

Summary Inflation Report

September 2025

This **Inflation Report** has been prepared using information from the second quarter of 2025 on the Balance of Payments and Gross Domestic Product; from July 2025 on monthly GDP; from July on monetary accounts; and from August 2025 on Non-Financial Public Sector operations, inflation, financial markets, and exchange rates.

Since the last Report, **global economic activity** has shown signs of recovery, mainly due to higher-than-expected growth in the United States and China, facilitated by the trade truce. However, the latest data from the US labor market, together with the persistence of global uncertainty resulting from trade and geopolitical tensions, suggest a slowdown for the second half of the year. **Global inflation** declined, attributable to emerging economies, while inflation remained stable in developed economies.

In line with these developments, the global GDP growth projection is revised upward from 2.7 to 2.9 percent for 2025. For 2026, global growth is also revised slightly upward, from 2.7 to 2.8 percent, mainly due to higher projected growth for China and less uncertainty regarding trade policy.

Terms of trade remained highly favorable, rising 16.2 percent year-on-year in the second quarter of 2025, due to the evolution of prices for exported metals, coffee, and non-traditional fishery, chemical, and iron and steel products. Among the factors influencing this result were increased demand for gold as a safe haven asset amid geopolitical and trade uncertainty; the support that reduced tariffs between the United States and China provided to copper and zinc prices; and higher prices for copper and zinc concentrates.

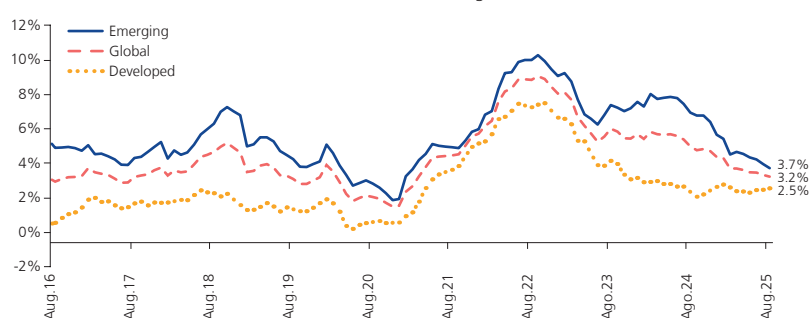
GLOBAL GROWTH (Annual % changes)

	PPP*	2024	2025		2026	
			IR Jun	IR Set	IR Jun	IR Set
Developed economies	39.9	1.8	1.1	1.4	1.2	1.2
<i>Of which</i>						
1. United States	14.9	2.8	1.3	1.6	1.1	1.1
2. Eurozone	11.6	0.9	0.8	1.1	1.1	1.1
3. Japan	3.3	0.1	0.8	0.8	0.6	0.7
4. United Kingdom	2.2	1.1	0.8	1.0	1.1	1.1
5. Canada	1.3	1.5	0.8	1.0	0.8	1.0
Developing economies	60.1	4.3	3.8	4.0	3.8	3.9
<i>Of which</i>						
1. China	19.5	5.0	4.0	4.5	3.9	4.2
2. India	8.3	6.5	6.2	6.2	6.3	6.3
3. Russia	3.5	4.1	1.7	1.7	1.1	1.1
4. Latin America and the Caribbean	7.2	2.4	2.0	2.0	2.1	2.2
World Economy	100.0	3.3	2.7	2.9	2.7	2.8

* Base 2024.

Source: IMF, Consensus Forecast, and BCRP (Peru).

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

Prepared by: BCRP.
Source: Reuters.

TERMS OF TRADE: 2023–2026

	2023	2024	2025*			2026*	
			Jan-Jun	IR Jun.25	IR Sep.25	IR Jun.25	IR Sep.25
Terms of trade							
Annual % change (average)	7.7	12.6	16.3	9.9	13.9	1.6	1.8
Export prices							
Annual % change (average)	-2.6	7.9	12.4	7.3	11.1	2.1	2.4
Copper (ctv USD per pound)	385	415	424	434	435	457	446
Zinc (ctv USD per pound)	120	126	124	123	125	122	127
Gold (USD per ounce)	1,943	2,388	3,067	3,202	3,225	3,451	3,483
Import prices							
Annual % change (average)	-9.6	-4.2	-3.3	-2.4	-2.5	0.5	0.5
Oil (USD per barrel)	78	77	68	63	66	60	63
Wheat (USD per MT)	303	224	217	201	199	215	209
Maize (USD per MT)	226	162	171	174	174	182	182
Soybean oil (USD per MT)	1,336	987	986	1,047	1,104	1,081	1,172

* Projection.
Source: BCRP.

The terms of trade for 2025 are revised upward to 13.9 percent growth, due to the forecast of higher prices for major export commodities, specifically copper, gold, natural gas, and zinc, as well as lower import prices in a context of low oil prices and deflation in China.

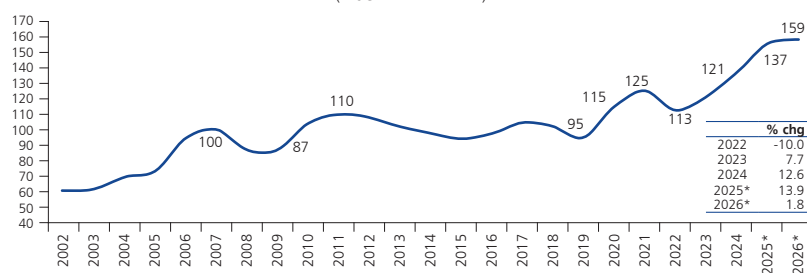
The **current account balance** continued to record surpluses. Between 2024 and the second quarter of 2025, the cumulative current account surplus fell from 2.2 to 1.9 percent of GDP. This reduction was mainly due to higher profits by foreign companies, particularly private banks — thanks to higher margins and lower delinquency rates— and mining companies—in line with the favorable evolution of our export prices—. To a lesser extent, higher imports of travel and freight services also contributed. These effects were mitigated by the expansion of the trade surplus in goods, driven by the dynamism of the terms of trade and higher shipments abroad of non-traditional fishery and agricultural products.

In terms of output, the current account surplus is projected to decline from 2.2 percent in 2024 to 1.9 percent in 2025, and then to 2.0 percent in 2026. This scenario considers: (i) growing trade surpluses, consistent with the expected evolution of the terms of trade and non-traditional exports; (ii) a reduction in the services deficit, in line with the normalization of freight costs and the recovery of tourism; and (iii) the expansion of profits of companies with foreign participation, which would be equivalent to 7.2 percent of GDP in 2026.

National economic activity grew by 2.8 percent in the second quarter of 2025 due to the positive impact of private spending on non-primary activities in a context of low inflation, employment recovery, favorable financial conditions, and business confidence. Meanwhile, the growth of primary activities was supported by the performance of production for agro-exports and primary manufacturing.

The 2025 GDP growth forecast has been revised upward from 3.1 percent to 3.2 percent. This change incorporates the prospects for

TERMS OF TRADE, 2002–2026
(Index 100 = 2007)



* Projection.
Source: BCRP.

BALANCE OF PAYMENTS
(Million USD)

	2024	2025*			2026*	
		Q2.2025 ^{1/}	IR Jun.25	IR Sep.25	IR Jun.25	IR Sep.25
<u>I. CURRENT ACCOUNT BALANCE</u>	6 390	5,953	6,030	6,421	7,837	7,070
Percentage of GDP	2.2	1.9	1.9	1.9	2.3	2.0
1. Trade balance	24,081	26,652	28,407	30,302	30,677	32,390
a. Exports	76,172	81,980	84,495	87,066	89,316	91,370
Of which:						
I) Traditional	55,451	59,423	61,803	63,979	65,854	68,658
II) Non-Traditional	20,505	22,356	22,472	22,846	23,268	23,502
b. Imports	52,091	55,329	56,088	56,764	58,639	58,980
2. Services	-7,916	-8,147	-7,280	-7,847	-7,022	-7,329
3. Primary income (factor income)	-17,379	-20,281	-22,674	-23,837	-23,753	-26,180
4. Secondary income (transfers)	7,604	7,730	7,577	7,803	7,934	8,189
Of which: Remittances from abroad	4,934	5,102	5,186	5,227	5,342	5,384
<u>II. FINANCIAL ACCOUNT^{1/}</u>	-1,995	-8,527	-3,447	-4,256	1,494	3,317
Percentage of GDP	-0.7	-1.1	-1.1	-1.3	0.4	0.9
1. Private sector	3,277	1,995	483	930	2,862	5,018
a. Long term	169	655	252	-956	1,550	2,774
b. Short term	3,108	1,340	230	1,886	1,312	2,244
2. Public sector^{2/}	-5,272	-10,522	-3,930	-5,186	-1,368	-1,701
<u>III. NET ERRORS AND OMISSIONS</u>	-1,331	-3,221	-2,646	-3,178	0	0
<u>IV. BALANCE OF PAYMENTS RESULTS</u>	7,054	11,260	6,830	7,499	6,343	3,753
IV = (I+II) - III (1-2)						
1. Change in RIN balance	7,954	13,848	7,982	9,482	6,343	3,753
2. Valuation effect	900	2 588	1 152	1 983	0	0

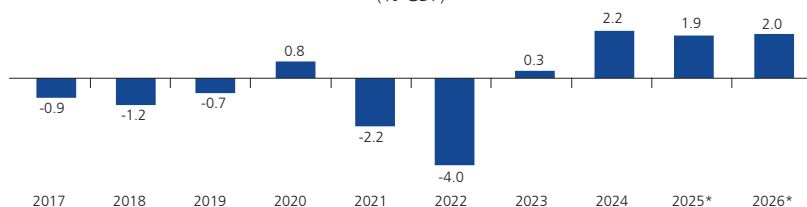
1/ The financial account and its components (private and public sectors) are expressed as net assets minus liabilities. Therefore, a negative sign implies an inflow of foreign capital.

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 annual result for the second quarter of 2025.

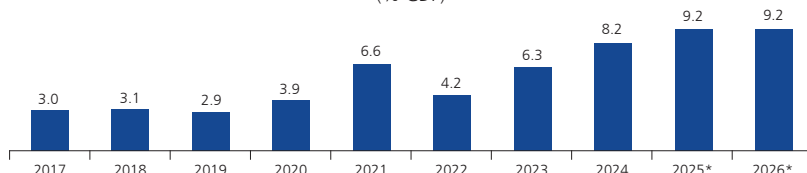
* Projection.
Source: BCRP.

CURRENT ACCOUNT, 2017–2026
(% GDP)



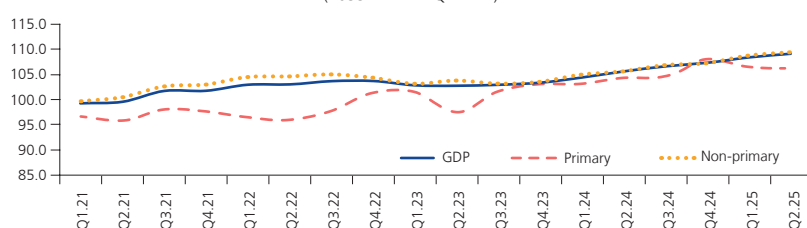
* Projection.
Source: BCRP.

BALANCE OF TRADE IN GOODS, 2017–2026
(% GDP)



* Projection.
Source: BCRP.

SEASONALLY ADJUSTED ECONOMIC ACTIVITY INDICES
(Base 100 = 4Q-2019)



Source: BCRP.

higher private spending growth, consistent with positive signals from contemporary and leading indicators. Consequently, the projected expansion in non-primary manufacturing, services, and construction has been revised upward. Likewise, higher growth is anticipated in metal mining due to the resumption of Shougang's operations, as well as a higher increase in agricultural production due to better weather conditions. This upward revision will be limited by lower fishing production following the early end of the first fishing season in the north-central zone.

By 2026, growth of 2.9 percent is expected, a figure that remains unchanged from the previous report, with domestic demand as the main driver of growth. The 2025-2026 projection scenario assumes normal weather conditions and high business and consumer confidence, under a stable social, macroeconomic, and financial environment.

The cumulative **fiscal deficit** over the last twelve months decreased from 3.5 to 2.4 percent of GDP between December 2024 and August 2025. This result is mainly due to the increase in current revenues as a percentage of GDP, associated with economic growth, higher export prices, and tax enforcement measures and actions. The reduction in non-financial spending also contributed to a lesser extent.

The fiscal deficit is projected to fall from 3.5 percent of GDP in 2024 to 2.4 percent of GDP in 2025, continuing to decline to 2.1 percent of GDP in 2026. The projection takes into account higher revenues in 2025, including payments for income tax adjustments and corporate tax payments (associated with the impact of high export prices and GDP growth in 2024). Non-financial expenditures as a percentage of GDP are expected to decline over the projection horizon.

The **net debt** of financial assets of the non-financial public sector is expected to increase from 23.5 to 24.8 percent of GDP between 2024 and 2026. Meanwhile, **gross debt** is projected

GDP BY ECONOMIC SECTOR

(Real % changes)

	2024	2025*			2026*	
		Jan.-Jul.	IR Jun.25	IR Sep.25	IR Jun.25	IR Sep.25
Primary GDP	4.3	2.9	2.1	1.9	2.4	2.1
Agriculture	5.4	3.6	3.2	3.7	3.0	3.0
Fishing	24.9	7.5	8.6	2.8	-3.1	1.6
Metal mining	2.2	2.3	0.3	0.5	2.3	1.0
Hydrocarbons	2.1	-2.7	4.0	3.5	3.6	3.8
Manufacturing	8.5	5.5	4.1	2.6	1.8	3.1
Non-primary GDP	3.0	3.5	3.4	3.5	3.1	3.1
Manufacturing	2.6	2.3	2.5	2.8	2.9	2.9
Electricity and water	2.4	1.8	2.8	2.5	2.7	2.7
Construction	3.6	5.2	3.8	4.3	2.0	2.0
Trade	3.0	3.1	2.9	2.9	2.8	2.8
Services	3.1	3.6	3.6	3.7	3.3	3.3
Gross Domestic Product	3.3	3.4	3.1	3.2	2.9	2.9

IR: Inflation Report.

* Projection.

Source: BCRP.

GDP BY TYPE OF EXPENDITURE

(Real % changes)

	2024	2025*			2026*	
		Jan.-Jun.	IR Jun.25	IR Sep.25	IR Jun.25	IR Sep.25
Domestic demand	3.9	6.2	4.4	5.1	3.0	3.0
Private consumption	2.8	3.7	3.3	3.5	2.9	2.9
Public consumption	2.1	4.2	2.2	2.2	2.5	2.5
Private investment	3.3	9.0	5.0	6.5	3.5	3.5
Public investment	14.7	6.4	6.5	6.5	1.0	1.0
Inventory change (contribution)	0.5	1.1	0.7	0.9	0.0	0.0
Exports	6.1	4.3	3.8	3.3	3.5	2.6
Imports	8.4	14.9	8.6	10.2	3.7	3.1
Gross Domestic Product	3.3	3.3	3.1	3.2	2.9	2.9

IR: Inflation Report.

* Projection.

Source: BCRP.

NON-FINANCIAL PUBLIC SECTOR

(% GDP)

	2024	2025*			2026*	
		August ^{1/}	IR Jun.25	IR Sep.25	IR Jun.25	IR Sep.25
1. General Government Current Revenue	18.7	19.5	19.4	19.2	19.5	19.2
Real % change	2.4%	12.4%	9.3%	8.8%	3.7%	3.7%
2. Non-financial government expenditure General	20.8	20.6	20.3	20.3	20.0	19.7
Real % change	7.4%	6.7%	3.0%	3.8%	1.8%	0.5%
Of which:						
Current expenditure	14.7	14.5	14.6	14.5	14.4	14.3
Real % change	1.5%	2.8%	5.1%	4.9%	2.2%	2.3%
Gross capital formation	5.0	4.9	5.0	5.0	4.9	4.8
Real % change	16.3%	5.1%	6.7%	6.9%	1.1%	0.7%
3. Others^{2/}	0.2	0.5	0.0	0.3	0.1	0.1
4. Primary balance (1-2+3)	-1.8	-0.7	-0.9	-0.8	-0.4	-0.4
5. Interest	1.7	1.7	1.6	1.6	1.7	1.7
6. Overall Balance	-3.5	-2.4	-2.5	-2.4	-2.1	-2.1

1/ The ratios on percentage of GDP and real % changes represent accumulated in the last 12 months as of August. The real change is with respect to the 12-month period.

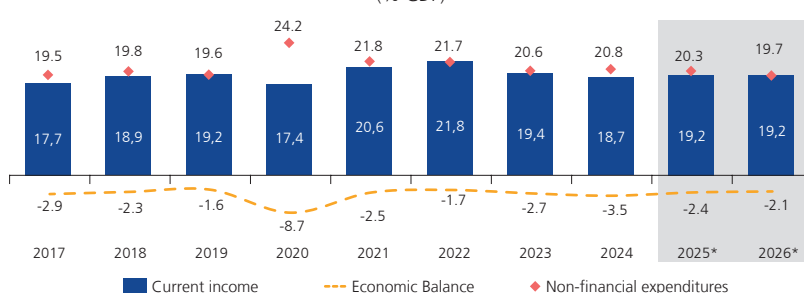
2/ Includes capital income of the general government and primary balance from state-owned companies.

* Projection.

IR: Inflation Report.

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

(% GDP)



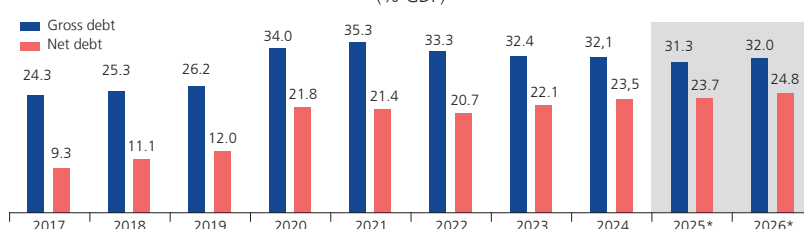
Note: The economic balance is calculated as current income of the General Government - Non-financial expenditures of the General Government + other (capital income of the General Government and primary result of state-owned enterprises) - interest payment on debt of the Non-Financial Public Sector.

* Projection.

Source: BCRP.

NON-FINANCIAL PUBLIC SECTOR DEBT: 2017-2026

(% GDP)



* Projection.

Source: BCRP.

Summary of the Inflation Report. September 2025

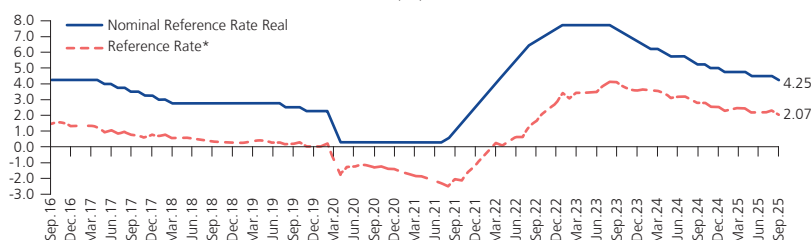
to fall from 32.1 to 32.0 percent of GDP during the same period. The difference between the reduction in gross debt and the increase in net debt is due to the projection of a lower balance of public sector financial assets as a percentage of GDP.

The Board of Directors of the Central Bank of Peru (BCRP) decided to reduce the **benchmark interest rate** by 25 basis points to 4.25 percent at the September Monetary Program meeting, after keeping it unchanged at the July and August meetings. This brings the interest rate very close to the estimated neutral level. In the July and August monetary policy statements, the message was reiterated that future adjustments to the benchmark interest rate will be conditional on new information on inflation and its determinants. The Board also reaffirmed its commitment to take the necessary actions to keep inflation within the target range.

Interest rates in local currency continued to evolve in line with the reference rate, particularly in segments with lower credit risk and shorter maturities. Liquidity in local currency (cash plus deposits) remained highly dynamic, with double-digit year-on-year growth rates since June 2024. As expected, its pace of expansion moderated, falling from 12.9 percent in December 2024 to 6.6 percent in July 2025. Meanwhile, during the same period, the rate of expansion of credit to the private sector increased from 0.4 percent in December 2024 to 3.8 percent in July 2025, with consumer credit standing out, recording a 4.1 percent upturn. Looking ahead, credit to the private sector is expected to grow at rates of 5.0 percent and 4.0 percent in 2025 and 2026, respectively, in line with the projected growth in economic activity and the reduction in delinquency.

Year-on-year inflation fell from 1.69 percent in May to 1.11 percent in August, mainly due to the drop in prices of certain foods—such as potatoes and chicken—and some public services, especially electricity, remaining within the target range. Inflation excluding food and energy (SAE) fell slightly from 1.79 percent to

REFERENCE INTEREST RATE (%)



* With inflation expectations.
Source: BCRP.

INTEREST RATES IN NATIONAL CURRENCY^{1/} (%)

	Dec.22	Dec.23	Dec.24	Mar.25	Jun.25	Sep.25	Hist. Avg. ^{2/}
Passive							
90-day corporate prime	8.1	6.7	4.5	4.5	4.5	4.4	3.9
TIPMN	3.0	3.5	2.4	2.3	2.3	2.2	2.4
FTIPMN	3.7	3.1	2.2	2.4	2.3	2.4	2.3
Deposits up to 30 days	7.4	6.7	4.4	4.2	4.2	4.2	3.6
Individuals	3.7	3.3	3.3	3.1	3.0	2.9	2.5
Business	7.4	6.7	4.4	4.2	4.2	4.2	3.6
Term deposits from 31 to 90 days	7.5	6.6	4.4	4.2	4.3	4.2	3.8
Individuals	3.7	6.1	3.9	3.6	3.8	3.8	2.3
Business	7.8	6.8	4.7	4.5	4.5	4.5	3.9
Term deposits from 91 to 180 days	7.6	6.2	4.1	4.0	3.9	4.0	3.9
Individuals	4.8	5.9	3.7	3.6	3.6	3.6	2.9
Business	8.5	6.9	4.8	4.6	4.5	4.5	4.2
Term deposits from 181 to 360 days	7.6	5.7	4.2	4.1	4.0	4.1	4.1
Individuals	6.9	5.0	3.7	3.7	3.8	3.9	3.8
Business	7.8	6.2	4.6	4.5	4.3	4.3	4.3
Term deposits over 360 days	6.8	5.4	4.1	3.8	3.6	3.9	4.3
Individuals	5.9	5.0	3.7	3.4	3.3	3.7	4.3
Business	7.8	6.0	4.5	4.4	4.5	4.4	4.3
CTS	2.6	2.0	2.0	3.3	2.0	2.9	3.0
Active							
90-day corporate prime	9.2	7.5	5.1	5.0	5.0	5.0	4.7
TAMN	14.5	15.9	15.0	14.8	15.1	15.3	15.6
FTAMN	28.3	28.4	27.5	28.5	30.3	30.5	21.9
Corporate	8.9	8.1	5.8	5.7	5.8	6.0	5.4
Large Companies	10.6	10.2	8.4	7.7	7.8	7.9	7.1
Medium-sized companies	14.1	13.3	10.3	10.5	9.8	10.9	10.4
Small Businesses	22.5	22.9	19.8	20.2	19.8	20.4	20.4
MicroBusiness	35.7	37.7	46.3	65.1	65.7	68.3	35.1
MicroBusiness ^{3/}	39.3	43.9	48.8	58.0	55.6	55.5	41.3
Consumer	49.6	56.9	59.9	57.0	57.0	56.2	44.3
Consumer ^{3/}	47.7	54.3	55.6	60.2	56.3	57.7	48.4
Mortgage	9.9	9.1	8.2	8.0	7.9	7.9	8.4

1/ Annualized rates for banking companies' operations over the past 30 days.

2/ Average since September 2010. In the case of consumer credit, this is the average since October 2019.

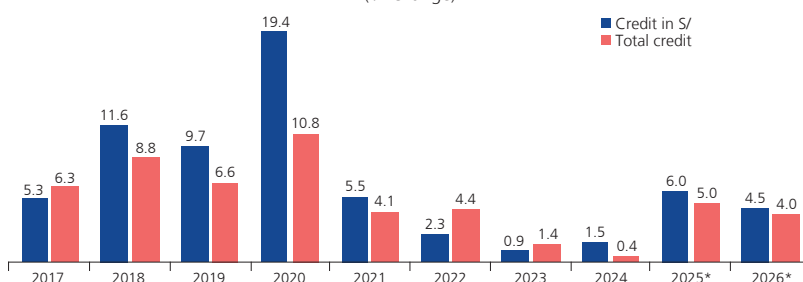
3/ Corresponds to the average for the financial system.

On July 14, 2023, the SBS published Resolution No. 2368-2023, modifying the definitions of companies' credit segments, which became effective October 1, 2024.

As of September 12.

Source: BCRP and SBS.

CREDIT TO THE PRIVATE SECTOR (% change)



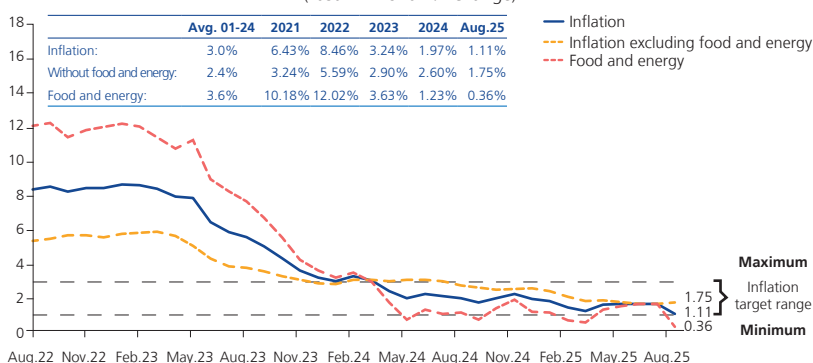
Note: Calculated at constant exchange rate (December 2024).

* Forecast.

Source: BCRP.

INFLATION

(Last 12-month % change)

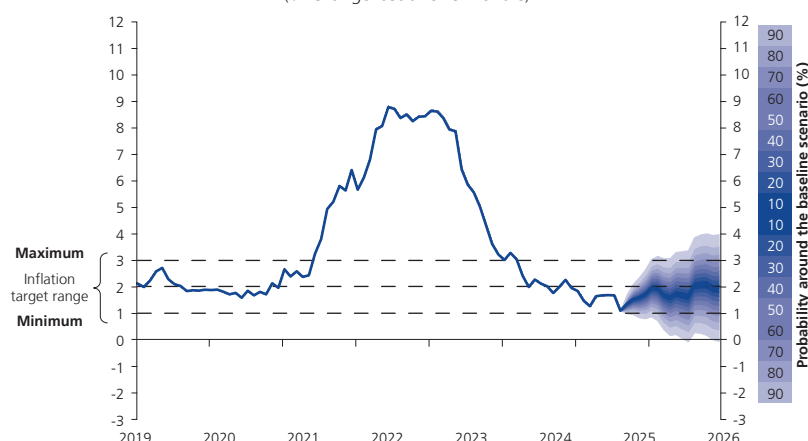


1.75 percent in the same period, reflecting a slower rate of increase in items such as motor vehicles, package tours, and rents. The inflation rate for both goods and services included in the SAE category remained within the target range.

Year-on-year inflation is projected to rise in the coming months to 1.7 percent in 2025 and 2.0 percent in 2026. This projection takes into account, in addition to the dissipation of supply shocks, economic activity at around its potential level and inflation expectations that continue to decline toward the central value of the target range.

INFLATION FORECAST: 2025-2026

(% change last twelve months)



Note: This fan chart shows the distribution of possible values for the inflation projection over the projection horizon. Its central line is the mode of the distribution and shows the baseline projection 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 the evolution of inflation over the projection horizon associated with this confidence level.

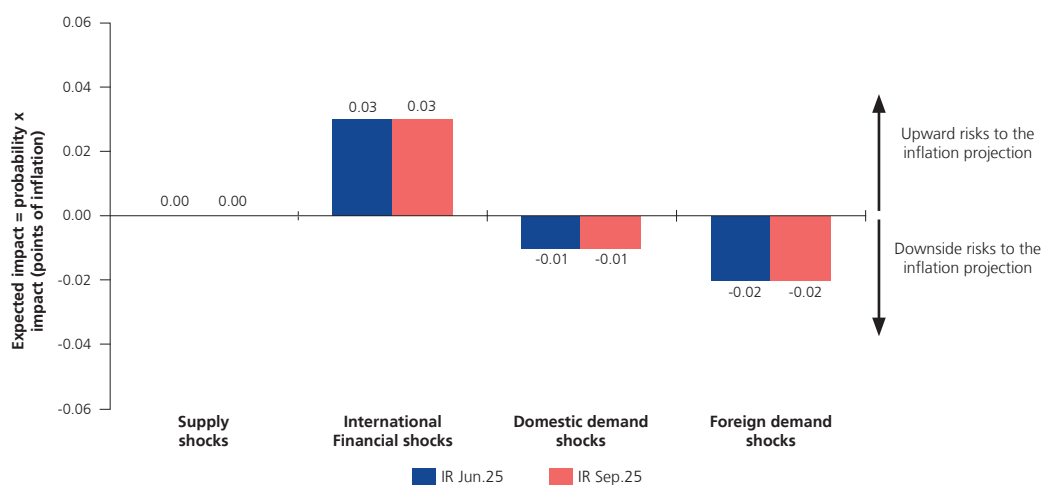
Source: BCRP.

Balance of risks

The balance of risks to the inflation projection remains neutral, in line with the June Report. The main risks include: (i) supply shocks due to escalating geopolitical tensions and natural phenomena, which could raise transportation costs and input prices, although this could be offset by lower imported inflation or a greater reversal of the shocks that affected food and energy items in the consumer basket; (ii) greater financial volatility and capital outflows, associated with a possible increase in country risk due to domestic political uncertainty, coupled with uncertainty about international economic measures, high levels of indebtedness, and greater financing needs; (iii) weakening of domestic demand in the event of political and social instability, reducing consumption and private investment; and (iv) lower external demand in the face of a global slowdown—including slower growth in China—and higher international financing costs, which could deteriorate the terms of trade and demand for our exports.

The projections in this Report do not include the effects of the eighth withdrawal from the pension fund, recently approved by Congress. In the short term, it could have a moderate impact on private consumption, but it will negatively affect the dynamism of the capital market and, therefore, also affect members due to the effects on the value of the fund.

INFLATION RISK BALANCE SHEET



Source: BCRP.

SUMMARY OF PROJECTIONS

	2024	2025*		2026*	
		IR Jun.25	IR Sep.25	IR Jun.25	IR Sep.25
Real % change					
1. Gross domestic product	3.3	3.1	3.2	2.9	2.9
2. Domestic demand	3.9	4.4	5.1	3.0	3.0
a. Private consumption	2,8	3.3	3.5	2.9	2.9
b. Public consumption	2,1	2.2	2.2	2.5	2.5
c. Fixed private investment	3.3	5.0	6.5	3.5	3.5
d. Public investment	14.7	6.5	6.5	1.0	1.0
3. Exports of goods and services	6.1	3.8	3.3	3.5	2.6
4. Imports of goods and services	8.4	8.6	10.2	3.7	3.1
5. Global GDP growth	3.3	2.7	2.9	2.7	2.8
Note:					
Product gap ^{1/} (%)	-0.4	-0.5 ; 0.5	-0.5 ; 0.5	-0.5 ; 0.5	-0.5 ; 0.5
% change					
6. Inflation (end of period)	2.0	1.8	1.7	2.0	2.0
7. Expected inflation ^{2/}	2.5	2.3	2.1	2.4	2.3
8. Expected depreciation ^{2/}	-0.1	0.3	-3.0	0.9	2.1
9. Terms of trade	12.6	9.9	13.9	1.6	1.8
a. Export prices	7.9	7.3	11.1	2.1	2.4
b. Import prices	-4.2	-2.4	-2.5	0.5	0.5
Nominal % change					
10. Current assets	11.4	7.0	7.0	0.0	0.0
11. Credit to the private sector	0.4	5.0	5.0	4.0	4.0
% GDP					
12. Gross fixed investment	22.1	21.9	21.8	21.8	21.7
13. Current account balance of payments	2.2	1.9	1.9	2.3	2.0
14. Trade balance	8.2	8.8	9.2	9.1	9.2
15. Medium- and long-term private external debt ^{3/}	11.4	9.9	9.8	9.0	8.9
16. Current revenue of the General Government	18.7	19.4	19.2	19.5	19.2
17. Non-financial expenditure of the General Government	20.8	20.3	20.3	20.0	19.7
18. Economic result of the non-financial public sector	-3.5	-2.5	-2.4	-2.1	-2.1
19. Total public debt balance	32.1	32.2	31.3	32.6	32.0
20. Net public debt balance	23.5	24.2	23.7	25.1	24.8

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 taken into account.

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