

Latam Daily: Peru—Employment Growth in Lima Stagnates in August

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PERU: EMPLOYMENT GROWTH IN LIMA STAGNATES IN AUGUST

The Lima employment scenario is showing the first signs of a slowdown.

According to [figures](#) by the National Statistics Institute, INEI, there were just under 4.65 million people employed in the formal sector in Lima in the three months ending in August, down from 4.67 million employed in the three months ending in July (chart 1). Although the difference was marginal, it is significant in that it was the first decline in jobs since March, and, perhaps more importantly, the first decline that was not linked to COVID-19 control measures and mobility restrictions since the lockdown began in March 2020. Thus, the data suggest that the earlier improvement in the Lima jobs market, seen as a month-on-month trend, has slowed, perhaps as a result of political uncertainty.

Similarly, the unemployment rate ticked up from 9.4% to 9.5% (chart 2), the first increase since February, when a partial lockdown was put in place, and the first increase not linked to new lockdown restrictions since the pandemic began. There is a caveat, however. The information provided so far for August by the INEI only encompasses Lima. Government programs, mostly ongoing and a legacy from the earlier administration, focus more on rural areas outside of Lima. Employment may have continued to improve in regions outside of Lima in August.

—Guillermo Arbe

CONTACTS

Adriana Vega
613.564.5204
Scotiabank Economics
adriana.vega@scotiabank.com

Guillermo Arbe
+51.1.211.6052 (Peru)
Scotiabank Peru
guillermo.arbe@scotiabank.com.pe

Sergio Olarte
+57.1.745.6300 Ext. 9166 (Colombia)
Scotiabank Colombia
sergio.olarte@scotiabankcolpatria.com

Jorge Selaive
+56.2.2619.5435 (Chile)
Scotiabank Chile
jorge.selaive@scotiabank.cl

Eduardo Suárez
+52.55.9179.5174 (Mexico)
Scotiabank Mexico
esuarezm@scotiabank.com.mx

Chart 1

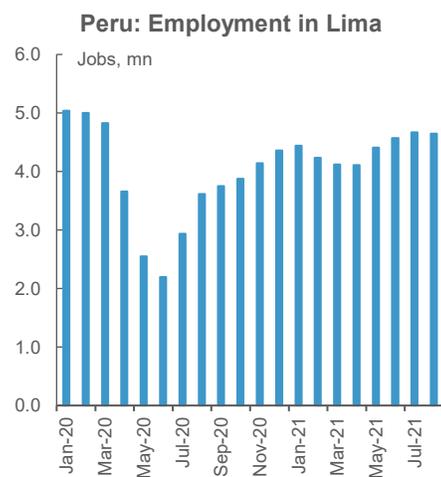
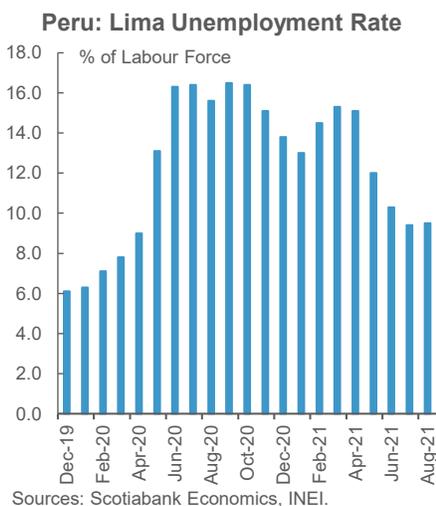


Chart 2



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