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## Latam Daily: Peru Construction Resilience

- **Peru: Construction sector remains resilient—cement consumption expands for a sixth consecutive quarter**

Cement sales continued to outperform market expectations in the first quarter of 2026 (1Q26), posting double-digit growth for the sixth consecutive quarter. Total cement consumption reached 3.26 million metric tons by end-1Q26, representing a 13% y/y increase versus 1Q25, according to the Peruvian Cement Producers Association (ASOCEM). This marks the strongest first-quarter performance since 1Q22, reinforcing the view of a sustained recovery in construction activity.

The solid performance was underpinned by several factors:

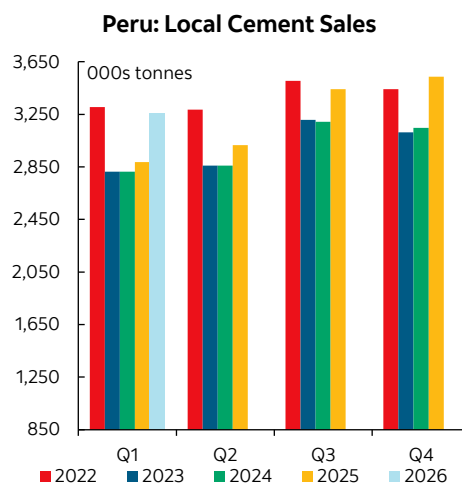
1. Continued momentum in self-construction, supported by:
  - The positive performance of formal private employment, which expanded 5.3% y/y in January,
  - The continued use of pension fund withdrawals, which has provided additional liquidity to households.
2. Sustained strength in the formal residential real estate market, as new mortgage loan disbursements by the banking system increased 11% year-over-year during the first two months of 2026, compared with the same period in 2025.
3. Ongoing execution of concession-based transport infrastructure projects, with recognized investment reaching USD 203 million as of February 2026, significantly exceeding the USD 45 million recorded in the same period of 2025.
4. Price stability of cement, particularly in Lima, where cement prices declined 0.4% year-over-year in February, according to INEI data, supporting demand dynamics despite broader cost pressures.

That said, cement demand was partially constrained by weaker public investment in the first two months of the year, which declined by approximately 3% in cumulative terms, mainly reflecting lower execution by the central government. This contrasted with improved investment performance at the subnational level, which provided some offset.

### March performance

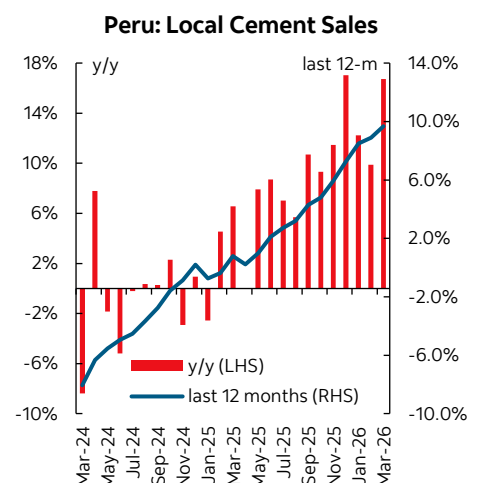
In March, demand conditions mirrored those observed during the quarter as a whole. Cement consumption reached 1.11 million metric tons, up 17% year-over-year, making it the strongest month of the quarter and marking the highest growth rate since December

Chart 1



Sources: Scotiabank Economics, ASOCEM.

Chart 2



Sources: Scotiabank Economics, ASOCEM.

April 13, 2026

2025. Compared with prior years, March 2026 also delivered the highest volume since March 2022 (1.15 million metric tons), underscoring the breadth of the recovery.

**Outlook for 2026**

Looking ahead, we expect cement consumption to grow slightly above our baseline projection of 5.7% for the overall construction sector in 2026. This outlook is supported by:

- Sustained activity in the self-construction segment, underpinned by continued growth in formal private employment and the lingering impact of pension fund withdrawals—particularly relevant in early 1Q26.
- Continued demand for high-value residential housing, especially in Lima, supported by mortgage interest rates that remain below pre-peak levels.
- Strong cement demand from large-scale infrastructure projects, primarily concession-based developments, and to a lesser extent, projects executed under the Works for Taxes framework.

However, upside potential is moderated by several downside risks:

- A deceleration in public investment growth, particularly at the central government level, associated with the electoral cycle between April and June.
- Adverse weather risks linked to a potential El Niño event, which could generate food price inflation and weigh on household purchasing power, potentially constraining expenditure on labour and construction materials within the self-construction segment.

—Carlos Asmat

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