Scotiabank

GLOBAL ECONOMICS

LATAM DAILY

August 18, 2026

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Latam Daily: Peruvian GDP Slows in Q2 from El Niño Shock

- **Peru: GDP growth moderated in Q2 2026 amid stronger-than-expected El Niño effects**

Gross Domestic Product (GDP) grew by 2.6% in the second quarter of 2026, nearly one percentage point lower than the pace recorded in Q1-26 (chart 1), according to our estimates based on data published by the National Institute of Statistics and Informatics (INEI). The slower pace of expansion was mainly attributable to the impact of the El Niño event on primary sectors such as fishing and agriculture. As a result, GDP accumulated growth of 3.1% during the first half of 2026.

The impact of El Niño on economic activity has been greater than initially anticipated, largely because the magnitude of the climatic event has exceeded expectations formed several months earlier. According to the statement issued in late March by the Multisectoral Commission responsible for the National El Niño Phenomenon Study (ENFEN), the warm event was expected to reach a moderate intensity between May and July. However, by June it had already attained a strong intensity, and an extraordinary intensity became the most likely scenario from August onward.

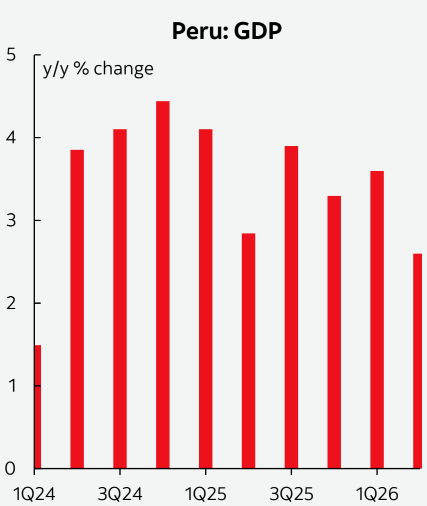
This development is expected to continue affecting primary sectors during Q3-26, particularly agriculture and fisheries, although the latter has a lower contribution to overall GDP during this period. Consequently, while we maintain our forecast that non-primary sectors will expand by approximately 4.5%, our projection of 3.5% GDP growth for Q3-26 is subject to downside risks.

Performance in Q2-26

The fishing sector (-49.2%) was severely affected by the early suspension of the first anchovy fishing season in Peru's north-central region. Between April and June, only 477 thousand metric tons were captured, compared with 2.23 million metric tons during the same period in 2025. Warm ocean temperatures associated with El Niño caused anchovy stocks to migrate southward or move to deeper waters, making them more difficult to catch. Reduced anchovy availability also affected fishmeal production, contributing to the decline in primary manufacturing output (-21.0%).

The agricultural sector (-2.0%) experienced a sharper contraction in June (table 1), reinforcing the negative trend observed throughout Q2 2026. Adverse weather conditions, including above-average rainfall along the coast and highlands and precipitation deficits in the Amazon region, negatively affected yields of crops destined for the domestic market, such as olives, onions, wheat, and corn, and, to a lesser extent, export-oriented crops including coffee, avocados, and cocoa.

Chart 1



Sources: Scotiabank Economics, INEI.

Table 1: Peru—GDP by Sector (y/y % change)

	Jun-26	2Q26	1H26
GDP	**1.8**	**2.6**	**3.1**
Agriculture	-8.1	-2.0	-0.6
Fishing	-51.9	-49.2	-33.2
Mining & Oil	-2.2	-0.9	-0.9
Resources Manufacturing	-18.4	-21.0	-10.4
Non-Resources Manufacturing	-1.7	1.7	1.4
Electricity & Water	6.8	5.6	4.3
Construction	9.0	8.9	10.9
Commerce	7.8	7.3	6.2
Telecom	0.4	0.7	0.9
Transport	2.5	2.3	2.6
Enterprise Services	3.7	3.5	3.6
Hotel & Restaurants	5.0	4.8	5.4
Financial Services	1.5	1.4	0.5
Other Services	5.5	--	4.5

Sources: Scotiabank Economics, INEI.

In contrast, non-primary sectors linked to domestic demand maintained a positive performance during Q2-26, expanding by approximately 5.0%. At a disaggregated level, construction (+8.9%) stood out, supported by higher domestic cement consumption driven by both self-construction activity and the formal real estate sector, as well as stronger public investment by regional and local governments. These factors were partially offset by lower investment by the national government.

Meanwhile, the commerce sector (+7.3%) continued to be supported by robust retail sales, particularly in supermarkets, department stores, and home improvement retailers, as well as new light vehicle sales, which have reached record levels.

Finally, the services sector (+3.3%) benefited from the strong performance of the hospitality and restaurant industry, especially due to increased demand for food consumed outside the home amid improving household incomes. Business services also expanded, reflecting stronger economic activity and greater demand for consulting, security, and advertising services.

—Pablo Nano