2025 and the strongest since July 2021, when demand was recovering from the pandemic. The market showed strong momentum, driven by i) increased self-construction activity, supported by improved formal employment (+3.7% YoY in November, BCR), ii) lower inflation (+1.5% in 2025, the lowest in eight years), stable cement prices—down nearly 1% YoY in December 2025, and iv) stronger private-sector infrastructure works and solid public-investment execution by subnational governments.

—Carlos Asmat

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