



# Summary Inflation Report

June 2025

This **Inflation Report** was prepared with information from the first quarter of 2025 on the Balance of Payments and Gross Domestic Product; from the monthly GDP for April 2025; and from the Non-Financial Public Sector operations, monetary accounts, inflation, financial markets, and exchange rate for May 2025.

Since the last Report, the **global growth** outlook has deteriorated, mainly due to increased trade tensions in response to the imposition of new tariff measures, some of which were postponed. For its part, **global inflation** has remained relatively stable, although inflation expectations, particularly in the United States (US), have increased, leading to a slower convergence towards the target. In response, the Fed has adopted a cautious stance on monetary policy easing, while most central banks continued their cycle of rate cuts.

In line with these developments, the global growth forecast was revised downward from 3.0 to 2.7 percent for 2025. While the lower growth outlook is widespread, the main revision occurred in the US, explained by the impact of delayed investment decisions, deteriorating consumer confidence, and rising inflationary pressures on US growth. Similar momentum in global growth is expected for 2026, with a revision to a rate of 2.7 percent. However, any worsening of trade or geopolitical tensions would pose downside risks to global growth.

The **terms of trade** rose by 16.4 percent year-on-year in the first quarter of 2025, due to favorable developments in the prices of exported metals (gold, copper, and zinc) and non-traditional fishery, iron and steel, and chemical products. Higher prices for mining

## GLOBAL GROWTH

(Annual % chg.)

	PPP*	2024	2025**		2026**	
			IR Mar.	IR Jun.	IR Mar.	IR Jun.
<b>Developed economies</b>	<b>39.9</b>	<b>1.8</b>	<b>1.5</b>	<b>1.1</b>	<b>1.6</b>	<b>1.2</b>
<i>Of which</i>						
1. United States	14.9	2.8	1.8	1.3	1.8	1.1
2. Eurozone	11.6	0.9	0.9	0.8	1.2	1.1
3. Japan	3.3	0.1	1.1	0.8	0.8	0.6
4. United Kingdom	2.2	1.1	1.1	0.8	1.4	1.1
5. Canada	1.3	1.5	1.5	0.8	1.6	0.8
<b>Developing economies</b>	<b>60.1</b>	<b>4.3</b>	<b>4.0</b>	<b>3.8</b>	<b>4.0</b>	<b>3.8</b>
<i>Of which</i>						
1. China	19.5	5.0	4.1	4.0	4.0	3.9
2. India	8.3	6.5	6.5	6.2	6.5	6.3
3. Russia	3.5	4.1	1.6	1.7	1.3	1.1
4. Latin America and the Caribbean	7.2	2.4	2.2	2.0	2.2	2.1
<b>World Economy</b>	<b>100.0</b>	<b>3.3</b>	<b>3.0</b>	<b>2.7</b>	<b>3.0</b>	<b>2.7</b>

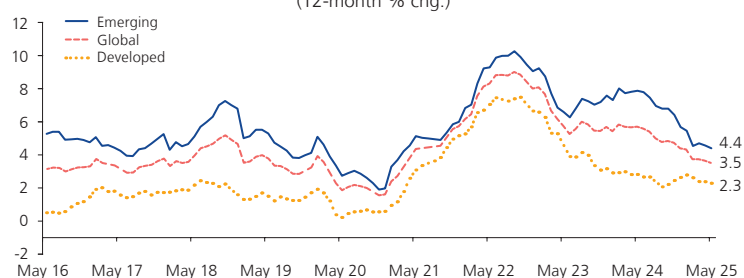
\* Base 2024.

\*\* Forecast.

Source: IMF and Consensus Forecast.

## INFLATION: GLOBAL, DEVELOPED COUNTRIES AND EMERGING ECONOMIES

(12-month % chg.)



Source: Reuters and BCRP.

## TERMS OF TRADE: 2023-2026

	2023	2024	2025*		2026*	
			Jan-Mar	IR Mar.25	IR Jun.25	IR Mar.25
<b>Terms of trade</b>						
<i>Annual % change (average)</i>	<b>7.7</b>	<b>12.6</b>	<b>16.4</b>	<b>4.4</b>	<b>9.9</b>	<b>0.1</b>
<b>Export Prices</b>						
<i>Var. annual % (average)</i>	<b>-2.6</b>	<b>7.9</b>	<b>13.8</b>	<b>4.9</b>	<b>7.3</b>	<b>1.7</b>
Copper (ctv USD per pound)	385	415	416	438	434	451
Zinc (ctv USD per pound)	120	126	129	130	123	131
Gold (USD per tr. ounce)	1,943	2,388	2,843	2,833	3,202	2,956
<b>Import prices</b>						
<i>Var. annual % (average)</i>	<b>-9.6</b>	<b>-4.2</b>	<b>-2.2</b>	<b>0.6</b>	<b>-2.4</b>	<b>1.5</b>
Oil (USD per barrel)	78	77	72	71	63	67
Wheat (USD per ton)	303	224	216	214	201	225
Corn (USD per ton)	226	162	174	185	174	184
Soybean Oil (USD per ton)	1,336	987	907	977	1,047	978

\* Forecast.

Note: The projection of this Report incorporates the historical revision of the terms of trade series, whose main modification was to update pesos in the import price basket (higher weight of China).

Source: BCRP.

products were due to persistent supply constraints, which were reflected in lower inventories, and stronger demand for safe-haven assets amid uncertainty surrounding US trade policy.

The terms of trade for 2025 are revised upward from 4.4 percent growth in March to 9.9 percent, due to the forecast of higher prices for the main export commodities (especially gold) and lower prices for imported inputs (oil and industrial inputs), in line with developments recorded so far this year and ongoing deflation in China.

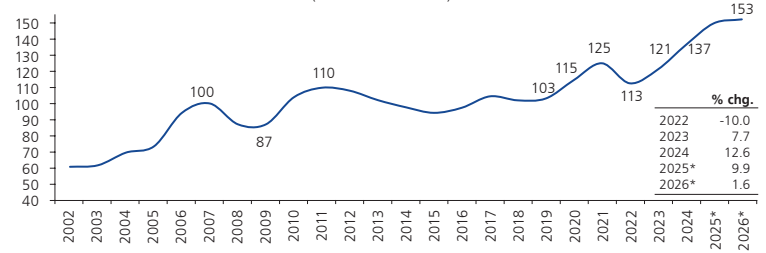
The cumulative annual **current account** surplus continued to increase (2.3 percent of GDP in the first quarter). The increase compared to 2024 was mainly explained by a higher trade surplus, driven by improved terms of trade and higher exports of non-traditional and mining products. In nominal terms, income from services also grew, especially from inbound tourism and remittances from the US. These effects were partially counterbalanced by higher profits from foreign companies, especially mining companies.

The current account surplus is projected to narrow to 1.9 percent of GDP in 2025 and then rebound to 2.3 percent in 2026. This scenario assumes: (i) growing trade surpluses, consistent with the projected evolution of the terms of trade; (ii) a reduction in the services deficit, in line with the normalization of freight costs and the gradual recovery of tourism; and (iii) an increase in the profits of companies with foreign participation from 5.8 percent of GDP in 2024 to 6.9 percent in 2025, reaching 7.0 percent in 2026.

**Domestic economic activity** grew 3.9 percent in the first quarter of 2025 due to the favorable impact of private spending on non-primary activities in a context of inflation within the target range, recovery in employment, and improved expectations. Primary activities also expanded by 4.1 percent, with industrial fishing standing out

**TERMS OF TRADE 2002-2026**

(Index 100=2007)



\* Forecast.  
Source: BCRP.

**BALANCE OF PAYMENTS**

(Million USD)

	2024	2025*		2026*		
		Q1.25 3/	IR Mar.25	IR Jun.25	IR Mar.25	IR Jun.25
<b>I. CURRENT ACCOUNT BALANCE</b>	<b>6,390</b>	<b>6,879</b>	<b>6,028</b>	<b>6,030</b>	<b>7,182</b>	<b>7,837</b>
Percentage of GDP	2.2	2.3	1.9	1.9	2.2	2.3
<b>1. Trade balance</b>	<b>24,081</b>	<b>26,209</b>	<b>26,818</b>	<b>28,407</b>	<b>27,787</b>	<b>30,677</b>
a. Exports	76,172	80,359	82,309	84,495	86,464	89,316
Of which:						
i) Traditional	55,451	58,699	60,694	61,803	63,342	65,854
ii) Non-traditional	20,505	21,447	21,445	22,472	22,966	23,268
b. Imports	52,091	54,150	55,491	56,088	58,677	58,639
<b>2. Services</b>	-7,916	-8,132	-7,011	-7,280	-6,895	-7,022
<b>3. Primary income (factor income)</b>	-17,379	-18,835	-21,137	-22,674	-21,476	-23,753
<b>4. Secondary income (transfers)</b>	7,604	7,637	7,358	7,577	7,766	7,934
Of which: Remittances	4,934	4,999	4,965	5,186	5,165	5,342
<b>II. FINANCIAL ACCOUNT 1/</b>	<b>-1,995</b>	<b>-2,949</b>	<b>-2,954</b>	<b>-3,447</b>	<b>839</b>	<b>1,494</b>
Percentage of GDP	-0.7	-1.0	-1.0	-1.1	0.3	0.4
<b>1. Private Sector</b>	3,277	3,657	812	483	2,299	2,862
a. Long-term	169	2,250	-87	252	1,084	1,550
b. Short-term	3,108	1,407	899	230	1,215	1,312
<b>2. Public Sector 2/</b>	-5,272	-6,606	-3,766	-3,930	-1,460	-1,368
<b>III. NET ERRORS AND OMISSIONS</b>	<b>-1,331</b>	<b>-4,586</b>	<b>0</b>	<b>-2,646</b>	<b>0</b>	<b>0</b>
<b>IV. BALANCE OF PAYMENTS OUTTURNS</b>	<b>7,054</b>	<b>5,242</b>	<b>8,982</b>	<b>6,830</b>	<b>6,343</b>	<b>6,343</b>
IV= (I+III) - II = (1-2)						
<b>1. Change in NIR balance</b>	7,954	7,188	8,982	7,982	6,343	6,343
<b>2. Valuation effect</b>	900	1,946	0	1,152	0	0

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

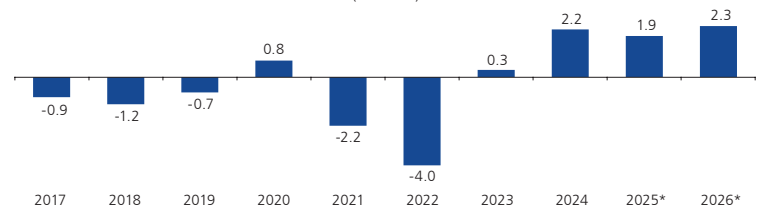
2/ Considers the purchase and sale between residents and non-residents of public sector bonds issued abroad or in the local market.

3/ Shows the cumulative annual result as of the first quarter of 2025.

\* Forecast.  
Source: BCRP.

**CURRENT ACCOUNT: 2017-2026**

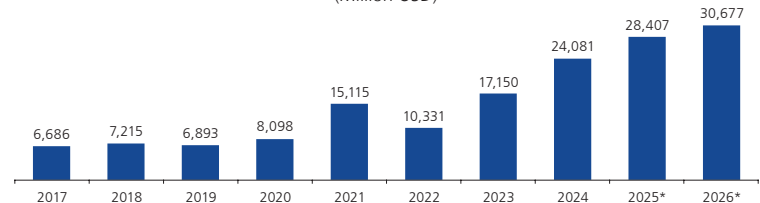
(% GDP)



\* Forecast.  
Source: BCRP.

**BALANCE OF TRADE IN GOODS, 2017-2026**

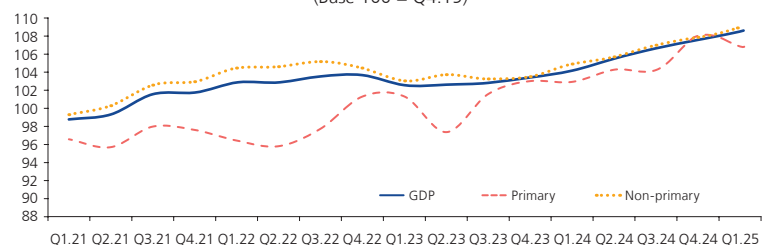
(Million USD)



\* Forecast.  
Source: BCRP.

**SEASONALLY ADJUSTED ECONOMIC ACTIVITY INDEXES**

(Base 100 = Q4.19)



Source: BCRP.

due to higher anchovy catches and metal mining due to higher production of copper, molybdenum, and silver. On the expenditure side, growth was sustained by solid private spend. Likewise, public spending grew 7.5 percent, with public investment (11.2 percent) standing out.

By 2025, the economy is estimated to grow 3.1 percent, lower than the March Report forecast (3.2 percent), due to lower expected expansion in the mining and hydrocarbons sector. On the other hand, the forecast for non-primary GDP growth has been raised from 3.3 percent to 3.4 percent, as a result of favorable private spending performance so far this year, in a context of low inflation, higher employment, and a recovery in business confidence.

By 2026, growth is expected to reach 2.9 percent, unchanged from the previous report, with domestic demand as the main driver of growth, in a context of fiscal consolidation, stable macroeconomic conditions, and political and social stability.

The cumulative **fiscal deficit** in the last twelve months decreased from 3.5 to 2.7 percent of GDP between December 2024 and May 2025, mainly due to an increase in current income, particularly from higher tax revenues from income tax regularization, in line with the recovery in economic activity and high prices for mineral exports. and, to a lesser extent, by the reduction in current expenditure as a percentage of GDP.

The fiscal deficit is projected to decline to 2.5 and 2.1 percent of GDP in 2025 and 2026, respectively, as a result of higher tax revenues as a percentage of GDP, driven by economic growth and higher export mineral prices (including the time lag effect of both variables) as well as extraordinary revenues, especially from income tax in 2025. It also incorporates a recovery in the cash flow of public enterprises, particularly Petroperú. The planned reduction in the deficit requires prudent fiscal policy, which implies limiting

### GDP BY ECONOMIC SECTORS

(Real % change)

	2024	2025*			2026*	
		Q1.25	IR Mar.25	IR Jun.25	IR Mar.25	IR Jun.25
<b>Primary GDP</b>	<b>4.3</b>	<b>4.1</b>	<b>2.6</b>	<b>2.1</b>	<b>2.0</b>	<b>2.4</b>
Agriculture and livestock	5.6	4.0	3.2	3.2	3.0	3.0
Fishing	24.9	25.2	2.2	8.6	2.9	-3.1
Metallic mining	2.1	3.2	2.0	0.3	1.0	2.3
Hydrocarbons	2.1	-2.3	5.5	4.0	2.1	3.6
Manufacturing	8.2	9.4	2.6	4.1	3.2	1.8
<b>Non-Primary GDP</b>	<b>3.1</b>	<b>3.9</b>	<b>3.3</b>	<b>3.4</b>	<b>3.1</b>	<b>3.1</b>
Manufacturing	2.5	2.2	3.0	2.5	2.9	2.9
Electricity and water	2.4	1.5	3.0	2.8	2.7	2.7
Construction	3.6	5.3	3.8	3.8	2.0	2.0
Commerce	3.0	3.4	2.7	2.9	2.8	2.8
Services	3.2	4.2	3.5	3.6	3.3	3.3
<b>GDP</b>	<b>3.3</b>	<b>3.9</b>	<b>3.2</b>	<b>3.1</b>	<b>2.9</b>	<b>2.9</b>

IR: Inflation Report.  
\* Forecast.  
Source: BCRP.

### DOMESTIC DEMAND AND GDP

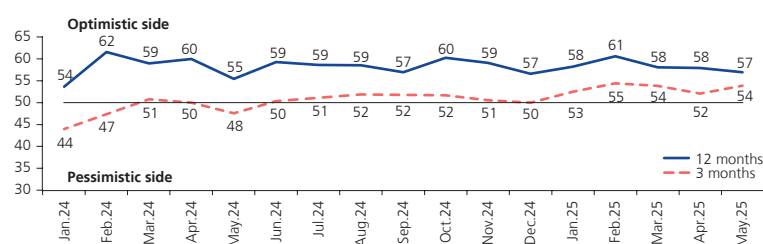
(Real % change)

	2024	2025*			2026*	
		Q1.25	IR Mar.25	IR Jun.25	IR Mar.25	IR Jun.25
<b>Domestic demand</b>	<b>4.0</b>	<b>6.0</b>	<b>3.5</b>	<b>4.4</b>	<b>3.0</b>	<b>3.0</b>
Private consumption	2.8	3.8	3.1	3.3	2.9	2.9
Public consumption	2.1	6.5	2.2	2.2	2.5	2.5
Private investment	3.3	8.8	4.1	5.0	3.5	3.5
Public investment	14.7	11.2	6.5	6.5	1.0	1.0
Change on inventories (contribution)	0.5	0.5	0.0	0.7	0.0	0.0
<b>Exports</b>	<b>6.1</b>	<b>9.6</b>	<b>3.9</b>	<b>3.8</b>	<b>3.3</b>	<b>3.5</b>
<b>Imports</b>	<b>8.4</b>	<b>17.0</b>	<b>5.2</b>	<b>8.6</b>	<b>3.8</b>	<b>3.7</b>
<b>Gross Domestic Product</b>	<b>3.3</b>	<b>3.9</b>	<b>3.2</b>	<b>3.1</b>	<b>2.9</b>	<b>2.9</b>

IR: Inflation Report.  
\* Forecast.  
Source: BCRP.

### EXPECTATIONS ABOUT THE ECONOMY IN 3 AND 12 MONTHS AHEAD

(Index)



Source: BCRP.

### NON-FINANCIAL PUBLIC SECTOR

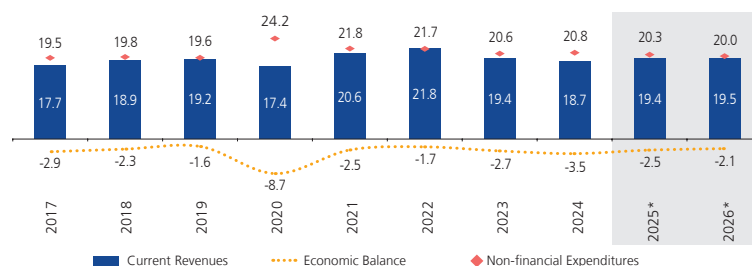
(% GDP)

	2024	2025*			2026*	
		May 1/	IR Mar.25	IR Jun.25	IR Mar.25	IR Jun.25
<b>1. General government current revenues</b>	<b>18.7</b>	<b>19.2</b>	<b>20.4</b>	<b>19.4</b>	<b>20.2</b>	<b>19.5</b>
Real % change	2.4%	10.2%	11.7%	9.3%	2.3%	3.7%
<b>2. General government non-financial expenditure</b>	<b>20.8</b>	<b>20.6</b>	<b>20.9</b>	<b>20.3</b>	<b>20.4</b>	<b>20.0</b>
Real % change	7.4%	6.6%	3.0%	3.0%	1.0%	1.8%
<i>Of which:</i>						
Current expenditure	14.7	14.6	15.0	14.6	14.8	14.4
Real % change	1.5%	1.9%	4.5%	5.1%	2.0%	2.2%
Gross capital formation	5.0	4.9	5.2	5.0	5.0	4.9
Real % change	16.3%	8.4%	7.0%	6.7%	0.9%	1.1%
<b>3. Others 2/</b>	<b>0.2</b>	<b>0.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>
<b>4. Primary balance (1-2+3)</b>	<b>-1.8</b>	<b>-1.1</b>	<b>-0.5</b>	<b>-0.9</b>	<b>-0.1</b>	<b>-0.4</b>
<b>5. Interests</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	<b>1.6</b>	<b>1.8</b>	<b>1.7</b>
<b>6. Overall Balance</b>	<b>-3.5</b>	<b>-2.7</b>	<b>-2.2</b>	<b>-2.5</b>	<b>-1.8</b>	<b>-2.1</b>

1/ Ratios on % of GDP and real % changes represent accumulated in the last 12 months as of May.  
2/ Includes capital income of the general government and primary balance from state-owned companies.  
\* Forecast.  
IR: Inflation Report.

### ECONOMIC BALANCE OF THE NON-FINANCIAL PUBLIC SECTOR: 2017 - 2026

(% GDP)



Memo: The economic result is calculated as current income of the General Government - Non-financial expenditures of the General Government + other (capital income of the General Government and primary result of state-owned enterprises) - interest payment on debt of the Non-Financial Public Sector.  
\* Forecast.  
Source: BCRP.

due to higher anchovy catches and metal mining due to higher production of copper, molybdenum, and silver. On the expenditure side, growth was sustained by solid private spend. Likewise, public spending grew 7.5 percent, with public investment (11.2 percent) standing out.

By 2025, the economy is estimated to grow 3.1 percent, lower than the March Report forecast (3.2 percent), due to lower expected expansion in the mining and hydrocarbons sector. On the other hand, the forecast for non-primary GDP growth has been raised from 3.3 percent to 3.4 percent, as a result of favorable private spending performance so far this year, in a context of low inflation, higher employment, and a recovery in business confidence.

By 2026, growth is expected to reach 2.9 percent, unchanged from the previous report, with domestic demand as the main driver of growth, in a context of fiscal consolidation, stable macroeconomic conditions, and political and social stability.

The cumulative **fiscal deficit** in the last twelve months decreased from 3.5 to 2.7 percent of GDP between December 2024 and May 2025, mainly due to an increase in current income, particularly from higher tax revenues from income tax regularization, in line with the recovery in economic activity and high prices for mineral exports. and, to a lesser extent, by the reduction in current expenditure as a percentage of GDP.

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**GDP BY ECONOMIC SECTORS**

(Real % change)

	2024	2025*			2026*	
		Q1.25	IR Mar.25	IR Jun.25	IR Mar.25	IR Jun.25
<b>Primary GDP</b>	<b>4.3</b>	<b>4.1</b>	<b>2.6</b>	<b>2.1</b>	<b>2.0</b>	<b>2.4</b>
Agriculture and livestock	5.6	4.0	3.2	3.2	3.0	3.0
Fishing	24.9	25.2	2.2	8.6	2.9	-3.1
Metallic mining	2.1	3.2	2.0	0.3	1.0	2.3
Hydrocarbons	2.1	-2.3	5.5	4.0	2.1	3.6
Manufacturing	8.2	9.4	2.6	4.1	3.2	1.8
<b>Non-Primary GDP</b>	<b>3.1</b>	<b>3.9</b>	<b>3.3</b>	<b>3.4</b>	<b>3.1</b>	<b>3.1</b>
Manufacturing	2.5	2.2	3.0	2.5	2.9	2.9
Electricity and water	2.4	1.5	3.0	2.8	2.7	2.7
Construction	3.6	5.3	3.8	3.8	2.0	2.0
Commerce	3.0	3.4	2.7	2.9	2.8	2.8
Services	3.2	4.2	3.5	3.6	3.3	3.3
<b>GDP</b>	<b>3.3</b>	<b>3.9</b>	<b>3.2</b>	<b>3.1</b>	<b>2.9</b>	<b>2.9</b>

IR: Inflation Report.  
\* Forecast.  
Source: BCRP.

**DOMESTIC DEMAND AND GDP**

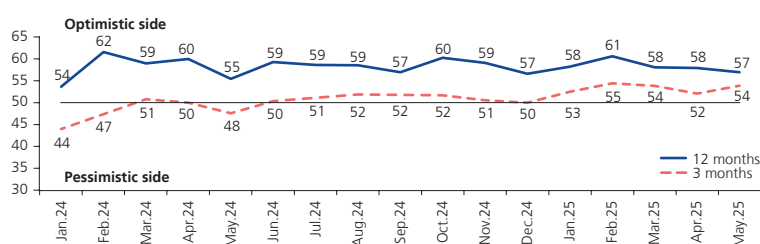
(Real % change)

	2024	2025*			2026*	
		Q1.25	IR Mar.25	IR Jun.25	IR Mar.25	IR Jun.25
<b>Domestic demand</b>	<b>4.0</b>	<b>6.0</b>	<b>3.5</b>	<b>4.4</b>	<b>3.0</b>	<b>3.0</b>
Private consumption	2.8	3.8	3.1	3.3	2.9	2.9
Public consumption	2.1	6.5	2.2	2.2	2.5	2.5
Private investment	3.3	8.8	4.1	5.0	3.5	3.5
Public investment	14.7	11.2	6.5	6.5	1.0	1.0
Change on inventories (contribution)	0.5	0.5	0.0	0.7	0.0	0.0
<b>Exports</b>	<b>6.1</b>	<b>9.6</b>	<b>3.9</b>	<b>3.8</b>	<b>3.3</b>	<b>3.5</b>
<b>Imports</b>	<b>8.4</b>	<b>17.0</b>	<b>5.2</b>	<b>8.6</b>	<b>3.8</b>	<b>3.7</b>
<b>Gross Domestic Product</b>	<b>3.3</b>	<b>3.9</b>	<b>3.2</b>	<b>3.1</b>	<b>2.9</b>	<b>2.9</b>

IR: Inflation Report.  
\* Forecast.  
Source: BCRP.

**EXPECTATIONS ABOUT THE ECONOMY IN 3 AND 12 MONTHS AHEAD**

(Index)



Source: BCRP.

**NON-FINANCIAL PUBLIC SECTOR**

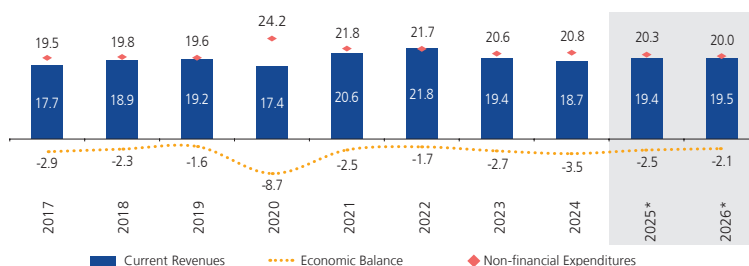
(% GDP)

	2024	2025*			2026*	
		May 1/	IR Mar.25	IR Jun.25	IR Mar.25	IR Jun.25
<b>1. General government current revenues</b>	<b>18.7</b>	<b>19.2</b>	<b>20.4</b>	<b>19.4</b>	<b>20.2</b>	<b>19.5</b>
Real % change	2.4%	10.2%	11.7%	9.3%	2.3%	3.7%
<b>2. General government non-financial expenditure</b>	<b>20.8</b>	<b>20.6</b>	<b>20.9</b>	<b>20.3</b>	<b>20.4</b>	<b>20.0</b>
Real % change	7.4%	6.6%	3.0%	3.0%	1.0%	1.8%
<i>Of which:</i>						
Current expenditure	14.7	14.6	15.0	14.6	14.8	14.4
Real % change	1.5%	1.9%	4.5%	5.1%	2.0%	2.2%
Gross capital formation	5.0	4.9	5.2	5.0	5.0	4.9
Real % change	16.3%	8.4%	7.0%	6.7%	0.9%	1.1%
<b>3. Others 2/</b>	<b>0.2</b>	<b>0.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>
<b>4. Primary balance (1-2+3)</b>	<b>-1.8</b>	<b>-1.1</b>	<b>-0.5</b>	<b>-0.9</b>	<b>-0.1</b>	<b>-0.4</b>
<b>5. Interests</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	<b>1.6</b>	<b>1.8</b>	<b>1.7</b>
<b>6. Overall Balance</b>	<b>-3.5</b>	<b>-2.7</b>	<b>-2.2</b>	<b>-2.5</b>	<b>-1.8</b>	<b>-2.1</b>

1/ Ratios on % of GDP and real % changes represent accumulated in the last 12 months as of May.  
2/ Includes capital income of the general government and primary balance from state-owned companies.  
\* Forecast.  
IR: Inflation Report.

**ECONOMIC BALANCE OF THE NON-FINANCIAL PUBLIC SECTOR: 2017 - 2026**

(% GDP)

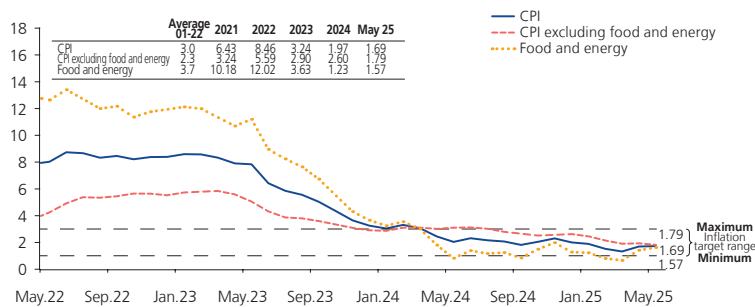


Memo: The economic result is calculated as current income of the General Government - Non-financial expenditures of the General Government + other (capital income of the General Government and primary result of state-owned enterprises) - interest payment on debt of the Non-Financial Public Sector.  
\* Forecast.  
Source: BCRP.

**Year-on-year inflation** rose slightly, from 1.48 percent in February 2025 to 1.69 percent in May, within the target range. The increase reflected higher prices for food items such as chicken, fish, and potatoes. For its part, inflation excluding food and energy (SAE) fell from 2.11 percent to 1.79 percent in the same period, due to a smaller increase in prices for items such as local transportation, higher education, and motor vehicles. The inflation rate of the goods and services components that make up the SAE measure were within the target range. Trend indicators of inflation also showed a downward trend and were around the center of the target range.

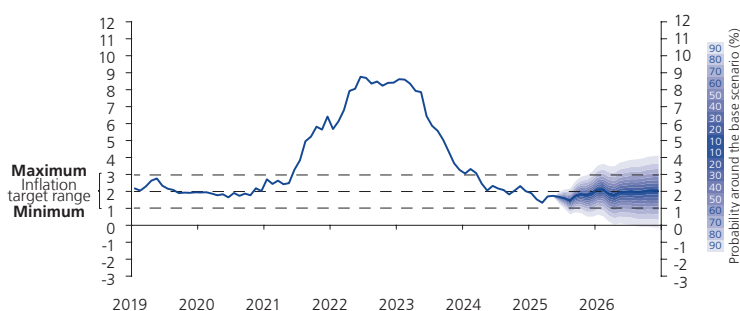
Inflation is projected to remain close to the midpoint of the target range during the projection horizon, with an estimated rate of 1.8 percent for 2025 and 2.0 percent for 2026. This forecast considers, in addition to the dissipation of supply shocks, economic activity around its potential level and inflation expectations that continue to decline toward the center value of the target range.

**INFLATION**  
(% change last twelve months)



Source: BCRP.

**INFLATION FORECAST: 2025 - 2026**  
(% change last twelve months)



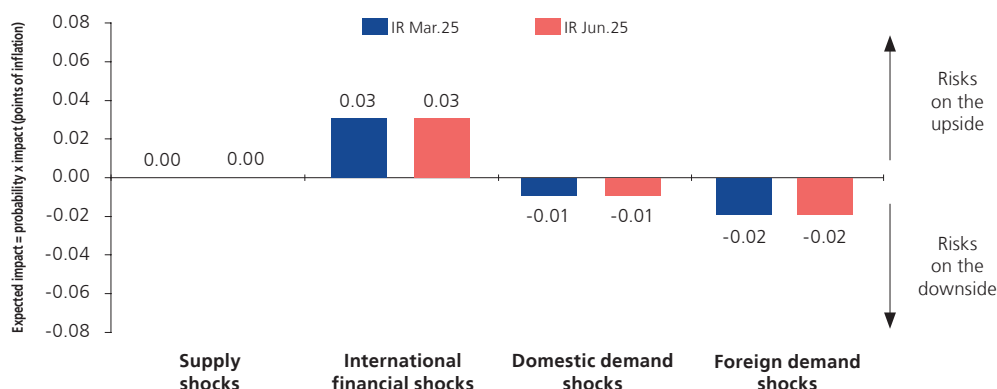
Note: This Fanchart presents the distribution of possible inflation projection values over the projection horizon. Its central line is the mode of the distribution and shows the baseline scenario projection presented in this Inflation Report. Each pair of Fanchart bands (each shade) accumulates a 10% probability and indicates the possible values for the evolution of inflation over the projection horizon associated with this confidence level.

Source: BCRP.

**Balance of risks**

The **balance of risks for the inflation projection** remain neutral, in line with the March Report. The impact of factors that could reduce inflation would be offset by those that would exert upward pressure. The main risks include: (i) supply shocks due to protectionist measures, geopolitical tensions, and natural phenomena; (ii) greater financial volatility and capital outflows, due to both external factors and domestic political uncertainty; (iii) weakening domestic demand in a context of economic uncertainty; and (iv) lower external demand due to a possible global slowdown, especially in key economies such as China and the US.

**INFLATION RISKS BALANCE SHEET**



Source: BCRP.

## SUMMARY OF INFLATION REPORT FORECAST

	2024	2025*		2026*	
		IR Mar.25	IR Jun.25	IR Mar.25	IR Jun.25
<b>Real % chg.</b>					
1. Gross Domestic Product	3.3	3.2	3.1	2.9	2.9
2. Domestic demand	4.0	3.5	4.4	3.0	3.0
a. Private consumption	2.8	3.1	3.3	2.9	2.9
b. Public consumption	2.1	2.2	2.2	2.5	2.5
c. Fixed private investment	3.3	4.1	5.0	3.5	3.5
d. Public investment	14.7	6.5	6.5	1.0	1.0
3. Exports (good and services)	6.1	3.9	3.8	3.3	3.5
4. Imports (good and services)	8.4	5.2	8.6	3.8	3.7
5. Global economic growth	3.3	3.0	2.7	3.0	2.7
<b>Note:</b>					
Output gap <sup>1/</sup> (%)	-0.4	-0.5 ; 0.5	-0.5 ; 0.5	-0.5 ; 0.5	-0.5 ; 0.5
<b>% chg.</b>					
6. Inflation (end-of-period)	2.0	2.0	1.8	2.0	2.0
7. Expected inflation <sup>2/</sup>	2.5	2.3	2.3	2.4	2.4
8. Expected depreciation <sup>2/</sup>	0.1	0.3	0.3	0.9	0.9
9. Terms of trade	12.6	4.4	9.9	0.1	1.6
a. Export prices	7.9	4.9	7.3	1.7	2.1
b. Import prices	-4.2	0.6	-2.4	1.5	0.5
<b>Nominal % change</b>					
10. Currency	11.4	4.0	7.0	0.0	0.0
11. Credit to the private sector	0.4	5.0	5.0	4.0	4.0
<b>% GDP</b>					
12. Gross fixed investment	22.1	22.6	21.9	22.6	21.8
13. Current account of the balance of payments	2.2	1.9	1.9	2.2	2.3
14. Trade balance	8.2	8.7	8.8	8.7	9.1
15. Long-term external financing of the private sector <sup>3/</sup>	11.4	10.6	9.9	9.9	9.0
16. Current revenue of the general government	18.7	20.4	19.4	20.2	19.5
17. Non-financial expenditure of the general government	20.8	20.9	20.3	20.4	20.0
18. Overall balance of the non-financial public sector	-3.5	-2.2	-2.5	-1.8	-2.1
19. Balance of total public debt	32.1	32.6	32.2	33.0	32.6
20. Balance of net public debt	23.5	24.9	24.2	25.6	25.1

IR: Inflation Report.

\* Forecast.

1/ Differential between GDP and trend GDP (in % of trend GDP).

2/ Survey on expectations to the analysts and financial entities carried out at the time of publication of the respective Inflation Report. Data observed in the case of depreciation for 2024, and the average of expectations throughout year in case of inflation has been considered.

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