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Mexican GDP Grows 3%+, Another Record for Peru's Construction Industry

- **Mexico: GDP growth accelerates in Q3 2026**
- **Peru: Record September cement sales strengthen the 2026 growth outlook**

MEXICO: GDP GROWTH ACCELERATES IN Q3 2026

According to INEGI, Mexico's preliminary GDP estimate for the third quarter of 2026 points to a sharp acceleration in economic activity (chart 1), with growth of 3.2% year over year on an unadjusted basis—the strongest rate since Q3-23—after 2.2% growth in Q2-26 and a seasonally adjusted quarterly increase of 0.9%, slowing from 1.5% q/q.

Growth was broad-based across sectors: primary activities expanded by 2.2% year over year, despite a slight quarterly decline of 0.4%; secondary activities grew by 3.0% year over year and 0.8% quarter over quarter; and tertiary activities increased by 3.4% year over year and 1.1% quarter over quarter. Secondary and tertiary activities also posted their strongest annual growth rates since Q3-23.

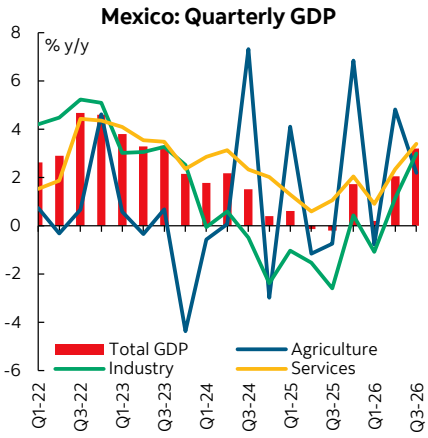
As a result, the economy expanded by 1.8% in the first nine months of 2026 compared with the same period in 2025, suggesting a recovery from the weakness observed throughout 2025 and early 2026, driven primarily by services and a rebound in industrial activity.

—Rodolfo Mitchell, Miguel Saldaña & Martha Cordova

PERU: RECORD SEPTEMBER CEMENT SALES STRENGTHEN THE 2026 GROWTH OUTLOOK

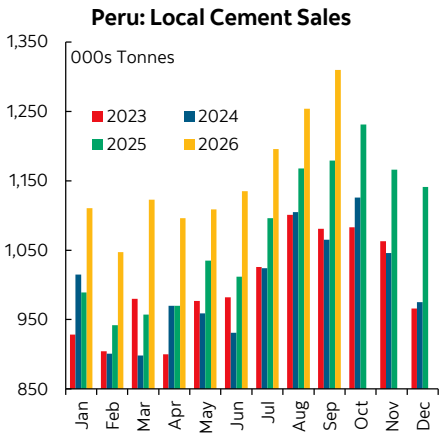
September marked a new milestone for Peru's cement market. Sales reached nearly 1.3 million metric tonnes, up just over 11% y/y, according to the Peruvian Cement Producers Association (ASOCEM). This was not only the strongest monthly volume of 2026, but also an all-time high (chart 2). The result extended an uninterrupted run of y/y growth since April 2025, with double-digit gains recorded since June 2026 (chart 3). Three factors underpinned September's performance. First, self-construction housing activity benefited from sustained growth in formal private-sector employment, which rose 6.6% y/y in August, adding 296,000 jobs, according to BCRP. Second, momentum in the formal residential property market remained strong, with new mortgage lending by the banking system increasing 20% y/y in August, according to SBS. Third, cement prices remained

Chart 1



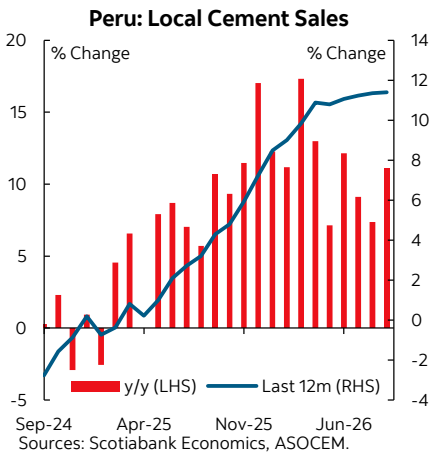
Sources: Scotiabank Economics, INEGI, Haver.

Chart 2



Sources: Scotiabank Economics, ASOCEM.

Chart 3

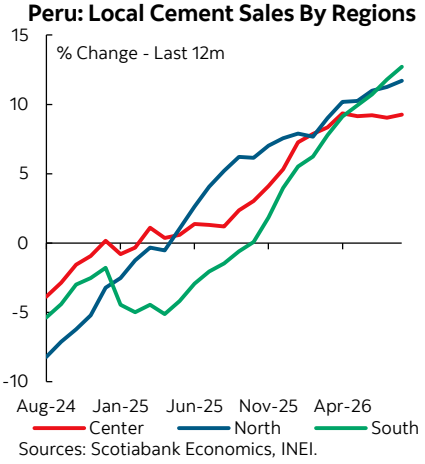


Sources: Scotiabank Economics, ASOCEM.

relatively stable, particularly in Lima, where the price per bag increased from PEN 30.4 in December to PEN 31.2 in September, according to the National Institute of Statistics and Informatics (INEI). Public investment, however, offered little additional support, remaining broadly unchanged from a year earlier, as declines at the national and regional government levels offset higher investment by local governments.

The September result lifted cement consumption to nearly 10.4 million metric tonnes in January–September, up 11% y/y, supported by broadly the same demand drivers. Regional sales data through August show that the recovery is broad-based (chart 4). Southern Peru led growth at 14%, supported by mining investment. The north followed at 13%, benefiting from owner-built housing, road construction and mining projects, while sales in central Peru rose 8%, supported by residential development, particularly in Lima, and transport infrastructure projects such as Lima Metro Line 2.

Chart 4
Peru: Local Cement Sales By Regions



Sources: Scotiabank Economics, INEI.

2026 Outlook

With nine months of data in hand, we now see upside risk to our 2026 construction sector growth forecast of 9.3%. Self-construction should remain a key driver, supported by solid formal private-sector employment and improving household incomes, as well as preventive works ahead of El Niño. Formal housing construction should provide additional support, as mortgage rates remain below levels seen in previous years. Home sales in Lima rose 26% y/y in January–September, according to the Confederation of Real Estate Developers of Peru (CODIP). Demand also benefits from major infrastructure projects executed under public-private partnership concessions and Peru's Works for Taxes framework. The latter investment mechanism is expected to post a record value of project awards by year-end.

The outlook is not without constraints. Slower public investment growth, particularly at the national government level as the new administration moves up the learning curve, is likely to temper full-year demand. Adverse weather associated with El Niño remains a downside risk, especially in November–December, as it can halt construction work and erode household spending capacity. Relative geopolitical stability in the Strait of Hormuz is another important assumption. Renewed hostilities could increase oil-price volatility and intensify inflationary pressures on food and, especially, fuel, constraining household budgets for labour and building materials in the owner-built housing segment.

Beyond the near-term cycle, the sector's medium-term growth potential remains compelling. According to the Ministry of Economy and Finance, the government aims for investment promotion agency ProInversión to award US$35 billion in projects over 2026–2030. This prospective pipeline may have helped attract international cement producers Holcim and Heidelberg Materials. Holcim completed the acquisition of an indirect majority stake in Cementos Pacasmayo in mid-March, strengthening its presence in Peru's cement market. Germany's Heidelberg Materials followed with the acquisition of a 70% stake in Cementos Inka in mid-October 2026.

—Carlos Asmat

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