Scotiabank

GLOBAL ECONOMICS

LATAM DAILY

August 20, 2026

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Latam Daily: Peruvian Auto Sales Track 40% Gain in 2026

- **Peru: New vehicle sales remain strong and exceed our expectations**

New vehicle sales posted another year-over-year increase in July, reaching the highest level on record for the month (charts 1 and 2). Sales have now remained in positive territory since February 2025. The July result exceeded our expectations despite fewer effective sales days due to an additional public sector holiday, with heavy vehicles showing strength. Accordingly, year-to-date sales introduce upside risk to our full-year 2026 forecast.

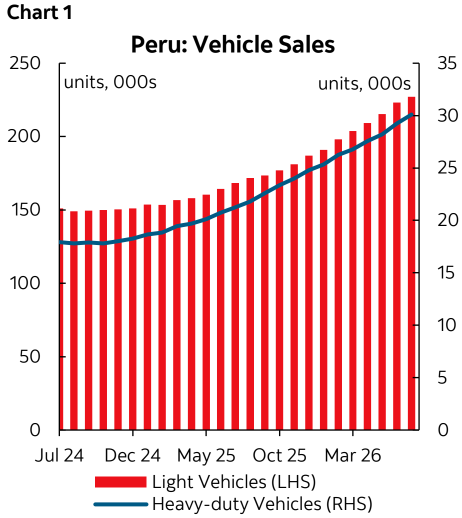
Cumulative sales reached 162,488 units through July, up nearly 39% year-over-year, according to the Asociación Automotriz del Perú (AAP). The main drivers were: i) continued formal employment growth—up 4.2% year-over-year in May, according to the Central Reserve Bank of Peru; ii) a 3.5% increase in private consumption in Q1-2026, supported by stronger consumer confidence through July; iii) a lower PEN/USD exchange rate, with the sol appreciating 7% year-over-year in H1-2026; iv) improved financing conditions following lower auto lending rates; and v) a broader supply of light vehicle models, particularly SUVs, together with sustained corporate fleet renewal.

By segment, heavy vehicles slightly outperformed the market. Sales reached 18,656 units through July, up nearly 40% year-over year, led by heavy duty trucks. Light vehicle sales increased by approximately 39% to 143,832 units. SUV sales rose 52%, supported by demand for higher-capacity vehicles and a broader model offer than in previous years.

For August, we expect sales of around 23,000 units, close to the January–July monthly average. Growth should moderate over the coming months due to a high comparison base: average year-over-year growth exceeded 30% between August and December 2025, versus 25% for full-year 2025. Downside risks remain. Geopolitical tensions in the Middle East could disrupt oil shipments through the Strait of Hormuz, constrain supply and increase price volatility. A stronger US dollar would raise vehicle prices in soles, while higher fuel and fertilizer costs could increase operating expenses and food inflation, weakening household purchasing power. The magnitude of the impact would depend on the duration and intensity of these shocks.

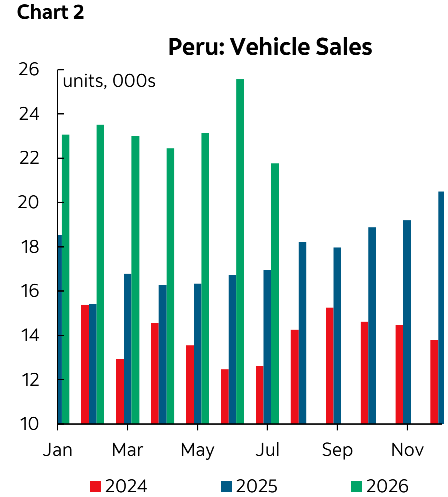
A higher probability of an El Niño event adds to these risks. A severe episode would weigh on light vehicle sales by raising food prices, reducing households' real income and increasing caution toward durable goods purchases and new debt. For heavy vehicles, damage to roads, bridges and other infrastructure could disrupt logistics and delay fleet renewal. However, subsequent reconstruction could support demand for trucks and cargo vehicles. The net impact would depend on the event's intensity and duration, as well as the speed of the public sector response.

Chart 1



Sources: Scotiabank Economics, AAP.

Chart 2



Sources: Scotiabank Economics, AAP.

We forecast new vehicle sales slightly above 260,000 units in 2026, which would set a new record. The forecast retains upside risk. Stronger consumer confidence should support private consumption, which we expect to grow by 3.5%—and light vehicle demand. A gradual improvement in business confidence should also support heavy vehicle sales, consistent with our 9.3% private investment growth forecast. Nonetheless, geopolitical tensions around the Strait of Hormuz and a higher probability of El Niño could constrain sales growth.

—Carlos Asmat