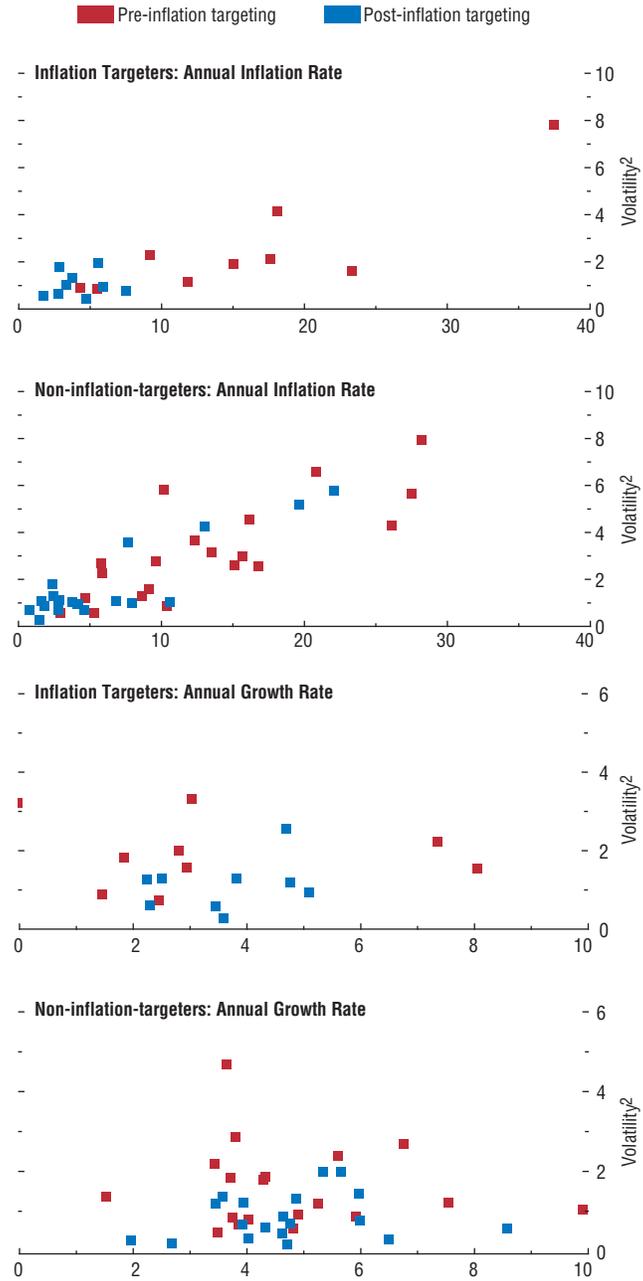


**Figure 4.2. Inflation and Growth Performance<sup>1</sup>**  
 (1985–2004; percent; average on x-axis)

Over the past 15 years, there is a stronger convergence to low and stable inflation for inflation targeters than non-inflation-targeters. Growth performance is also more homogeneously better for inflation targeters.



Sources: IMF, *International Financial Statistics*; OECD Analytical Database; and IMF staff calculations.

<sup>1</sup>Period average for emerging market and selected developing countries, with pre-inflation targeting average inflation less than 40 percent.

<sup>2</sup>Rolling one-year standard deviation of inflation.