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Latam Daily: Peru Impeachment and Record Auto Sales

- **Peru: Congress to elect an eighth president in ten years today; Vehicle sales reach highest monthly level on record**

PERU: CONGRESS TO ELECT AN EIGHTH PRESIDENT IN TEN YEARS TODAY

- Yesterday, Peru's Congress approved a motion of censure against President José Jerí with 75 votes in favour, 24 against, and 3 abstentions. Jerí was Peru's seventh president in the last ten years, having served for 131 days (table 1).
- The outcome was expected as Congress convened an extraordinary session—despite being currently in parliamentary recess—to debate seven motions of censure that were filed following his unofficial meetings with Chinese businesspeople and the controversial appointment of individuals linked to his inner circle to public office.
- In this context, the election of a new President of Congress will take place today. Under constitutional succession rules, the newly elected congressional leader will assume the presidency of the Republic until July 28th, 2026, when the next president-elect will take office following the April election.

Four candidates have been nominated to assume the President of Congress role: María del Carmen Alva (Acción Popular, centre-right), Héctor Acuña (Honor y Democracia, centre-right), Edgar Raymundo (Bloque Democrático, left), and José Balcázar (Perú Libre, left). If none of these candidates secures an absolute majority in the first round, a runoff election will be held between the two candidates receiving the highest number of votes.

The president-elect is expected to appoint a new cabinet in the coming days, including a new Minister of Economy. Centre-right candidates are considered to have the best chance of winning today's election, thus maintaining the pro-private investment economic policies pursued by recent administrations.

Impact

Although news of President Jerí's removal broke after the close of foreign exchange markets, there were no significant movements in the exchange rate or in the yields of Peruvian sovereign bonds or credit default swaps (CDS).

As seen in recent presidential transitions, investors appear to be differentiating political developments from underlying economic fundamentals. Accordingly, we do not anticipate significant short-term changes in financial variables, economic activity, or business expectations.

Nevertheless, public investment projects may experience delays associated with cabinet turnover and changes among high-ranking officials due to the learning curve of the new authorities.

Finally, the country's political instability over the last decade has imposed an opportunity cost for the Peruvian economy. Currently, Peru's potential GDP is around 3% due to the

Table 1: Peru - Presidents Over the Last 10 Years

President	Start Date	End Date	Days in Office
Pedro Pablo Kuczynski	7/28/2016	21/03/2018	1 year and 236 days
Martín Vizcarra	3/23/2018	11/9/2020	2 years and 231 days
Manuel Merino	11/10/2020	11/15/2020	5 days
Francisco Sagasti	17/11/2020	7/28/2021	252 days
Pedro Castillo	7/28/2021	12/7/2022	1 year and 132 days
Dina Boluarte	12/7/2022	10/10/2025	2 years and 306 days
José Jerí	10/10/2025	02/02/2026	131 days

Sources: Scotiabank Economics, Press.

slower pace of private investment; however, with less political turmoil, potential GDP could rise to between 5% and 6%, aligned with growth rates seen in past decades.

—Pablo Nano

VEHICLE SALES REACH HIGHEST MONTHLY LEVEL ON RECORD

New vehicle sales reached 23,069 units in January (chart 1), according to data from the Automotive Association of Peru (AAP). This figure represents the highest monthly sales volume in Peru’s history, surpassing the previous record set in December 2025 (20,496 units). The January result exceeded our expectations, marking a 24% year-over-year increase relative to January 2025 and reflecting the solid momentum in the new vehicle market (chart 2).

Looking ahead, we expect the growth uptrend to remain at least through Q1-26, supported by the continuation of the same drivers that boosted sales during 2025. While we anticipate some moderation in Q2-26 due to the presidential elections in April, we expect momentum to rebound in the second half of 2026, ending the year with at least single-digit growth.

By segment, light-vehicle sales reached 20,628 units, an increase of 24% from January of the previous year. This was also the highest monthly figure on record, surpassing the December 2025 peak (18,124 units) and coming in above our projections. Several factors contributed to this strong performance: improvements in formal private-sector employment, easing inflationary pressures (the national consumer price index increased only 0.12% in January), a relatively low sol-dollar exchange rate compared with prior years (reducing the local-currency cost of imported vehicles), access to extraordinary funds at the end of 2025—particularly the eighth withdrawal from private pension funds—and an expanded range of vehicle models in this category, especially those of Chinese origin. These conditions sustained robust demand through January.

Heavy-vehicle sales reached 2,441 units in January, up 28% from January 2025. This marked the second-highest monthly figure on record, just below the historical high reached in September 2025 (2,443 units), and was broadly in line with our expectations. Ongoing private-sector investment supported growth in this segment, as firms showed a greater willingness to renew their fleets—even ahead of the Q2-26 electoral season, a departure from the dynamics observed in earlier presidential cycles. Companies continued to benefit from a lower sol-dollar exchange rate compared with recent years (which reduced import costs), improved financing conditions (lower credit rates), and a wider variety of available truck and bus models.

Chart 1

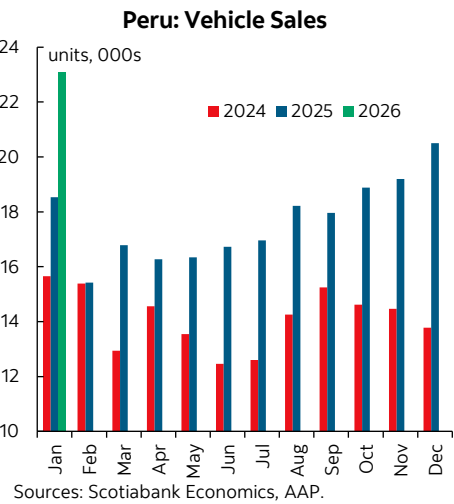
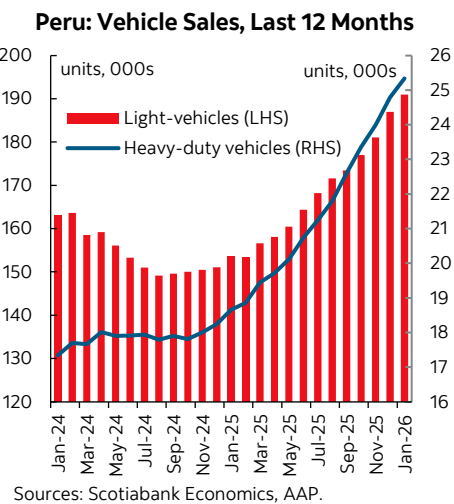


Chart 2



—Carlos Asmat

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