

# Summary Inflation Report

December 2025

This **Inflation Report** has been prepared using information from the Balance of Payments and Gross Domestic Product for the third quarter of 2025; monthly GDP and monetary accounts for October 2025; and non-financial public sector operations, inflation, financial markets, and exchange rates for November 2025.

**Global economic activity** performed better than expected during the first half of the year, mainly due to higher private consumption in the United States (US) and a recovery in China. This favorable trend continued during the third quarter, which, combined with reduced trade uncertainty and lower international interest rates, has led to a revision on the upside for global growth for 2025, from 2.9 to 3.1 percent (3.3 percent in 2024). Growth for 2026 has also been revised upward, from 2.8 to 3.0 percent, due to stronger progress in the US economy, driven by higher investment in artificial intelligence (AI). Growth of 2.9 percent is estimated for 2027, which would be below the averages observed in the years prior to the pandemic (3.7 percent between 2010 and 2019).

Although **global inflation** has fallen, inflation in developed economies remains above the target set by their respective central banks in most cases, and in others, it is showing an upward trend.

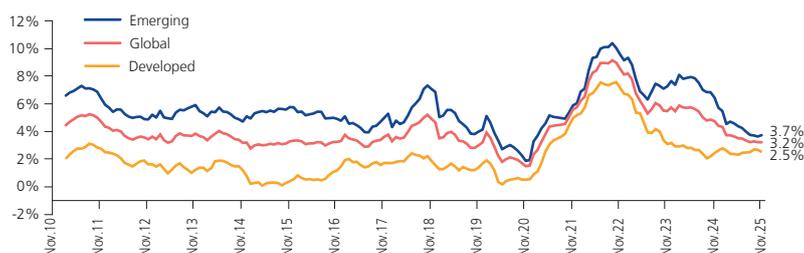
**Terms of trade** remained highly favorable, rising 14.2 percent year-on-year in the third quarter of 2025, due to the evolution of prices for exported metals (gold and copper), coffee, and non-traditional chemical and iron and steel products. Among the factors influencing

## GLOBAL GROWTH (Annual percentage changes)

	PPP*	2024	2025		2026		2027
			IR Sep.	IR Dec.	IR Sep.	IR Dec.	IR Dec.
<b>Developed economies</b>	<b>39.9</b>	<b>1.8</b>	<b>1.4</b>	<b>1.5</b>	<b>1.2</b>	<b>1.5</b>	<b>1.6</b>
<i>Of which</i>							
1. United States	14.9	2.8	1.6	1.9	1.1	1.8	1.8
2. Eurozone	11.6	0.9	1.1	1.2	1.1	1.2	1.4
3. Japan	3.3	0.1	0.8	1.0	0.7	0.7	0.8
4. United Kingdom	2.2	1.1	1.0	1.3	1.1	1.1	1.3
5. Canada	1.3	1.5	1.0	1.2	1.0	1.0	1.5
<b>Developing economies</b>	<b>60.1</b>	<b>4.3</b>	<b>4.0</b>	<b>4.2</b>	<b>3.9</b>	<b>4.0</b>	<b>3.9</b>
<i>Of which</i>							
1. China	19.5	5.0	4.5	5.0	4.2	4.5	4.2
2. India	8.3	6.5	6.2	6.5	6.3	6.3	6.3
3. Russia	3.5	4.1	1.7	1.7	1.1	1.1	1.1
4. Latin America and the Caribbean	7.2	2.4	2.2	2.2	2.2	2.2	2.4
<b>World Economy</b>	<b>100.0</b>	<b>3.3</b>	<b>2.9</b>	<b>3.1</b>	<b>2.8</b>	<b>3.0</b>	<b>2.9</b>

\* Base 2024.  
Source: IMF, Consensus Forecast, and BCRP (Peru).

## INFLATION: GLOBAL, DEVELOPED COUNTRIES, AND EMERGING ECONOMIES (12-month % change)



Memo: Global inflation and inflation in developed countries repeat the US figures for September and October due to the lack of information available for that month.  
Source: Reuters.

## TERMS OF TRADE: 2023–2027

	2023	2024	2025*		2026*		2027*
			Jan-Sep	IR Sep.25	IR Dec.25	IR Sep.25	IR Dec.25
<b>Terms of trade</b>							
<b>Annual % change (average)</b>	<b>7.7</b>	<b>12.3</b>	<b>15.8</b>	<b>13.9</b>	<b>17.0</b>	<b>1.8</b>	<b>6.4</b>
<b>Export prices</b>							
<b>Annual % change (average)</b>	<b>-2.6</b>	<b>7.6</b>	<b>12.7</b>	<b>11.1</b>	<b>14.3</b>	<b>2.4</b>	<b>6.3</b>
Copper (ctv USD per pound)	385	415	431	435	447	446	485
Zinc (ctv USD per pound)	120	126	126	125	130	127	136
Gold (USD per ounce)	1,943	2,388	3,198	3,225	3,417	3,483	4,030
<b>Import prices</b>							
<b>Annual % change (average)</b>	<b>-9.6</b>	<b>-4.2</b>	<b>-2.7</b>	<b>-2.5</b>	<b>-2.4</b>	<b>0.5</b>	<b>-0.1</b>
Oil (USD per barrel)	78	77	67	66	65	63	60
Wheat (USD per MT)	303	224	203	199	198	209	196
Maize (USD per MT)	226	162	164	174	163	182	177
Soybean oil (USD per MT)	1,336	987	1,055	1,104	1,076	1,172	1,126

\* Projection.  
Source: BCRP.

this result were strong demand for metals for energy transition, intensified supply constraints on copper, expectations of interest rate cuts by the Fed, and the depreciation of the dollar.

The terms of trade for 2025 and 2026 are revised upward to growth of 17.0 and 6.4 percent, respectively. In both years, the revision is explained by a forecast of higher prices for the main export commodities, specifically copper, gold, zinc, and coffee. After reaching historically high levels, the terms of trade would decline slightly by 1.4 percent in 2027.

**The current account balance** continued to record surpluses. Between mid-2024 and the third quarter of 2025, accumulated current account surpluses over the last four quarters remained at around 2.2 percent of GDP. This result was mainly explained by the dynamism of the terms of trade, on the one hand, and higher growth in domestic demand relative to output, on the other.

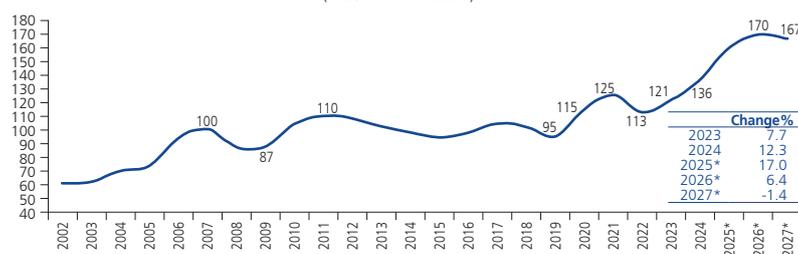
The dynamism of the terms of trade would increase the current account surplus in 2025 and 2026 (2.5 and 2.6 percent of GDP, respectively), before moderating in 2027 to 2.3 percent of GDP.

**National economic activity** accelerated its year-on-year growth rate to 3.4 percent in the third quarter of 2025, driven by expansion in both primary activities —boosted by increased livestock production, favorable weather conditions for agriculture, higher anchovy catches, and the recovery of the oil sector— and non-primary sectors, whose dynamism responded to higher private spending.

Taking into account GDP performance and leading indicators, the growth forecast for 2025 has been revised upward from 3.2 percent to 3.3 percent. At the sectoral level the revision on

### TERMS OF TRADE, 2002–2027

(Index 100 = 2007)



\* Projection.  
Source: BCRP.

### BALANCE OF PAYMENTS

(Million USD)

	2024	2025*		2026*		2027*	
		Q3 2025 <sup>1/</sup>	IR Sep.25	IR Dec.25	IR Sep.25	IR Dec.25	IR Dec.25
<b>I. CURRENT ACCOUNT</b>	<b>6,612</b>	<b>7,403</b>	<b>6,421</b>	<b>8,548</b>	<b>7,070</b>	<b>9,698</b>	<b>8,797</b>
Percentage of GDP	2.2	2.3	1.9	2.5	2.0	2.6	2.3
<b>1. Trade balance</b>	<b>24,302</b>	<b>29,260</b>	<b>30,302</b>	<b>32,893</b>	<b>32,390</b>	<b>38,208</b>	<b>37,569</b>
a. Exports	76,394	86,087	87,066	90,647	91,370	98,701	101,478
Of which:							
i) Traditional	55,719	63,000	63,979	67,309	67,658	74,445	75,505
ii) Non-traditional	20,460	22,852	22,846	23,099	23,502	24,077	25,765
b. Imports	52,091	56,827	56,764	57,755	58,980	60,493	63,909
<b>2. Services</b>	<b>-7,916</b>	<b>-8,128</b>	<b>-7,847</b>	<b>-8,065</b>	<b>-7,329</b>	<b>-7,761</b>	<b>-7,865</b>
<b>3. Primary income (factor income)</b>	<b>-17,379</b>	<b>-21,612</b>	<b>-23,837</b>	<b>-24,330</b>	<b>-26,180</b>	<b>-28,994</b>	<b>-29,511</b>
<b>4. Secondary income (transfers)</b>	<b>7,604</b>	<b>7,883</b>	<b>7,803</b>	<b>8,050</b>	<b>8,189</b>	<b>8,245</b>	<b>8,603</b>
Of which: Remittances from abroad	4,934	5,217	5,227	5,281	5,384	5,440	5,603
<b>II. FINANCIAL ACCOUNT<sup>1/</sup></b>	<b>-1,995</b>	<b>-3,583</b>	<b>-4,256</b>	<b>-5,372</b>	<b>3,317</b>	<b>3,785</b>	<b>3,959</b>
Percentage of GDP	-0.7	-1.1	-1.3	-1.6	0.9	1.0	1.0
<b>1. Private sector</b>	<b>3,277</b>	<b>1,887</b>	<b>930</b>	<b>-331</b>	<b>5,018</b>	<b>5,541</b>	<b>4,803</b>
a. Long term	169	-530	-956	-1,550	2,774	3,074	3,156
b. Short term	3,108	2,417	1,886	1,219	2,244	2,467	1,647
<b>2. Public sector<sup>2/</sup></b>	<b>-5,272</b>	<b>-5,470</b>	<b>-5,186</b>	<b>-5,041</b>	<b>-1,701</b>	<b>-1,757</b>	<b>-845</b>
<b>III. NET ERRORS AND OMISSIONS</b>	<b>-1,553</b>	<b>-7,980</b>	<b>-3,178</b>	<b>-7,135</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IV. BALANCE OF PAYMENTS RESULTS</b>	<b>7,054</b>	<b>3,006</b>	<b>7,500</b>	<b>6,785</b>	<b>3,753</b>	<b>5,913</b>	<b>4,839</b>
IV= (I+III) - II = (1-2)							
<b>1. Change in NIRs balance</b>	<b>7,954</b>	<b>4,783</b>	<b>9,482</b>	<b>9,482</b>	<b>3,753</b>	<b>5,913</b>	<b>4,839</b>
<b>2. Valuation effect</b>	<b>900</b>	<b>1,777</b>	<b>1,983</b>	<b>2,697</b>	<b>0</b>	<b>0</b>	<b>0</b>

1/ The financial account and its components (private and public sectors) are expressed as assets net of liabilities. Therefore, a negative sign implies an inflow of foreign capital.

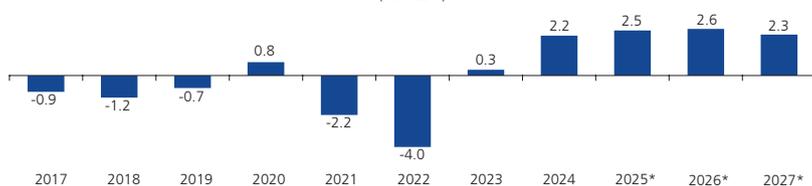
2/ Considers the sale and purchase between residents and non-residents of public sector bonds issued abroad or on the local market.

3/ Shows the cumulative result for the third quarter of 2025.

\* Projection.  
Source: BCRP.

### CURRENT ACCOUNT, 2017-2027

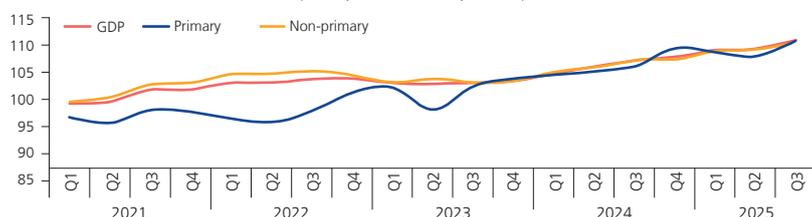
(% GDP)



\* Projection.  
Source: BCRP.

### SEASONALLY ADJUSTED ECONOMIC ACTIVITY INDICES

(Index, base 100 = Q4 2019)



Source: BCRP.

### GDP BY ECONOMIC SECTOR

(Real % change)

	2024	2025*		2026*		2027*	
		Jan.-Oct.	IR Sep.25	IR Dec.25	IR Sep.25	IR Dec.25	IR Dec.25
<b>Primary GDP</b>	<b>4.8</b>	<b>4.1</b>	<b>1.9</b>	<b>2.9</b>	<b>2.1</b>	<b>1.9</b>	<b>1.7</b>
Agriculture sector	5.4	5.5	3.7	5.0	3.0	3.0	3.0
Fishing	27.2	6.3	2.8	0.2	1.6	2.0	3.0
Metal mining	3.2	3.2	0.5	2.2	1.0	0.5	-1.4
Hydrocarbons	2.1	-0.6	3.5	-0.5	3.8	4.9	5.2
Manufacturing	8.3	6.4	2.6	3.5	3.1	3.1	8.1
<b>Non-primary GDP</b>	<b>3.2</b>	<b>3.2</b>	<b>3.5</b>	<b>3.3</b>	<b>3.1</b>	<b>3.3</b>	<b>3.3</b>
Manufacturing	5.8	-0.2	2.8	0.5	2.9	2.9	2.8
Electricity and water	2.4	2.0	2.5	2.1	2.7	2.7	2.9
Construction	3.6	5.5	4.3	5.7	2.0	2.5	3.4
Trade	3.0	3.4	2.9	3.5	2.8	3.0	3.0
Services	2.7	3.5	3.7	3.6	3.3	3.5	3.4
<b>Gross Domestic Product</b>	<b>3.5</b>	<b>3.4</b>	<b>3.2</b>	<b>3.3</b>	<b>2.9</b>	<b>3.0</b>	<b>3.0</b>

IR: Inflation report.

\* Projection.  
Source: BCRP.

the upside includes the agricultural sector, mining, primary manufacturing, construction, and trade sectors.

The expected Expenditure-side GDP growth for 2026 has also been revised upward, from 2.9 to 3.0 percent, due to an improved international environment and the momentum shown by private spending, which will favor non-primary activity, in addition to a recovery in fishing. The growth forecast for 2026 and 2027 will be mainly supported by the strong performance of non-primary sectors, in an environment of social stability, favorable weather conditions, and a stable macroeconomic and financial environment that will sustain the continued growth of private spending.

The **cumulative fiscal deficit over the last twelve months** fell from 3.4 percent to 2.3 percent of GDP between December 2024 and November 2025. This result is mainly due to the reduction in non-financial expenditure as a percentage of GDP, associated with lower national government spending and, to a lesser extent, the increase in current income as a percentage of GDP, as a result of higher export prices and dynamic economic activity.

The fiscal deficit is projected to fall from 3.4 percent of GDP in 2024 to 2.2 percent of GDP in 2025, and then continue to decline to 1.9 percent of GDP in 2026 and 1.6 percent in 2027. The forecast takes into account higher revenues in 2025, which include both income tax (IR) regularization payments and corporate income tax payments on account, associated with the impact of high export prices and GDP growth in 2024. A reduction in non-financial expenditure as a percentage of GDP is expected.

The **net financial asset debt** of the non-financial public sector is expected to increase from 23.4 percent to 24.6 percent of GDP between 2024

### GDP BY TYPE OF EXPENDITURE

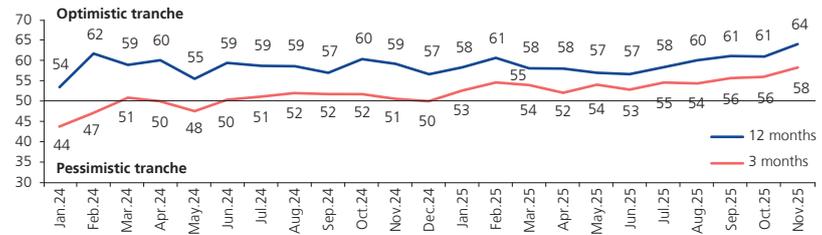
(Real % change)

	2024	2025*		2026*		2027*	
		Jan.-Sep.	IR Sep.25	IR Dec.25	IR Sep.25	IR Dec.25	IR Dec.25
<b>Domestic demand</b>	<b>4.0</b>	<b>5.7</b>	<b>5.1</b>	<b>5.4</b>	<b>3.0</b>	<b>3.5</b>	<b>3.2</b>
Private consumption	2.8	3.7	3.5	3.6	2.9	3.0	3.0
Public consumption	2.1	4.4	2.2	3.1	2.5	2.5	1.2
Private investment	3.3	9.9	6.5	9.5	3.5	5.0	5.0
Public investment	14.7	5.8	6.5	5.5	1.0	1.0	1.0
Inventory change (contribution)	0.6	0.5	0.9	0.5	0.0	0.2	0.1
<b>Exports</b>	<b>6.6</b>	<b>4.7</b>	<b>3.3</b>	<b>4.1</b>	<b>2.6</b>	<b>2.5</b>	<b>2.1</b>
<b>Imports</b>	<b>8.4</b>	<b>13.5</b>	<b>10.2</b>	<b>11.8</b>	<b>3.1</b>	<b>4.4</b>	<b>3.1</b>
<b>Gross Domestic Product</b>	<b>3.5</b>	<b>3.3</b>	<b>3.2</b>	<b>3.3</b>	<b>2.9</b>	<b>3.0</b>	<b>3.0</b>

IR: Inflation report.  
\* Projection.  
Source: BCRP.

### EXPECTATIONS ABOUT THE ECONOMY 3- AND 12-MONTH AHEAD

(Diffusion index)



Source: BCRP.

### NON-FINANCIAL PUBLIC SECTOR

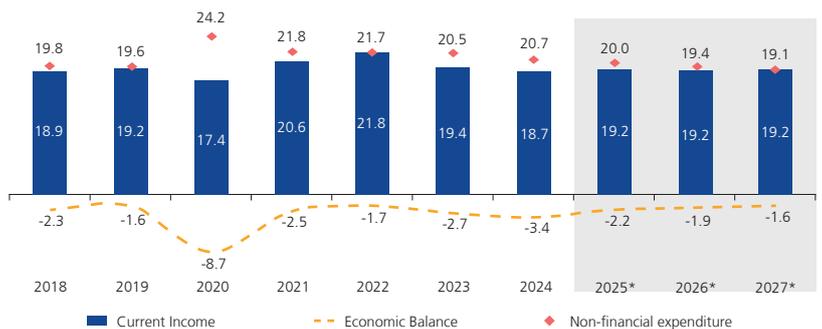
(% GDP)

	2024	2025*		2026*		2027*	
		November <sup>1/</sup>	IR Sep.25	IR Dec.25	IR Sep.25	IR Dec.25	IR Dec.25
<b>1. Current income of the General Government</b>	<b>18.7</b>	<b>19.2</b>	<b>19.2</b>	<b>19.2</b>	<b>19.2</b>	<b>19.2</b>	
Real % change	2.4%	10.6%	8.8%	9.5%	3.7%	4.4%	3.0%
<b>2. Non-financial expenditure of the General Government</b>	<b>20.7</b>	<b>20.1</b>	<b>20.3</b>	<b>20.0</b>	<b>19.7</b>	<b>19.4</b>	<b>19.1</b>
Real % change	7.4%	3.0%	3.8%	3.4%	0.5%	1.2%	1.2%
Of which							
Current expenditure	14.6	14.4	14.5	14.3	14.3	14.2	13.9
Real % change	1.5%	4.5%	4.9%	4.7%	2.3%	3.1%	1.3%
Gross capital formation	4.9	4.9	5.0	4.9	4.8	4.7	4.6
Real % change	16.3%	5.3%	6.9%	6.2%	0.7%	0.4%	0.7%
<b>3. Others<sup>2/</sup></b>	<b>0.2</b>	<b>0.3</b>	<b>0.3</b>	<b>0.2</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>
<b>4. Primary balance (1-2+3)</b>	<b>-1.8</b>	<b>-0.6</b>	<b>-0.8</b>	<b>-0.6</b>	<b>-0.4</b>	<b>-0.3</b>	<b>0.1</b>
<b>5. Interest</b>	<b>1.7</b>	<b>1.6</b>	<b>1.6</b>	<b>1.6</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>
<b>6. Economic balance</b>	<b>-3.4</b>	<b>-2.3</b>	<b>-2.4</b>	<b>-2.2</b>	<b>-2.1</b>	<b>-1.9</b>	<b>-1.6</b>

1/ The ratios as a percentage of GDP represent the cumulative total for the last twelve months to November. The actual variation is with respect to 2024.  
2/ Includes capital revenue from the General Government and the primary result of state-owned enterprises.  
\* Projection.  
IR: Inflation Report.

### ECONOMIC BALANCE OF THE NON-FINANCIAL PUBLIC SECTOR: 2018-2027

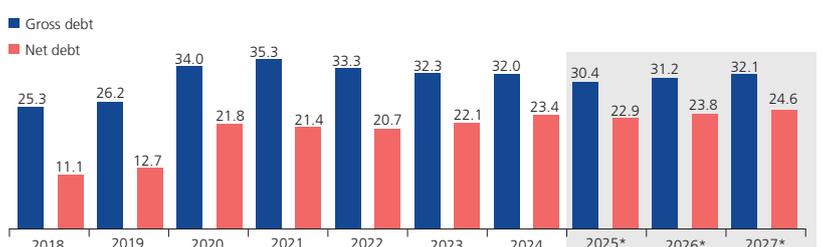
(% GDP)



Note: The economic balance is calculated as current income of the General Government - Non-financial expenditure of the General Government + others (capital revenue of the General Government and primary balance of state-owned enterprises) - interest payments on debt of the Non-Financial Public Sector.  
\* Projection.  
Source: BCRP.

### NON-FINANCIAL PUBLIC SECTOR DEBT: 2018-2027

(% GDP)



\* Projection.  
Source: BCRP.

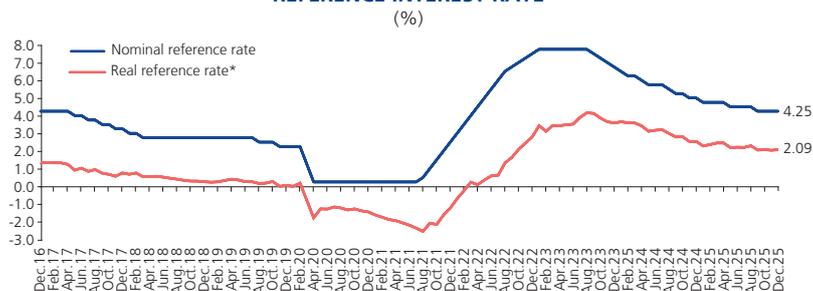
and 2027. Meanwhile, gross debt is projected to rise from 32.0 percent to 32.1 percent of GDP during the same period. The current forecast for net debt incorporates a lower balance of public sector financial assets as a percentage of GDP, which has been reaching minimum levels.

The Board of **Directors** of BCRP decided to maintain the **benchmark rate** at 4.25 percent at its Monetary Program meetings in October, November, and December. Thus, the real reference rate has been hovering around the estimated neutral rate (2 percent). Monetary policy statements reiterated the message that future adjustments to the benchmark rate will be contingent on new information about inflation and its determinants.

**Interest rates in domestic currency** continued to evolve in line with the benchmark rate, particularly in segments with lower credit risk and shorter maturities. As expected, the year-on-year growth rate of liquidity in domestic currency (currency in circulation plus domestic currency deposits) moderated from 12.9 percent in December 2024 to 4.6 percent in October 2025. For its part, in the same period and also in line with projections, the year-on-year growth rate of **credit to the private sector** increased from 0.4 percent in December 2024 to 5.6 percent in October 2025, supported by the medium-sized enterprise and micro and small enterprise segments, and by credit cards, in line with the recovery in economic activity. Looking ahead, credit to the private sector is expected to grow at rates of no less than 6 percent, in line with the forecasts for growth in economic activity and the reduction in non-performing loans.

**Year-on-year inflation** remains at the lower end of the target range (1.37 percent in November) due to temporary supply factors (mainly energy). Inflation excluding food and energy (SAE) remained at 1.8 percent in recent

### REFERENCE INTEREST RATE



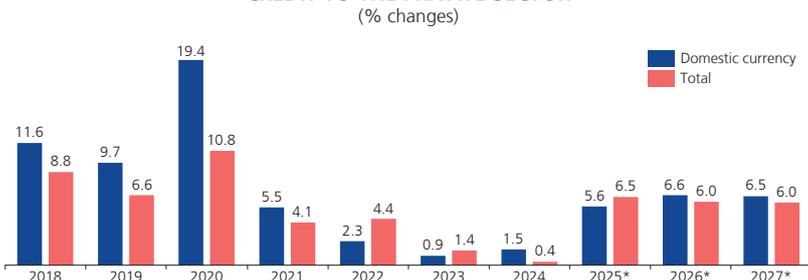
\* With expectation on inflation.  
Source: BCRP.

### INTEREST RATES IN DOMESTIC CURRENCY<sup>1/</sup>

	Dec.22	Dec.23	Dec.24	Mar.25	Jun.25	Sep.25	Dec.25	Avg. since 2010 <sup>2/</sup>
<b>Passive</b>								
Corporate prime 90 days	8.1	6.7	4.5	4.5	4.5	4.4	4.3	3.9
TIPMN	3.0	3.5	2.4	2.3	2.3	2.2	2.0	2.3
FTIPMN	3.7	3.1	2.2	2.4	2.3	2.2	2.0	2.3
Deposits up to 30 days	7.4	6.7	4.4	4.2	4.2	4.2	4.0	3.6
Individuals	3.7	3.3	3.3	3.1	3.0	3.2	3.3	2.5
Business	7.4	6.7	4.4	4.2	4.2	4.2	4.0	3.6
Term deposits from 31 to 90 days	7.5	6.6	4.4	4.2	4.3	4.2	4.1	3.8
Individuals	3.7	6.1	3.9	3.6	3.8	3.9	3.7	2.4
Business	7.8	6.8	4.7	4.5	4.5	4.4	4.3	3.9
Term deposits from 91 to 180 days	7.6	6.2	4.1	4.0	3.9	3.9	4.0	3.9
Individuals	4.8	5.9	3.7	3.6	3.6	3.5	3.4	2.9
Business	8.5	6.9	4.8	4.6	4.5	4.4	4.5	4.2
Term deposits from 181 to 360 days	7.6	5.7	4.2	4.1	4.0	4.1	4.2	4.1
Individuals	6.9	5.0	3.7	3.7	3.8	4.0	3.9	3.8
Business	7.8	6.2	4.6	4.5	4.3	4.2	4.5	4.3
Term deposits over 360 days	6.8	5.4	4.1	3.8	3.6	3.9	4.0	4.3
Individuals	5.9	5.0	3.7	3.4	3.3	3.6	3.7	4.3
Business	7.8	6.0	4.5	4.4	4.5	4.4	4.4	4.3
CTS	2.6	2.0	2.0	3.3	2.0	2.5	2.3	3.0
<b>Active</b>								
Corporate prime 90 days	9.2	7.5	5.1	5.0	5.0	4.9	4.8	4.7
TAMN	14.5	15.9	15.0	14.8	15.1	15.5	15.9	15.6
FTAMN	28.3	28.4	27.5	28.5	30.3	29.4	29.8	22.0
Corporate	8.9	8.1	5.8	5.7	5.8	5.8	5.6	5.4
Large Companies	10.6	10.2	8.4	7.7	7.8	7.8	7.6	7.1
Medium-sized companies	14.1	13.3	10.3	10.5	9.8	10.7	10.1	10.4
Small Businesses	22.5	22.9	19.8	20.2	19.8	20.1	19.6	20.4
Microenterprises	35.7	37.7	46.3	65.1	65.7	70.6	68.7	35.7
Microenterprises <sup>3/</sup>	39.3	43.9	48.8	58.0	55.6	56.2	56.8	41.5
Consumer	49.6	56.9	59.9	57.0	57.0	55.6	59.4	44.5
Consumer <sup>3/</sup>	47.7	54.3	55.6	60.2	56.3	55.9	55.3	48.6
Mortgage	9.9	9.1	8.2	8.0	7.9	7.9	7.9	8.4

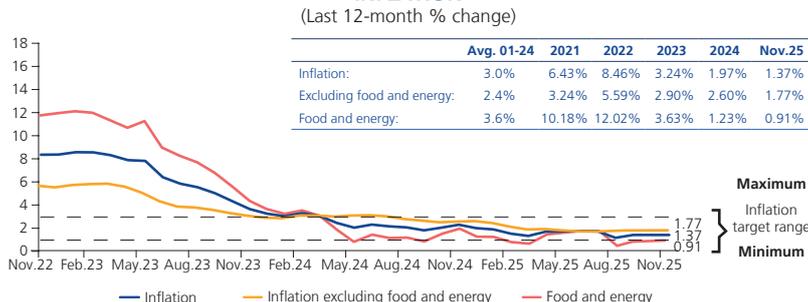
1/ Annual rates for bank operations over the last 30 days.  
2/ Calculated as of September 2010. In the case of consumer credit from the financial system, this is the average since October 2019.  
3/ Corresponds to the average for the financial system.  
On July 14, 2023, the SBS published Resolution No. 2368-2023, which modified the definitions of corporate credit segments, effective as of October 1, 2024.  
As of December 12.  
Source: BCRP y SBS.

### CREDIT TO THE PRIVATE SECTOR



Memo: calculated using a constant exchange rate (December 2024).  
\* Forecast.  
Source: BCRP.

### INFLATION



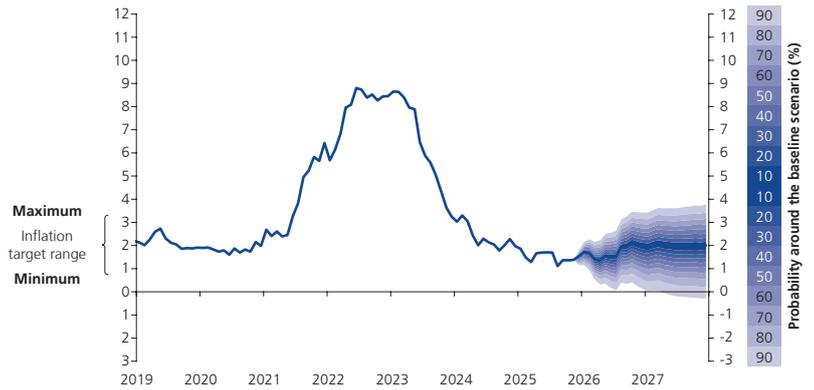
Memo: calculated using a constant exchange rate (December 2024).  
\* Projection.  
Source: BCRP.

months, close to the center of the target range.

Year-on-year inflation is projected to remain within the target range over the projection horizon, with rates of 1.5 percent per year in 2025, 2.0 percent per year in 2026, and 2.0 percent per year in 2027. In addition, this forecast considers the reversal of supply shocks, economic activity around its potential level, and inflation expectations that gradually approach the midpoint of the target range.

**INFLATION FORECAST: 2025-2027**

(% change last twelve months)

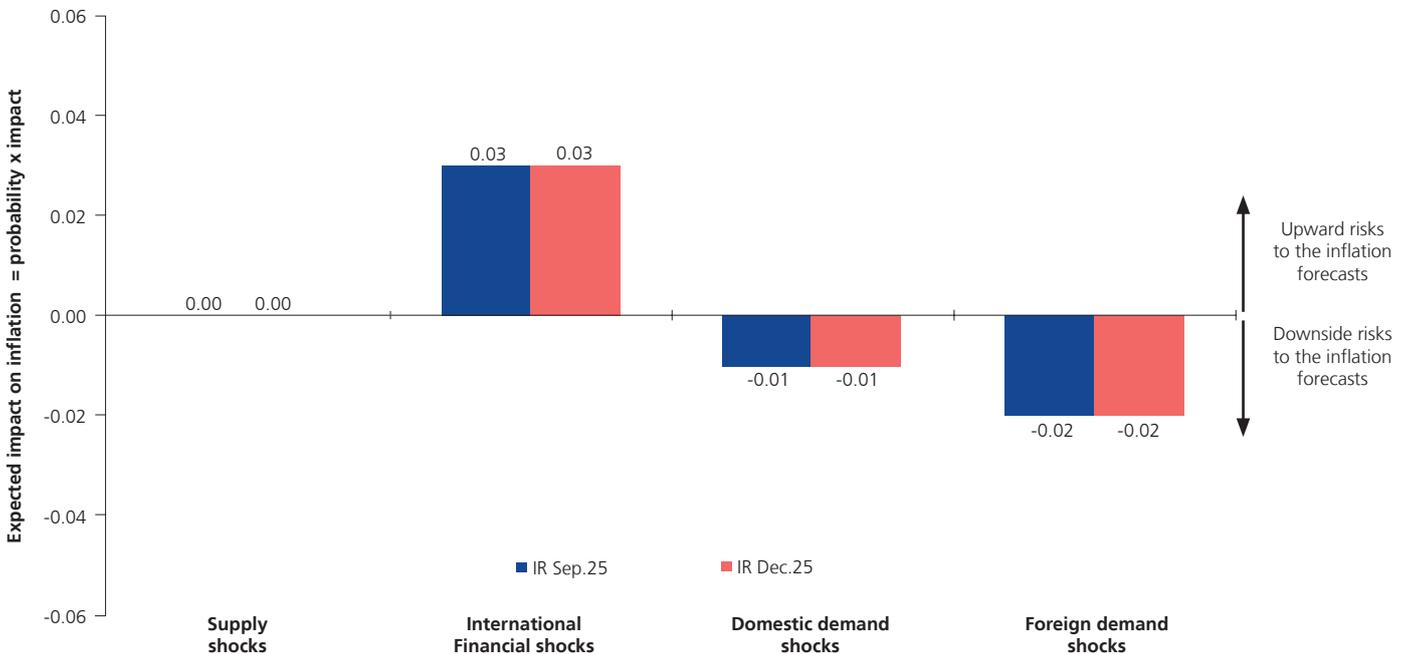


Memo: This fan chart shows the distribution of possible values for the inflation forecast over the projection horizon. Its central line is the mode of the distribution and shows the baseline scenario presented in this Inflation Report. Each pair of bands in the fan chart (each shade or shading) accumulates a 10% probability and indicates the possible values for inflation over the forecast horizon associated with this confidence level. Source: BCRP.

**Balance of risks**

The risks to the inflation projection remain neutral, in line with the September Report. The main risks include: (i) a scenario of high financial volatility and capital flight, associated with international factors or domestic political uncertainty; (ii) weakening of domestic demand in the event of political and social instability, which would affect consumption and private investment; and (iii) lower external demand in the face of a global slowdown—including slower growth in China—and higher international financing costs, factors that could deteriorate terms of trade and reduce demand for our exports.

**INFLATION RISK BALANCE**



Source: BCRP.

## SUMMARY OF FORECASTS

	2024	2025*		2026*		2027*
		IR Sep.25	IR Dec.25	IR Sep.25	IR Dec.25	IR Dec.25
<b>Real % change</b>						
1. Gross domestic product	3.5	3.2	3.3	2.9	3.0	3.0
2. Domestic demand	4.0	5.1	5.4	3.0	3.5	3.2
<i>a. Private consumption</i>	2.8	3.5	3.6	2.9	3.0	3.0
<i>b. Public consumption</i>	2.1	2.2	3.1	2.5	2.5	1.2
<i>c. Fixed private investment</i>	3.3	6.5	9.5	3.5	5.0	5.0
<i>d. Public investment</i>	14.7	6.5	5.5	1.0	1.0	1.0
3. Exports of goods and services	6.6	3.3	4.1	2.6	2.5	2.1
4. Imports of goods and services	8.4	10.2	11.8	3.1	4.4	3.1
5. Global GDP growth	3.3	2.9	3.1	2.8	3.0	2.9
Note:						
Product gap <sup>1/</sup> (%)	-0.4	-0.5 ; 0.5	-0.5 ; 0.5	-0.5 ; 0.5	-0.5 ; 0.5	-0.5 ; 0.5
<b>% change</b>						
6. Inflation (end of period)	2.0	1.7	1.5	2.0	2.0	2.0
7. Expected inflation <sup>2/</sup>	2.5	2.1	1.8	2.3	2.2	2.2
8. Expected depreciation <sup>2/</sup>	0.1	-3.0	-9.1	2.1	2.9	1.4
9. Terms of trade	12.3	13.9	17.0	1.8	6.4	-1.4
<i>a. Export prices</i>	7.6	11.1	14.3	2.4	6.3	0.8
<i>b. Import prices</i>	-4.2	-2.5	-2.4	0.5	-0.1	2.3
<b>Nominal % change</b>						
10. Current assets	11.4	7.0	11.5	0.0	5.0	3.0
11. Credit to the private sector	0.4	5.0	6.5	4.0	6.0	6.0
<b>% GDP</b>						
12. Gross fixed investment	22.1	21.8	21.9	21.7	21.6	21.9
13. Current account balance of payments	2.2	1.9	2.5	2.0	2.6	2.3
14. Trade balance	8.2	9.2	9.7	9.2	10.3	9.8
15. Medium- and long-term private external debt <sup>3/</sup>	11.4	9.8	10.0	8.9	8.5	7.7
16. Current revenue of the General Government	18.7	19.2	19.2	19.2	19.2	19.2
17. Non-financial expenditure of the General Government	20.7	20.3	20.0	19.7	19.4	19.1
18. Economic result of the non-financial public sector	-3.4	-2.4	-2.2	-2.1	-1.9	-1.6
19. Total public debt balance	32.0	31.3	30.4	32.0	31.2	32.1
20. Net public debt balance	23.4	23.7	22.9	24.8	23.8	24.6

IR: Inflation Report

\* Projection.

1/ Differential between GDP and potential GDP (as a percentage of potential GDP).

2/ Survey of expectations among analysts and financial institutions conducted at the time of publication of the respective Inflation Report. For 2024, the information observed in the case of depreciation and the average of expectations throughout the year in the case of inflation have been considered.

3/ Includes obligations in domestic currency with non-residents.