

IFRS Developments

Hyperinflationary economies

(Updated November 2025)



What you need to know

- We believe that IAS 29 needs to be applied by entities whose functional currency is the currency of any one of the following countries: Argentina, Burundi, Haiti, Islamic Republic of Iran, Lebanon, Malawi, Sierra Leone, South Sudan, Sudan, Türkiye, Venezuela and Zimbabwe.
- Ethiopia ceased to be hyperinflationary by 30 June 2025.
- Ghana, Lao P.D.R. and Suriname ceased to be hyperinflationary by 31 December 2025.
- We believe the following countries are not currently hyperinflationary, but ought to be monitored: Angola, Egypt, Myanmar, Nigeria and Syria.

Overview

Accounting standards are applied on the assumption that the value of money (the unit of measurement) is constant over time. However, when the rate of inflation is no longer negligible, a number of issues arise impacting the true and fair nature of the accounts of entities that prepare their financial statements on a historical cost basis, for example:

- Historical cost figures are less meaningful than they are in a low inflation environment
- Holding gains on non-monetary assets that are reported as operating profits do not represent real economic gains
- Current and prior period financial information is not comparable
- 'Real' capital can be reduced because profits reported do not take account of the higher replacement costs of resources used in the period

To address such concerns, entities are required to apply IAS 29 *Financial Reporting in Hyperinflationary Economies* from the beginning of the period in which the existence of hyperinflation is identified. IAS 29 does not establish an absolute inflation rate at which an economy is considered hyperinflationary. Instead, it considers a variety of non-exhaustive characteristics of the economic environment of a country that are seen as strong indicators of the existence of hyperinflation. This publication explicitly mentions inflation statistics as they indicate the severity of the situation in a country; but our assessment also considers additional factors and the other indicators listed in paragraph 3 of IAS 29.

In July 2025, the International Financial Reporting Standards Interpretation Committee (IFRS IC) published an agenda decision on 'Assessing Indicators of Hyperinflationary Economies'. The evidence gathered by the IFRS IC indicated that stakeholders do not conclude that an economy becomes hyperinflationary based



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solely on one of the indicators listed in paragraph 3 of IAS 29. Indeed, they consider additional indicators that are not listed in IAS 29 when relevant, and might assign different weights to those, or other, indicators. In addition, stakeholders do not reach different conclusions for different levels within a group when preparing financial statements using the same basis of preparation.

This publication sets out a summary of the inflation data of countries that we consider to be hyperinflationary for the purposes of IFRS accounting standards as at 31 December 2025, as well as economies that are not currently hyperinflationary for those purposes, but which ought to be monitored.

The inflation data is based on the International Monetary Fund (IMF) World Economic Outlook (WEO) October 2025 (www.imf.org).

Hyperinflationary economies

Argentina - The IMF WEO reported a 3-year cumulative rate of inflation of 1,221% as of December 2024 and a forecast annual rate of inflation of 28% for 2025 (10% for 2026). The Argentine National Institute of Statistics and Census (www.indec.gob.ar) reported 3-year and 12-month cumulative rates of inflation of 870% and 32%, respectively, as of September 2025. We believe that Argentina remains hyperinflationary.

Burundi - The IMF WEO reported a 3-year cumulative rate of inflation of 108% as of December 2024. For 2025, the IMF WEO forecasts an annual rate of inflation of 29% (2026: 26%) and a 3-year cumulative rate of inflation of 112% (2026: 122%). The Institut National de la Statistique du Burundi (www.insbu.bi) reported 3-year and 12-month cumulative rates of inflation of 103% and 30%, respectively, as of September 2025. We believe that Burundi remains hyperinflationary.

Haiti - The IMF WEO reported a 3-year cumulative rate of inflation of 134% as of September 2024 and forecast a 3-year cumulative rate of inflation of 118% for September 2025 (105% for September 2026). The central bank of Haiti (www.brh.ht) reported 3-year and 12-month cumulative rates of inflation for September 2025 of 122% and 32%, respectively. We believe that Haiti remains hyperinflationary.

Islamic Republic of Iran - The IMF WEO reported a 3-year cumulative rate of inflation of 179% as of March 2025 and forecast 3-year cumulative rates of inflation of 163% and 168% for March 2026 and March 2027, respectively. We believe that Iran remains hyperinflationary.

Lebanon - The IMF WEO reported a 3-year cumulative rate of inflation of 666% as of December 2024. The IMF WEO noted in October 2025 that, "Fiscal and national accounts data for 2022-24, as well as debt data for 2023-24, are IMF staff estimates and not provided by the national authorities. Estimates and projections for 2025-30 are omitted owing to an unusually high degree of uncertainty." The Lebanese Central Administration of Statistics (www.cas.gov.lb) reported 3-year and 12-month cumulative rates of inflation of 372% and 15%, respectively, as of September 2025. We believe that Lebanon remains hyperinflationary.

Malawi - The IMF WEO reported a 3-year cumulative rate of inflation of 116% as of December 2024 and forecast 3-year cumulative rates of inflation of 120% and 102% for 2025 and 2026, respectively. The National Statistics Office (www.nsomalawi.mw) reported 3-year and 12-month cumulative rates of inflation of 121% and 29%, respectively, as of September 2025. We believe that Malawi remains hyperinflationary.

Sierra Leone - The IMF WEO reported a 3-year cumulative rate of inflation of 137% as of December 2024 and forecast 3-year cumulative rates of inflation of 89% and 35% for 2025 and 2026, respectively. Statistics Sierra Leone (www.statistics.sl) reported 3-year and 12-month cumulative rates of inflation of 97% and 5%, respectively, as of September 2025. While inflation is expected to continue to come

down, we believe it is too early to conclude that Sierra Leone is no longer hyperinflationary.

South Sudan - South Sudan has been considered hyperinflationary since 2011 and continues to be hyperinflationary. The IMF WEO reported a 3-year cumulative rate of inflation of 329% as of December 2024 and forecast 3-year cumulative rates of inflation of 528% and 333% for 2025 and 2026, respectively.

Sudan - Sudan has been considered hyperinflationary since 2013 and continues to be hyperinflationary. The IMF WEO reported a 3-year cumulative rate of inflation of 903% as of December 2024 and forecast annual rates of inflation of 698% and 430% for 2025 and 2026, respectively.

Türkiye (Turkey) - The IMF WEO reported a 3-year cumulative rate of inflation of 291% as of December 2024. For 2025, the IMF WEO forecasts an annual rate of inflation of 31% (2026: 21%) and a 3-year cumulative rate of inflation of 212% (2026: 129%). The Turkish Statistical Institute (www.tuik.gov.tr) reported 3-year and 12-month cumulative rates of inflation of 221% and 33%, respectively, as of September 2025. We believe that Türkiye remains hyperinflationary.

Venezuela - Venezuela remains hyperinflationary with the IMF WEO reporting a 3-year cumulative inflation rate of 1,325% as of December 2024 and forecast 3-year inflation rates of 2,668% and 6,856% for 2025 and 2026, respectively. However, the IMF WEO noted that, "The effects of hyperinflation, the paucity of reported data, and uncertainty mean that the IMF staff's estimated and projected macroeconomic indicators should be interpreted with caution."

Zimbabwe - Zimbabwe was considered hyperinflationary until April 2024, when its previous currency - the Zimbabwean Dollar (ZWL) - became defunct. Since then, a new currency of Zimbabwe Gold has been introduced. The IMF WEO reported a 3-year cumulative rate of inflation of 23,670% as of December 2024 and forecast annual rates of inflation of 8,937% and 1,059% for 2025 and 2026, respectively. We believe that Zimbabwe Gold remains a hyperinflationary currency.

Economies no longer considered to be hyperinflationary

Ethiopia - The IMF WEO reported a 3-year cumulative rate of inflation of 101% as of December 2024. For 2025, the IMF WEO forecasts an annual rate of inflation of 10% (2026: 8%) and a 3-year cumulative rate of inflation of 65% (2026: 39%). The Ethiopian national statistics office (www.statsethiopia.gov.et) reported 3-year and 12-month cumulative rates of inflation of 71% and 13%, respectively, as of September 2025. The factors that gave rise to high inflation in 2021 and 2022 are no longer present and both the annual rate and forecast rate of inflation have come down consistently. Therefore, we believe that Ethiopia is no longer hyperinflationary.

Ghana - The IMF WEO reported a 3-year cumulative rate of inflation of 135% as of December 2024 and forecast 3-year cumulative rates of inflation of 71% and 50% for 2025 and 2026, respectively. As of September 2025, the Ghana Statistical Service (www.statsghana.gov.gh) reported 3-year and 12-month cumulative rates of inflation of 84% and 9%, respectively. The factors that gave rise to high inflation in 2022 are no longer present and both the annual rate and forecast rate of inflation have come down consistently. Therefore, we believe that Ghana is no longer hyperinflationary.

Lao P.D.R. - The IMF WEO reported a 3-year cumulative rate of inflation of 102% as of December 2024 and forecast 3-year cumulative rates of inflation of 52% and 30% for 2025 and 2026, respectively. The Lao Statistics Bureau (www.lsb.gov.la) reported 3-year and 12-month cumulative rates of inflation of 60% and 5%, respectively, as of September 2025. The highly inflationary patterns that occurred in 2022 and 2023 are no longer present and both the annual rate and forecast rate of inflation have come down consistently. Therefore, we believe that Lao P.D.R. is no longer hyperinflationary.

Suriname - The IMF WEO reported a 3-year cumulative rate of inflation of 126% as of December 2024 and forecast 3-year cumulative rates of inflation of 61% and 32% for 2025 and 2026, respectively. As of September 2025, *Algemeen Bureau voor de Statistiek* (www.statistics-suriname.org) reported 3-year and 12-month cumulative rates of inflation of 84% and 11%, respectively. The factors that gave rise to high inflation from 2020 until 2023 are no longer present and the annual rate and forecast rate of inflation are now consistently low around 10% annually. Therefore, we believe that Suriname is no longer hyperinflationary.

Non-hyperinflationary economies subject to monitoring

Angola - The IMF WEO reported a 3-year cumulative rate of inflation of 74% as of December 2024 and forecast 3-year cumulative rates of inflation of 84% and 73% for 2025 and 2026, respectively. Angola is not currently considered to be hyperinflationary, but entities ought to continue monitoring the situation.

Egypt - The IMF WEO reported a 3-year cumulative rate of inflation of 99% as of June 2025 and forecast 3-year cumulative rates of inflation of 65% and 39% for June 2026 and June 2027, respectively. The Central Agency for Public Mobilization and Statistics (www.capmas.gov.eg) reported 3-year and 12-month cumulative rates of inflation of 95% and 12%, respectively, as of September 2025. Egypt is not currently considered to be hyperinflationary, but entities ought to continue monitoring the situation.

Myanmar - The IMF WEO reported a 3-year cumulative rate of inflation of 106% as of March 2025 and forecast 3-year cumulative rates of inflation of 109% and 113% for March 2026 and March 2027, respectively. The most recent data from the Central Bank of Myanmar (www.cbm.gov.mm) only covers the period up to March 2025, for which it reported an annual rate of inflation of 29% and a 3-year rate of inflation of 107%. The local statistical data is published with significant delays and the qualitative hyperinflation indicators are not clear. Based on the available information, we have not concluded that Myanmar is hyperinflationary, but entities ought to continue monitoring the situation and be prepared to start applying IAS 29 if the assessment were to change based on new information.

Nigeria - The IMF WEO noted in October 2025 that, with respect to Nigeria, "National accounts data have been revised and rebased, with 2019 as the new base year. ... The rebasing exercise resulted in an upward revision of the nominal GDP by 40.8 percent in 2019." The inflation data published for periods after 2023 has also been revised and rebased.

The IMF WEO reported a 3-year cumulative rate of inflation of 81% (111% before restatement) as of December 2024 and forecast annual rates of inflation of 21% and 18% as of December 2025 and December 2026, respectively. The National Bureau of Statistics (www.nigerianstat.gov.ng) reported an annual rate of inflation of 18% as of September 2025 which, combined with previously published data, implies a 3-year cumulative rate of inflation of 98.4% as of September 2025. Nigeria is not currently considered to be hyperinflationary, but entities ought to continue to monitor the situation and be aware of the restatement of published statistics.

Syria - Syria may have a 3-year cumulative rate of inflation rate that exceeds 100%, but the necessary data to conclude on the status of the country is not available. As the country was previously considered hyperinflationary, entities ought to continue to monitor the situation and apply significant judgement before reaching a conclusion on the status of the country.

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