Scotiabank

GLOBAL ECONOMICS

LATAM DAILY

January 27, 2026

Contributors

Juan Manuel Herrera, Senior Economist
+52.55.2299.6675 (Mexico)
juanmanuel.herrera@scotiabank.com

Guillermo Arbe, Head Economist, Peru
+51.1.211.6052 (Peru)
guillermo.arbe@scotiabank.com.pe

Jorge Selaive, Head Economist, Chile
+56.2.2619.5435 (Chile)
jorge.selaive@scotiabank.cl

Eduardo Suárez, VP, Latin America Economics
+52.55.9179.5174 (Mexico)
esuarezm@scotiabank.com.mx

TODAY'S CONTRIBUTORS:

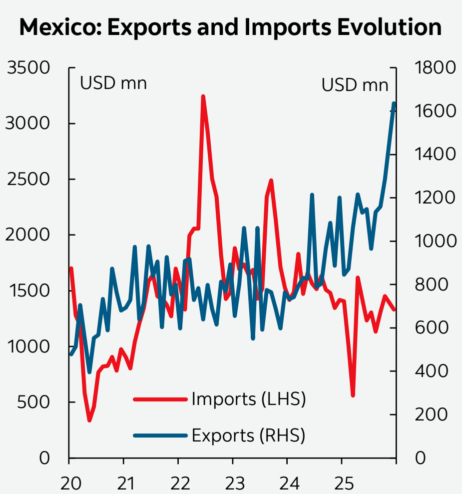
Rodolfo Mitchell, Director of Economic and Sectoral Analysis
+52.55.3977.4556 (Mexico)
mitchell.cervera@scotiabank.com.mx

Miguel Saldaña, Economist
+52.55.5123.1718 (Mexico)
msaldanab@scotiabank.com.mx

Martha Cordova, Economic Research Specialist
+52.55.5435.4824 (Mexico)
martha.cordovamendez@scotiabank.com.mx

Pablo Nano, Deputy Head Economist
pablo.nano@scotiabank.com.pe

Chart 1



Sources: Scotiabank Economics, INEGI.

Latam Daily: Mexico's December Trade Balance Surplus; Peru Reaches Fiscal Deficit Target

- **Mexico: Trade balance posts a USD 2.43 billion surplus in December**
- **Peru: After two years of non-compliance Peru meets fiscal deficit target**

MEXICO: TRADE BALANCE POSTS A USD 2.43 BILLION SURPLUS IN DECEMBER

In December, the trade balance posted a surplus of 2.429 billion dollars, with significant annual increases in both exports and imports. In particular, exports accelerated from 7.9% to 17.2% year-over-year during December, driven by a strong rebound in manufacturing, although showing stagnation in automotive exports (0.8%) and continued sharp deterioration in oil exports (-33%). On the other hand, imports also rebounded, rising to 16.7% from 5.2% previously, led by consumer goods imports (25.3%), followed by intermediate goods (17.3%), while capital goods again recorded a decline (-0.6%). As a result, cumulative annual exports rose 7.6%, while imports increased by only 4.4%. Looking ahead, we believe that 2026 could begin with lower levels of trade, affected by international uncertainty and the imposition of tariffs in both Mexico and the United States.

—Rodolfo Mitchell, Miguel Saldaña & Martha Cordova

PERU: AFTER TWO YEARS OF NON-COMPLIANCE PERU MEETS FISCAL DEFICIT TARGET

The fiscal deficit reached an amount equivalent to 2.2% of GDP at the close of 2025, according to figures from the Central Reserve Bank (BCR). This figure not only shows a significant improvement compared to the 3.4% of GDP deficit recorded in 2024, but also that the government has met the official target for the first time since 2022.

The fiscal deficit target for 2026 is even more demanding (1.8% of GDP), in line with the objective of achieving the medium-term fiscal rule (1.0% of GDP from 2028 onward). Our projection is a fiscal deficit of 2.0% of GDP, lower than the 2.2% of 2025, but still above the official target. However, there are factors that could boost tax revenues above projections, such as consistently high prices for metals like copper and gold, and domestic demand growing faster than usual in an election year. Furthermore, the growth in public spending could moderate if the learning curve for the new national government authorities is relatively slow—the new government takes office at the end of July. If these assumptions hold true, and assuming no new capital injections into Petroperú, it is possible that the fiscal deficit target will be met again.

Evolution in 2025.

The reduction in the fiscal deficit was due to increased tax revenues and, to a lesser extent, to the slowdown in public spending.

Tax revenues totaled S/ 179.7 billion (+12.4%) in 2025, driven by higher collections from Income Tax, taxes linked to domestic demand—such as Value Added Tax (VAT)—and extraordinary income from the collection of tax debts from previous years.

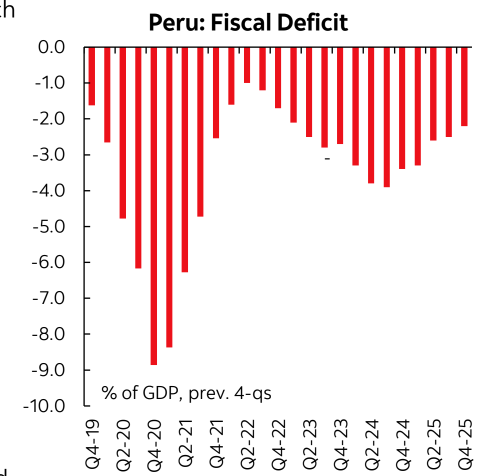
Income Tax revenues (+20.2%) were boosted by higher collections from mining companies due to increased profits resulting from high mineral prices, particularly copper and gold. To a lesser extent, higher advance payments from companies in the financial services, transportation, and food and beverage industries also contributed.

Revenues from domestic VAT (+8.1%) benefited from the dynamism of domestic demand—which we estimated had closed 2025 with growth of around 5%—reflected particularly in higher tax payments from the commerce and services sectors. Additionally, since January 2025, the application of the General Sales Tax (VAT) to digital services—such as streaming—has been recorded, with a collection of S/ 678 million during 2025.

On the other hand, non-financial spending by the general government reached S/ 241.6 billions (+5.1%) during 2025. This positive trend was supported by both increased current spending and public investment.

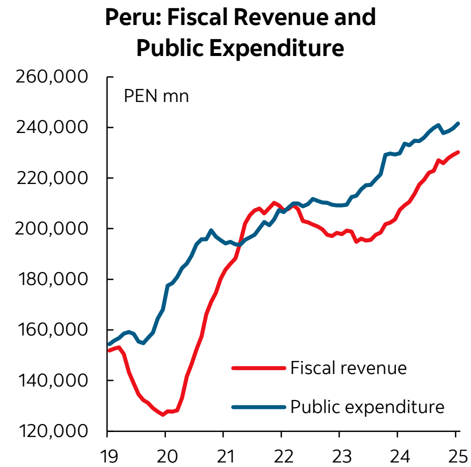
Current spending (+6.8%) increased due to higher salaries, especially for workers under the various labour regimes in the public sector, as well as in the education, health, defense, and interior sectors. It also highlighted the increased acquisition of goods and services, particularly higher payments to workers hired under the Administrative Services Contract (CAS) and service provision regimes at all three levels of government. Furthermore, there was a greater increase in the acquisition of cleaning, security, and surveillance services.

Chart 2



Sources: Scotiabank Economics, BCRP.

Chart 3



Sources: Scotiabank Economics, BCRP.

Public investment (+7.8%) reached a record S/ 59.1 billions, highlighting the execution of local governments (+17.4%), particularly in sectors such as transport, sanitation, health and public order, unlike the national government (+0.6%), which moderated its pace of execution especially in works under the responsibility of the National Infrastructure Authority (ANIN).

—Pablo Nano