

Impeachment of Peru's President Does Not Pose Significant Near-Term Credit Risks

The Peruvian Congress impeached right-leaning President Jose Jeri on February 17, only after four months in office, following a no confidence vote (72 in favour, 23 against) primarily on grounds of informal engagements with foreign businessmen.

His removal takes the presidential impeachment count in Peru to three in the past five years. His predecessors, left-leaning President Dina Boluarte and President Castillo, were also impeached earlier. Further, Jeri is the seventh president to demit the office in the past decade.

CareEdge Global Ratings does not expect the impeachment of President Jose Jeri to materially affect Peru's sovereign credit rating in the near term, which remains at CareEdge BBB-/ 'Stable' (Unsolicited).

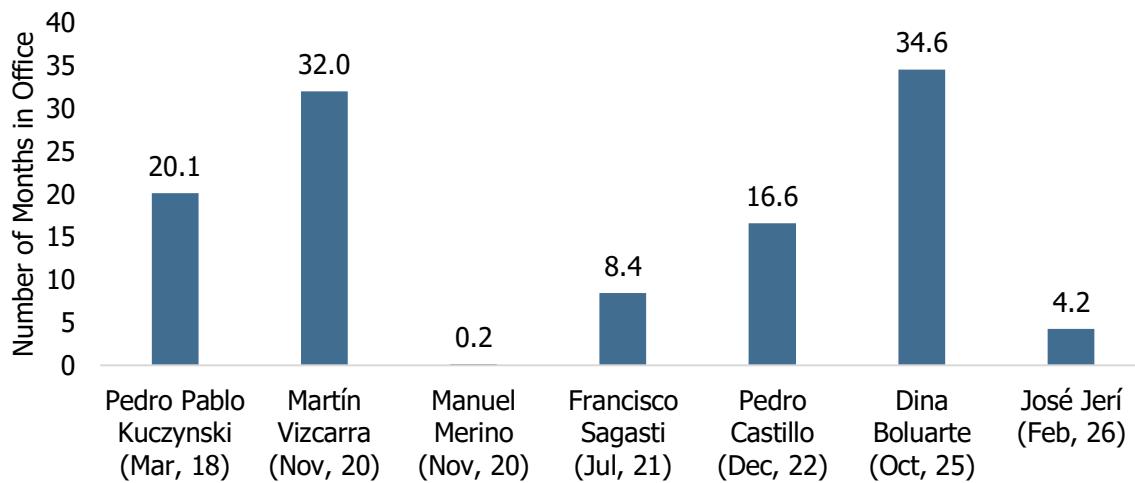
The Congress has elected Jose Maria Balcazar, a former judge and left-leaning lawmaker, as interim president. However, his tenure will be brief, as the general elections are scheduled for April 12, 2026, and the next president is expected to assume office in July this year.

We have factored Peru's decade-long political instability into our assessment of the institutions and quality of governance. A right-leaning candidate is expected to emerge post elections (click [here](#) to view our report on Latin American elections, published on February 4, 2026).

Over the past decade, political instability has significantly weakened internal security, investments as well as investor sentiment. However, the probability and frequency of impeachment is likely to moderate after the introduction of a bicameral legislature following the upcoming elections, as future impeachment motions would need to be passed by both the houses.

From a credit perspective, Peru's institutional risks are partly offset by its low general government debt burden, projected to average 35% of its GDP between 2026 and 2030, and comfortable external buffers, including foreign exchange reserves of USD 84.4 billion as of Q3 2025 (equivalent to ~27% of GDP). Additionally, the economic recovery and improvement in the current account balance in 2024 and 2025 support the sovereign's credit profile.

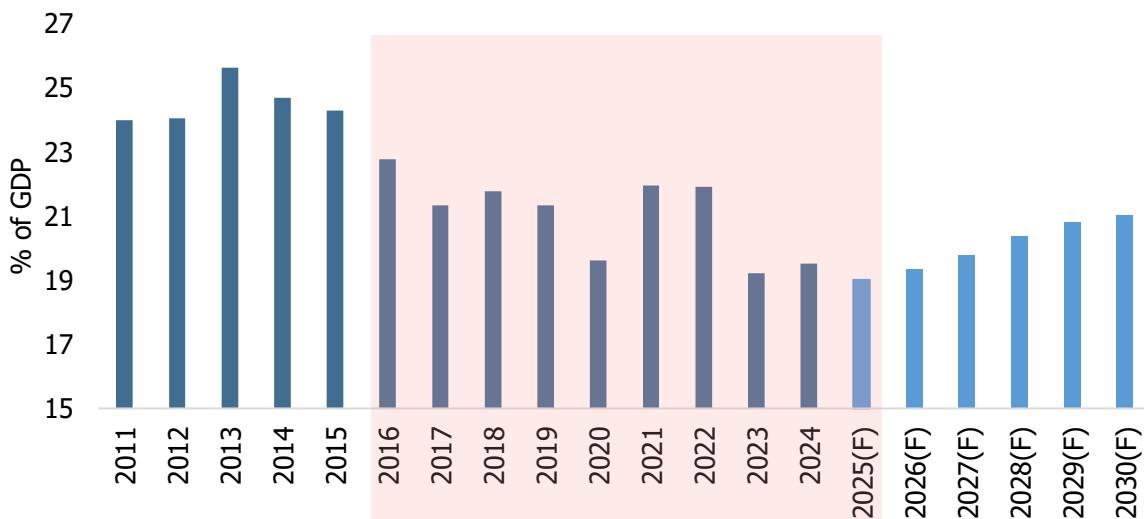
Heightened political instability in Peru...



Sources: National Sources, CGIL

Note: Dates in parentheses indicate the month and year the president demitted office

...weakens investments



Sources: IMF, CGIL

Note: (F) – Forecast

Please refer to the following link for the previous detailed rationale Click [Here](#)

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Criteria Applied

[CareEdge Sovereign Rating Methodology](#)

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