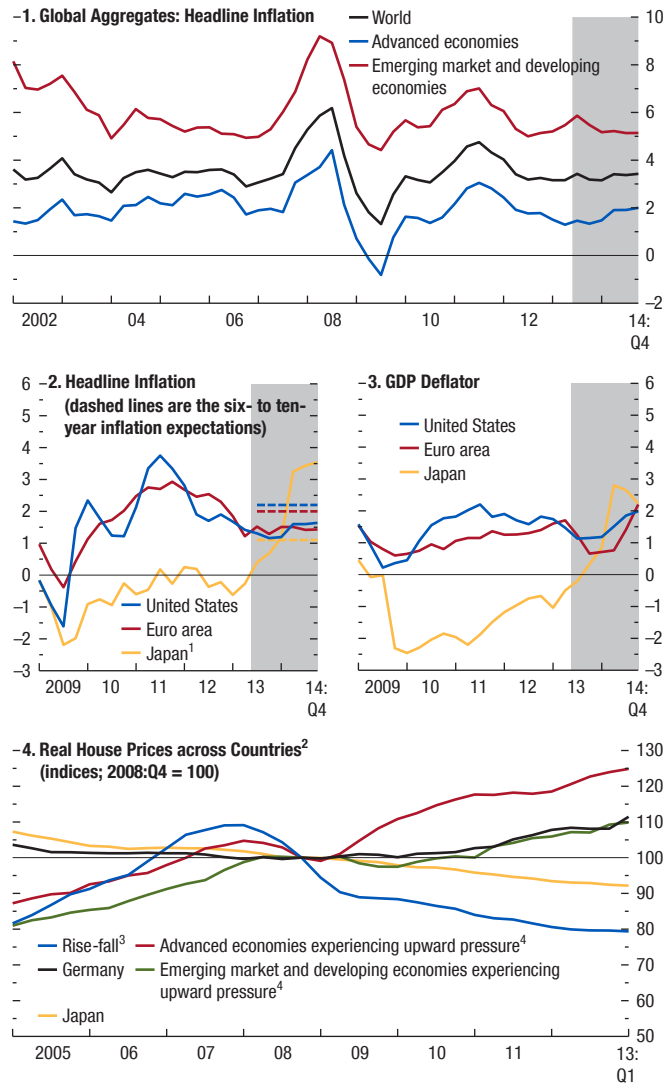


Figure 1.6. Global Inflation
(Year-over-year percent change unless indicated otherwise)

Inflation pressure is generally subdued. In the euro area, it is expected to stay appreciably below the European Central Bank's objective for several years; in Japan it will bounce up in response to consumption tax increases and rising inflation expectations in response to the new monetary policy. Consistent with slowing activity and stabilizing commodity prices, inflation has eased in emerging market and developing economies.



Sources: Consensus Economics; Haver Analytics; Organization for Economic Cooperation and Development, *Global Property Guide*; national sources; and IMF staff estimates.

¹In Japan, the increase in inflation in 2014 reflects, to a large extent, the increase in the consumption tax.

²For the following countries, regional or metropolitan area averages were used instead of national composites: Estonia, Hungary, India, Latvia, Lithuania, Philippines, Poland, Ukraine, Uruguay.

³Rise-fall countries: Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Greece, Iceland, Ireland, Italy, Latvia, Lithuania, Malta, Netherlands, New Zealand, Poland, Russia, Slovak Republic, Slovenia, South Africa, Spain, Turkey, Ukraine, United Kingdom, United States. Rise-fall countries are those in which real house prices increased by more than 10 percent in the run-up to the global financial crisis (2002–07) and have declined since then.

⁴Upward pressure countries: Australia, Austria, Belgium, Canada, Colombia, China, Hong Kong SAR, Hungary, India, Israel, Malaysia, Norway, Philippines, Switzerland, Singapore, Sweden, Uruguay.