

## Latam Daily: Mexico Industrial Production Cools m/m in April; Peru Election Update

- Mexico: Industrial production cools m/m in April
- Peru: Brief update on elections

### MEXICO: INDUSTRIAL PRODUCTION COOLS M/M IN APRIL

Data [released](#) by Mexico's statistical agency (INEGI) on June 11, showed April's industrial production declined m/m for the first time since June 2020. The 0.2% m/m decline took place after 10 consecutive months of growth in a context of reopening of economic activity.

By components, mining was the only sector to register growth of 1.0% m/m, recovering from a previous 3.0% m/m contraction. Utilities decreased -1.0% m/m (from the previous 5.0%); construction declined -0.3% m/m (unchanged from the previous month); and manufacturing fell -0.5% m/m (from an earlier 3.0% m/m).

In annual terms, industrial production grew 36.6% y/y, slightly below the 37.6% y/y expected by the market, and mainly attributed to base effects ([chart 1](#)). Recovery continues to be uneven, with manufacturing (+52% y/y) boosted by the external sector, while mining (+5.5% y/y) has benefitted from the recovery in commodity prices. By contrast, construction (+45% y/y) and utilities (-3.1% y/y) have been slower to improve given the still-weak domestic demand.

In the coming months, we expect little change on an annual basis. Monthly comparisons will provide a greater sense on the strength of the recovery. For the rest of 2021, we maintain our view that solid external demand along with rising domestic demand will sustain Mexico's industrial production recovery, albeit in an environment of persistent uncertainty.

—Paulina Villanueva

### PERU: BRIEF UPDATE ON ELECTIONS

One week after the June 6 presidential election, Peru's Elections Authority (Jurado Nacional de Elecciones, JNE) completed its rulings over all voting booth results submitted for validation, admitting 86,206 votes as valid and voiding only 214. The final tally has Pedro Castillo in the lead with 49,420 more votes over Keiko Fujimori's. The result, however, will not be official until it is published in the national gazette, El Peruano. Castillo's supporters have celebrated the result.

Ms. Fujimori and her party Fuerza Popular (FP) are reportedly still weighing legal options. The FP submitted as many as 177,000 votes for annulment but most of those were rejected for being sent past the deadline.

Large street mobilizations were held over the weekend, led by political parties. Both parties have accused the opposite side of tampering with the election results. It is unlikely that these mobilisations will sway the JNE to make any changes to its validation process, but accusations have further polarized the situation, posing some challenges to the public's perception of legitimacy of the future government.

—Guillermo Arbe

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Chart 1



Sources: Scotiabank Economics, INEGI.

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