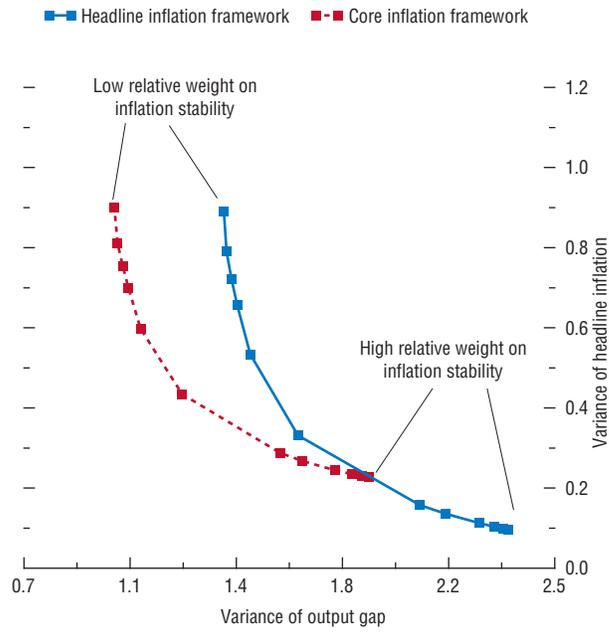


### Figure 3.11. Inflation-Output Policy Frontier

In emerging and developing economies with a high food share and low monetary policy credibility, targeting core inflation after a one-time food inflation shock helps to stabilize both output and headline inflation. Only when the relative weight on inflation is very high is it preferable to target headline inflation preferable.



Source: IMF staff estimates.