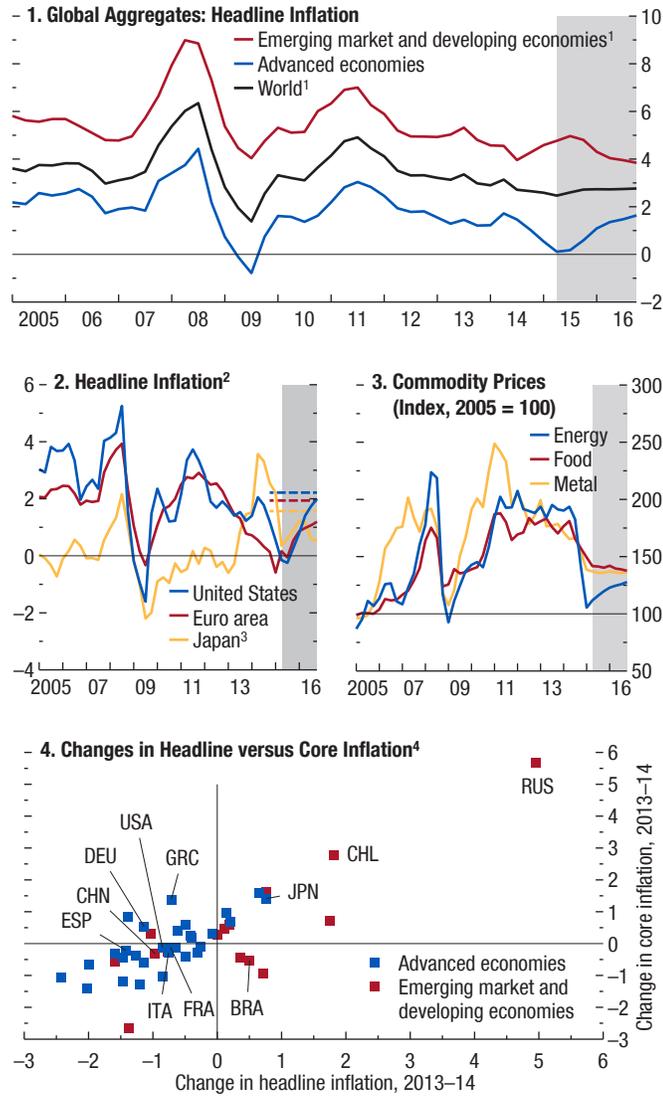


Figure 1.2. Global Inflation
(Year-over-year percent change, unless noted otherwise)

Headline inflation has declined in advanced economies, reflecting the decline in oil prices, softer prices for other commodities, and a weakening of demand in a number of countries already experiencing below-target inflation, such as the euro area and Japan. With regard to emerging markets, lower prices for oil and other commodities have generally contributed to reductions in inflation through 2014, with the notable exception of countries suffering sizable exchange rate depreciations, such as Russia.



Sources: Consensus Economics; IMF, Primary Commodity Price System; and IMF staff estimates.

Note: Data labels in the figure use International Organization for Standardization (ISO) country codes.

¹Excludes Venezuela.

²Dashed lines are the six- to ten-year inflation expectations.

³In Japan, the increase in inflation in 2014 reflects, to a large extent, the increase in the consumption tax.

⁴Changes in inflation are calculated as the year-over-year inflation rate in December 2014 minus the year-over-year inflation rate in December 2013.