



# In brief

## Hyperinflationary economies as at June 2025

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### What is the issue?

The IMF World Economic Outlook ('WEO') report released on 22 April 2025 provides updated data in respect of current and projected levels of inflation. We have used this data in our assessment of whether an economy is considered hyperinflationary, together with the other qualitative factors in [paragraph 3 of IAS 29](#). The most significant changes and updates compared to our In brief from October 2024 (and updated in January 2025) relate to the following:

- Burundi is considered hyperinflationary for 30 June 2025 period ends onwards;
- Nigeria should be monitored closely but is currently not expected to become hyperinflationary for 30 June 2025 period ends; and
- Ethiopia is no longer considered to be a hyperinflationary economy for periods ending on or after 30 June 2025.

## What is the impact and for whom?

### Hyperinflationary economies

After considering the IMF WEO report and qualitative factors in [paragraph 3 of IAS 29](#), entities with the currency of the following countries as their functional currency should apply IAS 29, 'Financial Reporting in Hyperinflationary Economies', as at June 2025:

- Argentina;
- Burundi (updated from June 2025);
- Ghana;
- Haiti;
- Islamic Republic of Iran;
- Lao P.D.R;
- Lebanon<sup>1</sup>;
- Malawi;
- Sierra Leone;
- South Sudan;
- Sudan;
- Suriname;
- Turkey; and
- Venezuela.

The projected three-year cumulative inflation of the economies in the list above is expected to continue to exceed 100% during the first half of 2025.

All economies that were hyperinflationary as at December 2024 continue to be hyperinflationary, apart from Ethiopia, which is no longer hyperinflationary from June 2025. In addition, Burundi is considered to be a hyperinflationary economy from 30 June 2025 onwards.

### Burundi

The WEO report issued in April 2025 shows that the three-year cumulative inflation increased to 108% in 2024, with the expectation that it will increase to 123% by the end of 2025 and continue to be above 100% until the end of 2027, supporting Burundi being a hyperinflationary economy. Local data (provided by the Banque de la République du Burundi) supports this conclusion: the latest available data as at February 2025 shows a three-year cumulative inflation of 111%. Entities with the currency of Burundi as their functional currency should start applying IAS 29 for reporting periods ending on or after 30 June 2025.

*Economies to be closely monitored in 2025*

## Nigeria

The WEO report issued in April 2025 shows that the three-year cumulative inflation increased to 111% by the end of 2024, with the expectation that it will increase to 126% by the end of 2025 and continue to be above 100% until the end of 2026. Nigeria recently rebased its CPI measure and, as a result, no reliably comparable three-year cumulative local data is available. Local data (provided by the Central Bank of Nigeria and the National Bureau of Statistics in Nigeria) after the rebasing is insufficient to conclude that Nigeria is hyper-inflationary at this point in time. In addition, the other qualitative indicators in [paragraph 3 of IAS 29](#) support Nigeria not currently being hyper-inflationary. However, given the current trend and the WEO report data that is available, entities with the currency of Nigeria as their functional currency should prepare to start applying IAS 29 for reporting periods ending on or after 31 December 2025, whilst at the same time monitoring developments closely to determine if there is a marked improvement over the next six months that could support Nigeria not becoming a hyperinflationary economy by December 2025.

*Economies that will no longer be hyperinflationary as at June 2025*

## Ethiopia

The WEO report issued in April 2025 shows that the three-year cumulative inflation is expected to decrease significantly, from 109% at the end of 2024 to 80% at the end of 2025 and 54% at the end of 2026. Local data (provided by the Ethiopian Statistical Service (ESS)) shows a decreasing year-on-year and month-on-month inflation, with three-year cumulative inflation as at March 2025 of 92%. Based on the above, entities with the currency of Ethiopia as their functional currency should stop applying IAS 29 for reporting periods from 30 June 2025 onwards.

*Economies that might cease to be hyperinflationary as at December 2025*

## Ghana

The WEO report issued in April 2025 shows that the three-year cumulative inflation is expected to decrease significantly, from 135% at the end of 2024 to 71% at the end of 2025 and 50% at the end of 2026. Local data (provided by the Ghana Statistical Service (GSS)) shows – after December 2024 – a decreasing trend in year-on-year and month-on-month inflation. However, the three-year cumulative inflation as at March 2025 is still 123%, and the other qualitative factors in [paragraph 3 of IAS 29](#) are currently inconclusive to support this currency to move out of hyperinflationary status. Therefore, entities with the currency of Ghana as their functional currency will still be hyper-inflationary as at June 2025. Entities should monitor developments to consider whether the economy might cease to be considered hyperinflationary as at December 2025 if the current positive trend continues.

## Sierra Leone

The WEO report issued in April 2025 shows that three-year cumulative inflation is expected to decrease significantly, from 137% at the end of 2024 to 94% at the end of 2025 and 40% at the end of 2026. Local data (provided by Statistics Sierra Leone) shows a decreasing year-on-year inflation since November 2023 and a decreasing month-on-month inflation after August 2024. However, the three-year cumulative inflation as at February 2025 is still 131%, and the other qualitative factors in [paragraph 3 of IAS 29](#) are currently inconclusive to support this currency to move out of hyperinflationary status. Therefore, entities with the currency of Sierra Leone as their functional currency will still be hyper-inflationary as at June 2025. Entities should monitor developments to consider whether the economy might cease to be considered hyperinflationary as at December 2025 if the current positive trend continues.

## Suriname

The WEO report issued in April 2025 shows that three-year cumulative inflation is expected to decrease significantly, from 126% at the end of 2024 to 57% at the end of 2025 and 26% at the end of 2026. Local data (provided by Statistics Suriname) shows a broadly decreasing trend in year-on-year and month-on-month inflation since April 2024. However, the three-year cumulative inflation as at February 2025 is still 118%, and the other qualitative factors in [paragraph 3 of IAS 29](#) are currently inconclusive to support this currency to move out of hyperinflationary status. Therefore, entities with the currency of Sierra Leone as their functional currency will still be hyper-inflationary as at June 2025. Entities should monitor developments to consider whether the economy might cease to be considered hyperinflationary as at December 2025 if the current positive trend continues.

## Lao P.D.R.

The WEO report issued in April 2025 shows that the three-year cumulative inflation is expected to decrease significantly, from 102% at the end of 2024 to 56% at the end of 2025 and 34% at the end of 2026. Local data (provided by the Bank of the Lao P.D.R.) shows a decreasing year-on-year and month-on-month inflation, with three-year cumulative inflation as at March 2025 of 96%. Whilst there has been an improvement in the quantitative data, there is a lack of sustained trend. Based on this, entities with the currency of Lao as their functional currency should continue to apply IAS 29 for reporting periods ending 30 June 2025. Entities should monitor developments to consider whether the economy might cease to be considered hyperinflationary as at December 2025 if the current positive trend continues.

### *Economies to be kept under review in 2025 and 2026*

The following economies are not hyperinflationary, but they should be kept under review in 2025 and 2026:

- Angola
- Egypt
- Yemen; and
- Sri Lanka

## Angola

The WEO report issued in April 2025 shows that three-year cumulative inflation is expected to increase to 84% by the end of 2025 (74% by the end of 2026). Although the projections indicate that Angola is not expected to become hyperinflationary in the next year, it continues to have high rates of inflation. Entities with the currency of Angola as their functional currency should monitor developments of inflation during 2025 and 2026.

## Egypt

The WEO report issued in April 2025 shows that three-year cumulative inflation of 95% is expected by the end of 2025 (61% by the end of 2026). Although the projections indicate that Egypt is not expected to become hyperinflationary in the foreseeable future, it continues to have high rates of inflation. Entities with the currency of Egypt as their functional currency should monitor developments of inflation during 2025 and 2026.

## Sri Lanka

The WEO report issued in April 2025 shows no reliable data available from 2025 onwards. However, local data provided by the Central Bank of Sri Lanka for Colombo CPI shows that the year-on-year inflation rates have significantly decreased during 2023 and remain stable during 2025. Sri Lanka is not currently considered to be a hyperinflationary economy, but entities with the currency of Sri Lanka as their functional currency should closely monitor inflationary developments during 2025 and 2026.

## Yemen

The WEO report issued in April 2025 shows that the three-year cumulative inflation is expected to increase to 77% by the end of 2025 (56% by the end of 2026). Although the projections indicate that Yemen is not expected to become hyperinflationary in the next year, it continues to have high rates of inflation. Entities with the currency of Yemen as their functional currency should monitor inflationary developments during 2025 and 2026.

### *Other potentially hyperinflationary economies (lack of reliable information)*

Consistent and reliable inflation data is not currently available for the following countries:

- Afghanistan;
- Eritrea;
- Myanmar;
- Syria; and
- Zimbabwe

Entities with the currency of these countries should consider the information available at the reporting date to determine whether IAS 29 is applicable.

### **When does it apply?**

[Paragraph 4 of IAS 29](#) states that it is preferable for all entities that report in the currency of a hyperinflationary economy to apply the standard at the same date; and the standard should be applied as if the economy had always been hyperinflationary.

### **Where do I get more details?**

For more information, please contact [Christoph Wimmer](#) or [Ulf Kuehle](#).

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