

## Peru – Elections Primer

- ▶ Peru will hold general elections in April, with a potential presidential runoff in June, as polls indicate a fragmented race. The reintroduction of a bicameral parliamentary system, along with changes that are likely to reduce the number of parties in the next political cycle should alleviate the persistent tension between the executive and legislative branches, decrease domestic political uncertainty, and lay the groundwork for technical and consensus-based reforms.
- ▶ The Peruvian economy has remained resilient amid global trade tensions and financial volatility. High commodity prices and solid macroeconomic fundamentals—such as low inflation, near-potential growth, low public debt, and high foreign exchange reserves—have supported economic stability amidst political instability. We expect GDP to grow at its potential rate of around 3% in the coming years, while inflation will continue to be well-contained within the BCRP's target range.

### Presidential and congressional elections in April

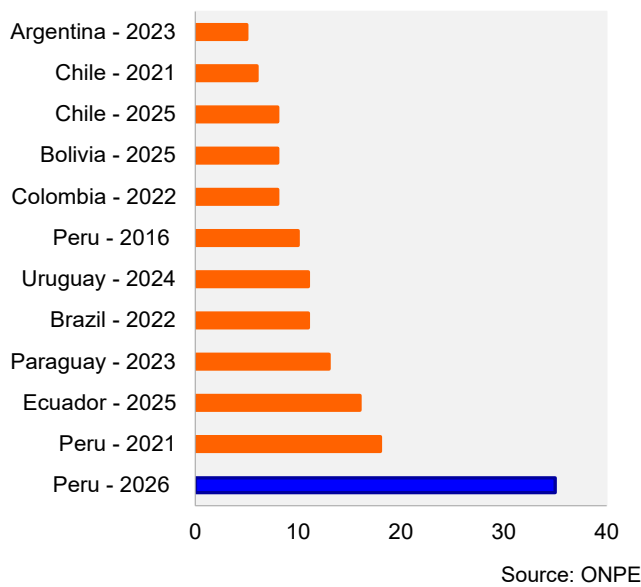
Congressional elections and the first round of the presidential election will be held on April 12, 2026. Voting is mandatory for citizens between 18 and 70 years old and is enforced through fines. More than 27 million Peruvians are expected to participate. Voting is primarily paper based, although digital voting will be introduced for specific groups. Official results are published on the National Office of Electoral Processes (ONPE) website, typically starting at 5:00 p.m. on election day.

The presidential primaries held in early December resulted in no less than 36 candidates advancing to the first round.

The presidency is won by obtaining more than 50% of the valid votes in the first round. The last time a presidential candidate won in the first round was in 1995, when Alberto Fujimori ran for reelection and garnered 64.4% of the votes. If necessary, a presidential runoff between the top two candidates will take place on June 7, 2026, with elected officials taking office on July 28, 2026.

Unlike most countries in the region, such as Chile, Colombia, and Argentina, Peru has a five-year presidential term compared to four years elsewhere. Since 2002, presidents cannot run for reelection. Presidential nominations include a joint ticket with two vice presidents. Electoral rules allow presidential candidates to also run for congressional seats, reducing the incentive to withdraw their candidacy for the presidency. Initiating an impeachment process requires just 20% of the vote in the Lower House and two-thirds approval to proceed.

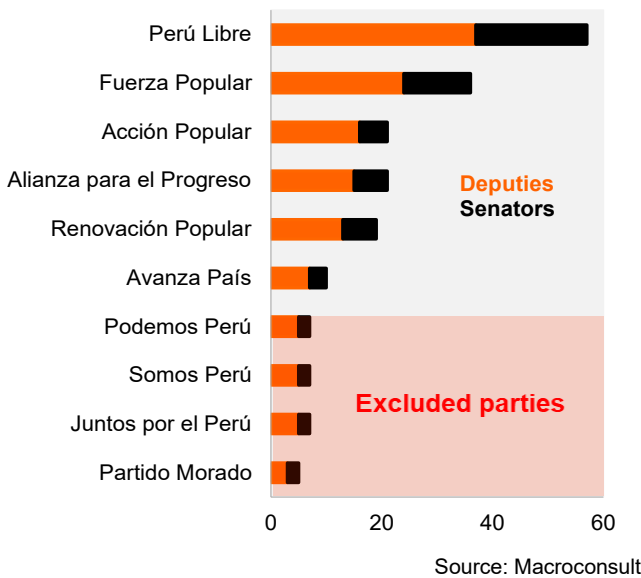
Number of presidential candidates in the first round of the elections



Regarding the congressional election, all 130 Lower House seats will be filled for a five-year term. Peru will reinstate a Senate in 2026, with 60 members, returning to a bicameral system for the first time since 1992.

In our view, returning to a bicameral system should reduce tensions between the current unicameral congress and the executive branch. Additionally, changes in congressional elections should significantly decrease the number of parties represented in Congress, thereby reducing fragmentation and polarization. To be represented in Congress in the next term, parties must secure more than 5% of the votes at the national level in the respective chamber and must also achieve at least 5% of the elected officials in each chamber. Political analyst simulations suggest that this rule will lead to a substantial reduction in the number of parties in Congress.

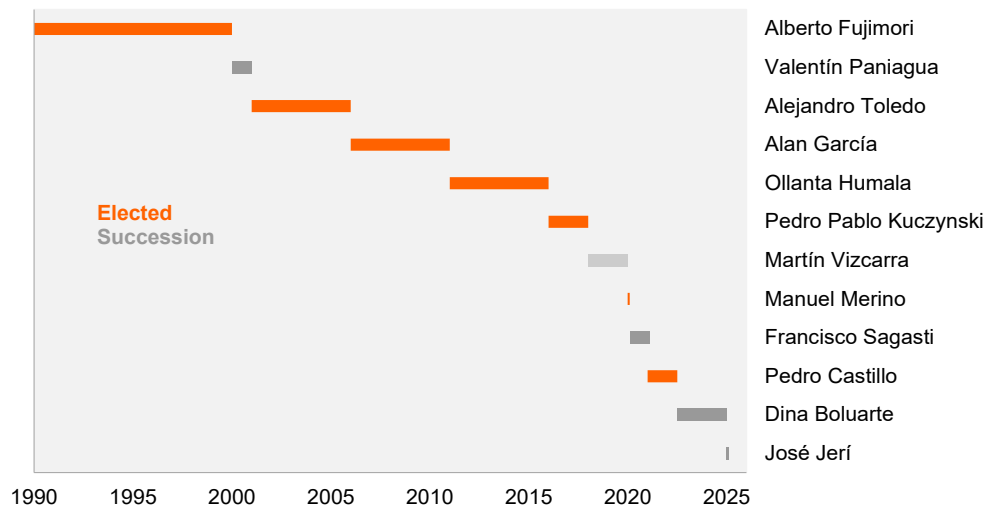
Bicameral election simulation



Peru has had seven presidents over the past decade, with one serving only five days. Several presidents have been sentenced to prison for corruption, money laundering, and other charges. The most recently elected president, Pedro Castillo, was removed from office in December 2022 after attempting to close Congress and carry out a coup. His successor, Dina Boluarte, faced a severe public security crisis and historically low approval ratings, which ultimately led to her impeachment by Congress in October 2025. She was replaced by interim president José Jerí, then the President of Congress, who is expected to serve the remainder of Castillo's five-year term until July 2026. Jerí has

faced significant political pressure, including surviving a congressional attempt to remove him just six days after taking office.

Peruvian Presidential terms

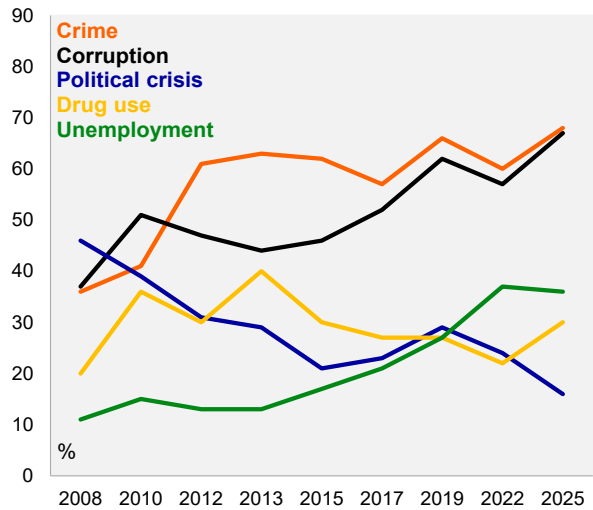


Source: Itaú

Security has overtaken the economy as the top concern

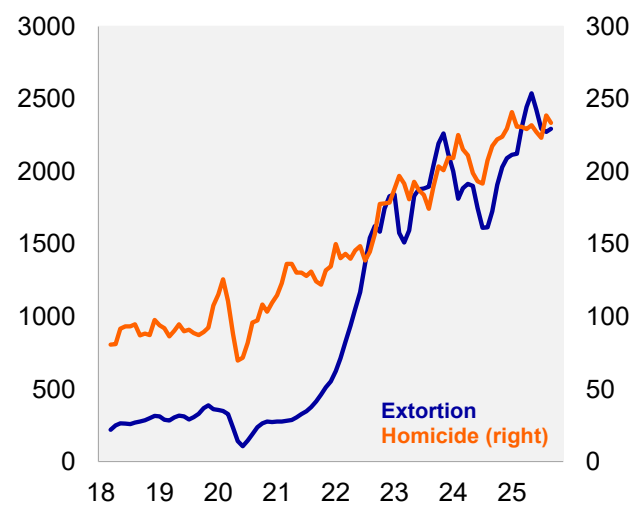
Polls consistently highlight concerns about public safety, crime, and extortion. Violence has shaken Peru in recent years, with 78 cases of extortion per 100,000 inhabitants recorded in 2025—an increase of more than 700% compared to 2018 levels, according to SIDPOL data. Additionally, the same data show that homicides have risen significantly, reaching eight per 100,000 inhabitants, a 150% increase compared to 2018. Corruption is also another concern.

Main problems of the country



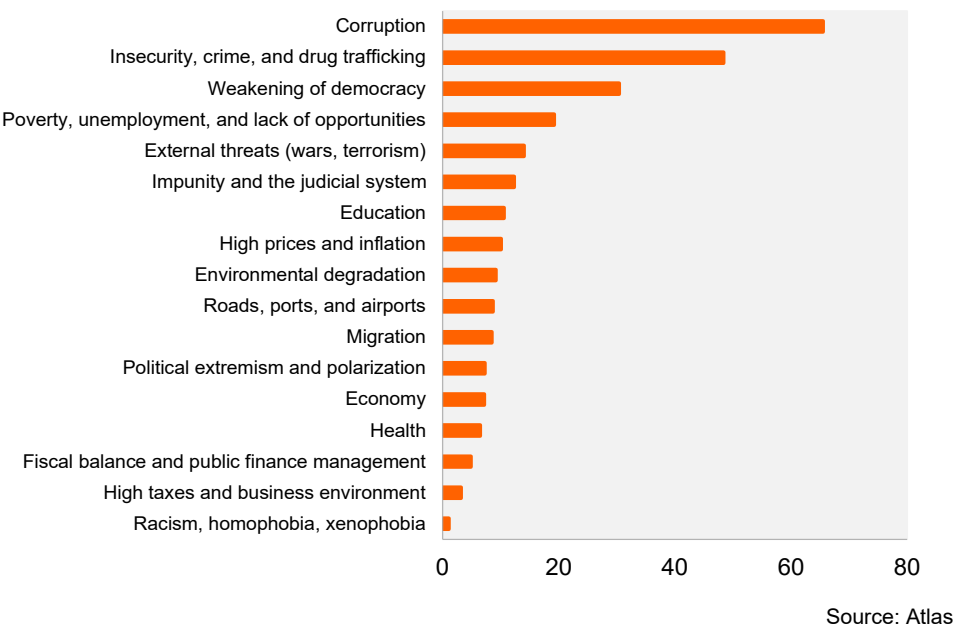
Source: Ipsos

Number of extortion and homicides in Peru

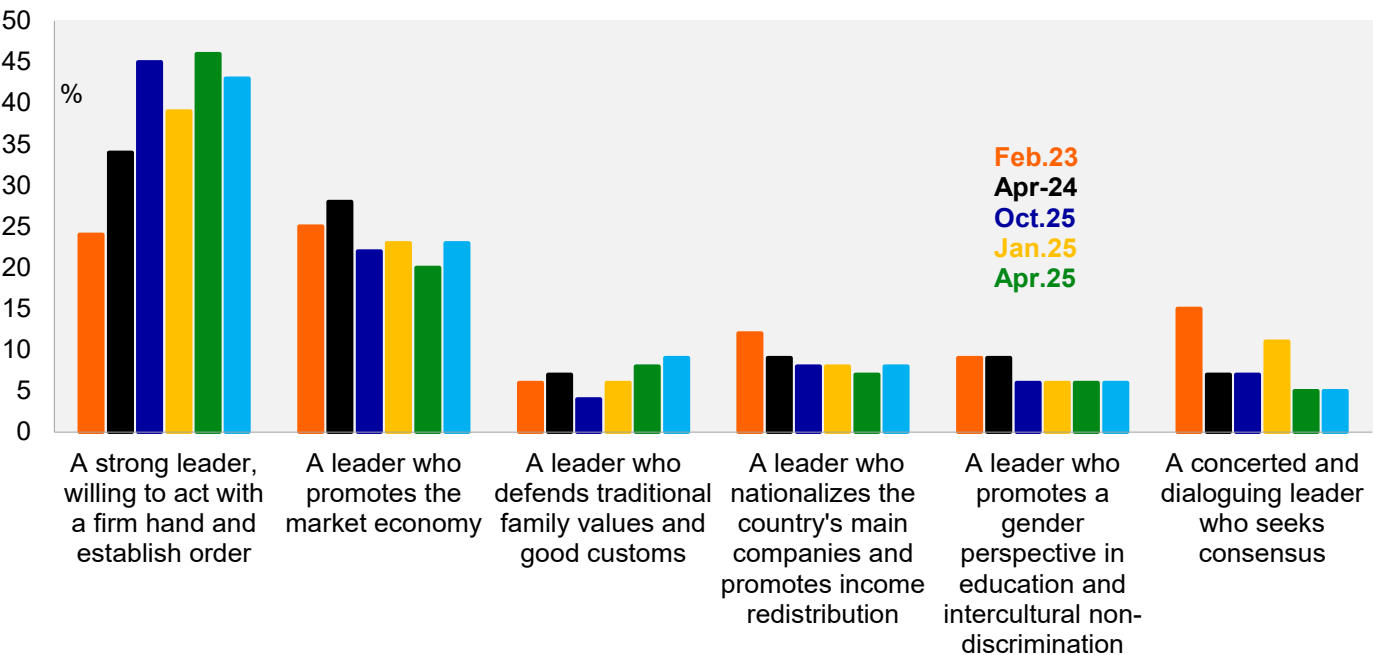


Source: Sidpol

Main problems in Peru - 2025 (%)



What kind of leader would you vote for President of the Republic?



The Presidential Polls

With less than three months until the first round of the presidential election, the latest Ipsos poll shows that a significant portion of voters remain undecided (48%).

While no candidate has yet secured substantial support, voters show a slight preference for right-leaning options. Former Lima Mayor Rafael López Aliaga currently leads with 10% support, representing the conservative, right-wing Renovación Popular party. He previously ran for president in 2021 but did not advance to the second round, receiving 11.75% of the vote. His platform promotes a social market economy aimed at boosting investment and job creation. He also emphasizes fiscal discipline by reducing the size of the state. His proposals include improving security,

expanding access to healthcare, and enhancing the quality of education. However, he has noted changes to the pension system and has advocated for allowing the full cash in of pension savings.

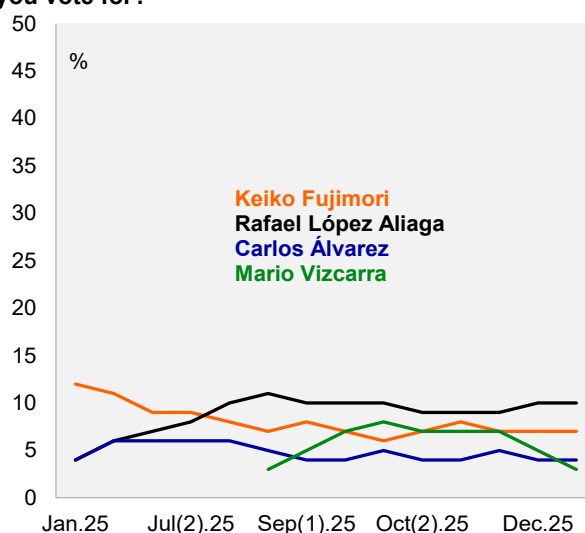
López Aliaga is followed by Keiko Fujimori of Fuerza Popular, who currently holds 7% support. She is the daughter of Alberto Fujimori, who served as president of Peru from 1990 to 2000, a period marked by corruption concerns and ending with his departure from office. Keiko began her political career at 19 as the first lady in her father's administration. She was defeated by Pedro Castillo in the runoff in 2021; this will be Keiko's fourth attempt to reach the presidency. Her platform similarly focuses on restoring public security and boosting economic activity through deregulation.

Comedian Carlos Álvarez, an outsider running under the País para Todos party, ranks third with 4% support. Álvarez has no experience in public office and does not identify with any specific political ideology. His platform focuses on tough-on-crime measures, addressing illegal immigration, and promoting investment and economic growth.

Mario Vizcarra, the brother of former president Martín Vizcarra (2018–2020), has dropped to fourth place with 3% after previously polling at 8% for several months. He is currently under investigation for corruption, and his candidacy was initially ruled inadmissible, but the National Jury of Elections accepted his appeal. Vizcarra's platform proposes a modern state aimed at reducing poverty, improving the quality of education and health, and promoting sustainable economic development. The remaining candidates are polling at 3% or below.

Polls are expected to evolve swiftly in the weeks leading up to the election, as they have in past elections.

**If the presidential election were tomorrow, who would you vote for?**



Source: Ipsos

## The President will Shape the next Economic Team

The president's influence over economic policy begins with the cabinet, most notably through appointments to the Ministry of Economy and Finance—positions that do not require congressional confirmation.

At the Central Bank, highly respected Governor Julio Velarde will conclude his fourth five-year term at the helm of the BCRP in late July, 2026. The incoming president is expected to nominate his successor or reappoint Velarde, along with three other members of the Central Bank's Board of Directors (seven members in total, including the Governor). These appointments must be ratified by the Senate. The legislative branch is responsible for appointing the remaining three board members.

Other important positions within the broader economic team include the Director of ProInversión and the Financial Market Regulator (SBS).

**Our take:**

The Peruvian economy has remained resilient amid global trade tensions, financial volatility and political turmoil. High commodity prices and solid macroeconomic fundamentals—such as low inflation, near-potential growth, low public debt, and high foreign exchange reserves—have supported stability. We expect GDP to grow around its potential rate of 3% in the coming years, while inflation will continue to be well-contained within the BCRP's target range. In fact, BCRP credibility has been a critical factor in limiting the impact of political turbulence on the economy.

The reintroduction of a bicameral parliamentary system, along with changes that reduce the number of parties in the next political cycle, should alleviate the persistent tension between the Executive and Legislative branches, decrease domestic political uncertainty, and lay the groundwork for technical and consensus-based reforms.

**Peru**

	2022	2023	2024	2025F		2026F		2027F	
				Current	Previous	Current	Previous	Current	Previous
<b>Economic Activity</b>									
Real GDP growth - %	2.8	-0.4	3.3	<b>3.2</b>	3.2	<b>2.9</b>	2.9	<b>2.9</b>	2.9
Nominal GDP - USD bn	248	272	295	<b>334</b>	334	<b>354</b>	351	<b>368</b>	368
Population (millions)	34.2	34.5	34.9	<b>35.2</b>	35.2	<b>35.2</b>	35.2	<b>35.2</b>	35.2
Per Capita GDP - USD	7,159	7,764	8,305	<b>9,236</b>	9,236	<b>9,675</b>	9,675	<b>10,463</b>	10,463
Unemployment Rate - year avg	7.7	6.9	6.6	<b>6.0</b>	6.2	<b>6.2</b>	6.2	<b>6.2</b>	6.2
<b>Inflation</b>									
CPI - %	8.5	3.2	2.0	<b>1.5</b>	-	<b>2.0</b>	2.0	<b>2.0</b>	2.0
<b>Interest Rate</b>									
Monetary Policy Rate - eop - %	7.50	6.75	5.00	<b>4.25</b>	-	<b>4.00</b>	4.00	<b>4.00</b>	4.00
<b>Balance of Payments</b>									
PEN / USD - eop	3.81	3.70	3.80	<b>3.36</b>	-	<b>3.40</b>	3.40	<b>3.40</b>	3.40
Trade Balance - USD bn	10.2	17.7	24.0	<b>32.0</b>	28.0	<b>28.0</b>	26.0	<b>26.0</b>	25.0
Current Account - % GDP	-4.0	0.8	2.2	<b>2.0</b>	1.8	<b>1.5</b>	1.2	<b>1.2</b>	1.0
Foreign Direct Investment - % GDP	4.6	1.5	2.4	<b>3.0</b>	3.0	<b>3.0</b>	3.0	<b>3.0</b>	3.0
International Reserves - USD bn	72.2	71.3	79.0	<b>90.0</b>	-	<b>90.0</b>	85.0	<b>90.0</b>	85.0
<b>Public Finances</b>									
NFPS Nominal Balance - % GDP	-1.7	-2.8	-3.6	<b>-2.2</b>	-	<b>-2.0</b>	-2.1	<b>-2.0</b>	-2.0
NFPS Primary Balance - % GDP	-0.1	-1.1	-1.9	<b>-0.6</b>	-0.6	<b>-0.2</b>	-0.2	<b>-0.2</b>	-0.2
NFPS Debt - % GDP	33.9	32.9	32.7	<b>32.3</b>	32.3	<b>32.7</b>	32.7	<b>33.1</b>	33.1

Source: IMF, INEI, BCRP, Itaú

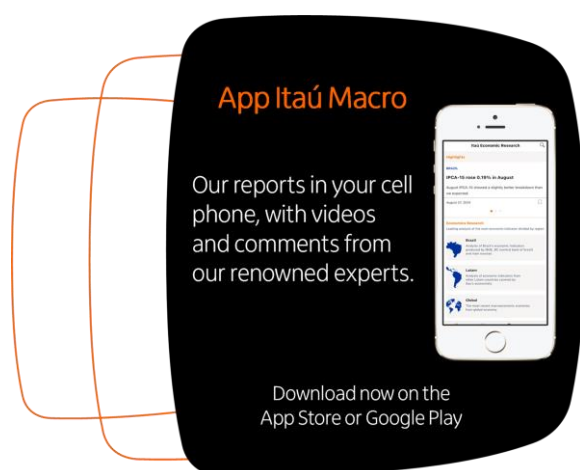
Key Electoral Dates through 2027		
Argentina	December 10, 2025	Elected National Congressmen begin their term
	October 24, 2027	Presidential and Congressional Elections
Bolivia	November 8, 2025	Elected officials begin their term
	March 22, 2026	Regional and local elections
Brazil	October 4, 2026	General Elections - 1st round
	October 25, 2026	General Elections - 2nd round
	January 4, 2027	New presidential and congressional terms begin
Chile	December 14, 2025	Presidential runoff
	March 11, 2026	New presidential and congressional terms begin
Colombia	March 8, 2026	Congressional Elections & Interparty Presidential Primary
	May 31, 2026	Presidential first-round
	June 21, 2026	Presidential runoff (if needed)
	July 20, 2026	New Congress begins its term
	August 7, 2026	New President takes office
Mexico	June 6, 2027	Midterm Elections in 17 Gubernatorial seats
Peru	April 12, 2026	General Elections
	June 7, 2026	Presidential runoff (if needed)
	July 28, 2026	New presidential and congressional terms begin
	October 4, 2026	Regional and Municipal Elections

Source: Itaú based on official sources.

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