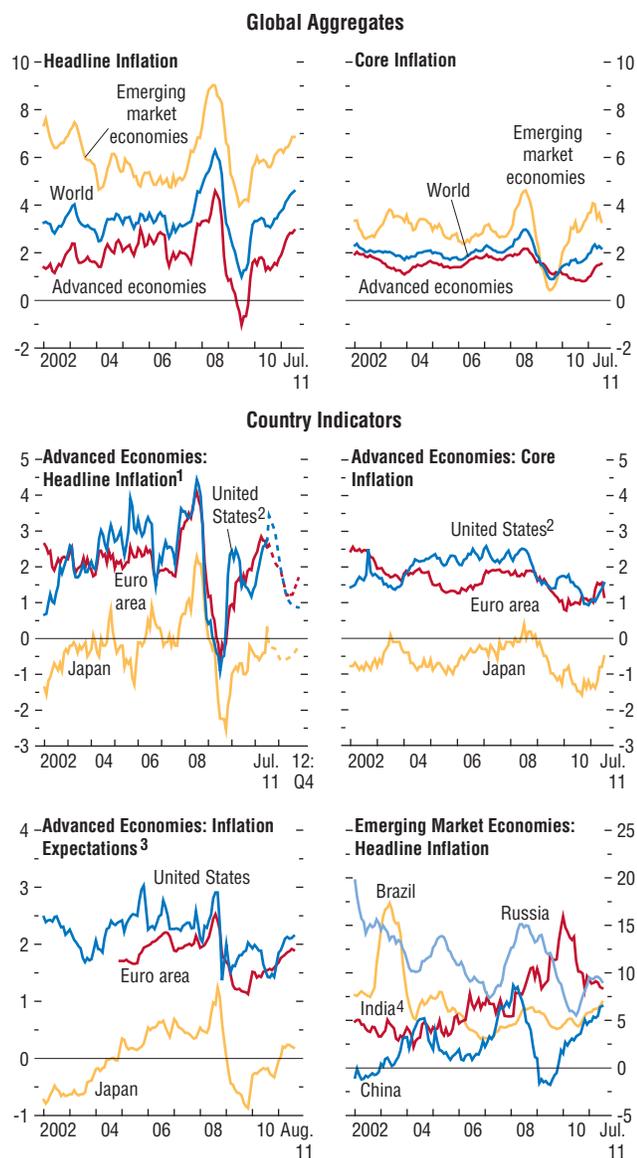


Figure 1.14. Global Inflation

(Twelve-month change in the consumer price index unless noted otherwise)

Inflation has been moving up, reflecting the sharp recovery of commodity prices and emerging capacity constraints. However, core inflation remains low in the major advanced economies. In emerging market economies, by contrast, it has risen significantly but now shows signs of moderating. With commodity prices forecast to stabilize or retreat, headline inflation can be expected to decline. In emerging market economies, underlying inflation pressure is likely to continue to stay relatively elevated because of strong activity and relatively low unemployment.



Sources: Consensus Economics; Haver Analytics; and IMF staff calculations.

¹Historical data are monthly, and forecasts (dashed lines) are quarterly.

²Personal consumption expenditure deflator.

³One-year-ahead *Consensus Forecasts*. The December values are the average of the surrounding November and January values.

⁴Consumer price index for industrial workers.