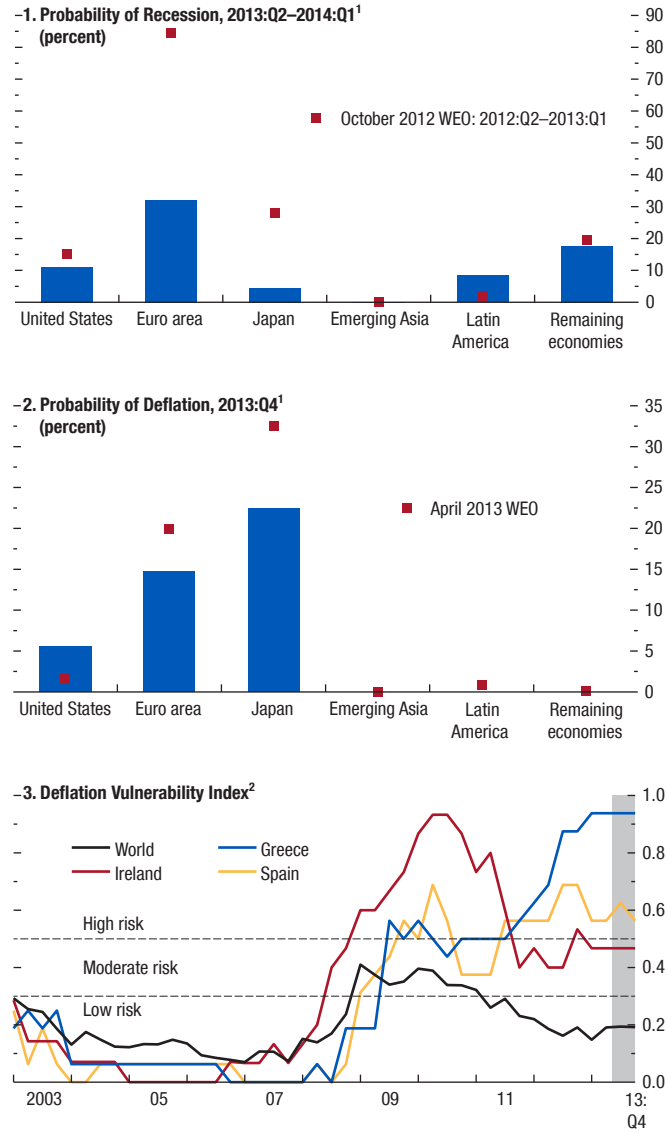


**Figure 1.16. Recession and Deflation Risks**

The IMF staff's Global Projection Model (GPM) suggests that recession and deflation risks have dropped in the advanced economies. However, they continue to bear watching. For Japan, the GPM suggests that they will still rise appreciably in 2014.



Source: IMF staff estimates.

<sup>1</sup>Emerging Asia: China, Hong Kong SAR, India, Indonesia, Korea, Malaysia, Philippines, Singapore, Taiwan Province of China, Thailand; Latin America: Brazil, Chile, Colombia, Mexico, Peru; Remaining economies: Argentina, Australia, Bulgaria, Canada, Czech Republic, Denmark, Estonia, Israel, New Zealand, Norway, Russia, South Africa, Sweden, Switzerland, Turkey, United Kingdom, Venezuela.

<sup>2</sup>For details on the construction of this indicator, see Kumar (2003) and Decressin and Laxton (2009). The indicator is expanded to include house prices.