

## IFRS Developments

# Hyperinflationary economies

(Updated May 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, Ghana, Haiti, Islamic Republic of Iran, Lao P.D.R., Lebanon, Malawi, Sierra Leone, South Sudan, Sudan, Suriname, Türkiye, Venezuela and Zimbabwe.
- Ethiopia ceased to be hyperinflationary by 30 June 2025.
- We believe the following countries are not currently hyperinflationary, but ought to be monitored: Angola, Egypt, Myanmar, Nigeria, Pakistan 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.

This publication sets out a summary of the inflation data of countries that are considered to be hyperinflationary for the purposes of IFRS accounting standards as at 30 June 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) April 2025 ([www.imf.org](http://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 20% for 2025 (12% for 2026). The Argentine National Institute of Statistics and Census ([www.indec.gob.ar](http://www.indec.gob.ar)) reported 3-year and 12-month cumulative rates of inflation of 1,136% and 56%, respectively, as of March 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 36% (2026: 28%) and a 3-year cumulative rate of inflation of 123% (2026: 138%). The Institut National de la Statistique du Burundi ([insbu.bi](http://insbu.bi)) reported 3-year and 12-month cumulative rates of inflation of 113% and 41%, respectively, as of March 2025. We believe that Burundi is considered hyperinflationary as at 30 June 2025.

**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 March 2025, the Ghana Statistical Service ([statsghana.gov.gh](http://statsghana.gov.gh)) reported 3-year and 12-month cumulative rates of inflation of 123% and 22%, respectively. We believe that Ghana 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 119% for September 2025 (98% for September 2026). The central bank of Haiti ([www.brh.ht](http://www.brh.ht)) reported 3-year and 12-month cumulative rates of inflation for February 2025 of 134% and 28%, respectively. We believe that Haiti remains hyperinflationary.

**Islamic Republic of Iran** - The IMF WEO reported a 3-year cumulative rate of inflation of 182% as of March 2025 and forecast 3-year cumulative rates of inflation of 165% and 171% for March 2026 and March 2027, respectively. We believe that Iran remains 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 56% and 34% for 2025 and 2026, respectively. The Lao Statistics Bureau ([www.lsb.gov.la](http://www.lsb.gov.la)) reported 3-year and 12-month cumulative rates of inflation of 96% and 11%, respectively, as of March 2025. While inflation is expected to continue to come down, we believe it is too early to conclude that Lao P.D.R. is no longer hyperinflationary.

**Lebanon** - The IMF WEO reported a 3-year cumulative rate of inflation of 666% as of December 2024. The IMF WEO noted in April 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](http://www.cas.gov.lb)) reported 3-year and 12-month cumulative rates of inflation of 608% and 14%, respectively, as of March 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 102% and 66% for 2025 and 2026, respectively. The National Statistics Office ([www.nsomalawi.mw](http://www.nsomalawi.mw)) reported 3-year and 12-month cumulative rates of inflation of 118% and 30%, respectively, as of March 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 94% and 40% for 2025 and 2026, respectively. Statistics Sierra Leone ([www.statistics.sl](http://www.statistics.sl)) reported 3-year and 12-month cumulative rates of inflation of 131% and 13%, respectively, as of February 2025. We believe that Sierra Leone remains 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 360% as of December 2024 and forecast 3-year cumulative rates of inflation of 492% and 285% 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 840% and 566% for 2025 and 2026, respectively.

**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 57% and 26% for 2025 and 2026, respectively. As of February 2025, Algemeen Bureau voor de Statistiek ([statistics-suriname.org](http://statistics-suriname.org)) reported 3-year and 12-month cumulative rates of inflation of 118% and 10%, respectively. We believe that Suriname remains hyperinflationary.

**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: 19%) and a 3-year cumulative rate of inflation of 212% (2026: 125%). The Turkish Statistical Institute ([www.tuik.gov.tr](http://www.tuik.gov.tr)) reported 3-year and 12-month cumulative rates of inflation of 250% and 38%, respectively, as of March 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 1,412% and 1,560% 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. 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 8,621% and 971% for 2025 and 2026, respectively. We believe that Zimbabwe Gold (ZiG/ZWG) is considered a hyperinflationary currency as at 30 June 2025.

Many entities in Zimbabwe have concluded that the US Dollar is their functional currency. Entities need exercise care when assessing which currency is their functional currency and continue to monitor the situation.

## **Economies no longer considered to be hyperinflationary**

**Ethiopia** - The IMF WEO reported a 3-year cumulative rate of inflation of 109% as of December 2024. For 2025, the IMF WEO forecasts an annual rate of inflation of 16% (2026: 10%) and a 3-year cumulative rate of inflation of 80% (2026: 54%). The Ethiopian national statistics office ([www.statsethiopia.gov.et](http://www.statsethiopia.gov.et)) reported 3-year and 12-month cumulative rates of inflation of 92% and 14%, respectively, as of March 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

## 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 74% 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 96% as of June 2024 and forecast 3-year cumulative rates of inflation of 95% and 61% for June 2025 and June 2026, respectively. The Central Agency for Public Mobilization and Statistics ([www.capmas.gov.eg](http://www.capmas.gov.eg)) reported 3-year and 12-month cumulative rates of inflation of 101% and 14%, respectively, as of March 2025. Egypt is not currently considered to be hyperinflationary, but entities ought to continue monitoring the situation and be prepared to start applying IAS 29 if the assessment were to change.

**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 113% and 96% for March 2026 and March 2027, respectively. The most recent data from the Central Bank of Myanmar ([www.cbm.gov.mm](http://www.cbm.gov.mm)) only covers the period up to June 2024, for which it reported an annual rate of inflation of 28% and a 3-year rate of inflation just below 100%. Given the sparse data available, we believe it is too early to conclude 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.

**Nigeria** - The IMF WEO reported a 3-year cumulative rate of inflation of 111% as of December 2024 and forecast 3-year cumulative rates of inflation of 126% and 119% for 2025 and 2026, respectively. Based on the rebased inflation index as published by the National Bureau of Statistics ([www.nigerianstat.gov.ng](http://www.nigerianstat.gov.ng)), the 3-year and 12-month cumulative rates of inflation were 102% and 24%, respectively, as of March 2025. Nigeria is not currently considered to be hyperinflationary, but entities ought to continue to monitor the situation and be prepared to apply IAS 29 if the assessment were to change.

**Pakistan** - The IMF WEO reported a 3-year cumulative rate of inflation of 77% as of June 2024 and forecast 3-year cumulative rates of inflation of 55% and 28% for June 2025 and June 2026, respectively. Pakistan is not currently considered to be hyperinflationary.

**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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