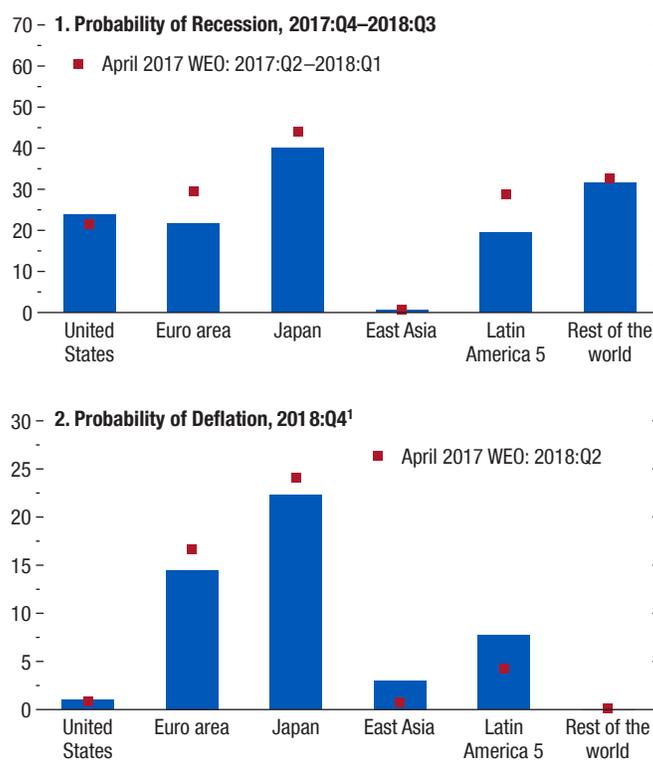


**Figure 1.19. Recession and Deflation Risks**  
(Percent)

Relative to the spring, recession probabilities have declined for the euro area, Japan, and the Latin America 5 group and are broadly unchanged for the United States and other regions. Deflation risks have declined for Japan and the euro area.



Source: IMF staff estimates.

Note: East Asia comprises China, Hong Kong SAR, India, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan Province of China, and Thailand; Latin America 5 comprises Brazil, Chile, Colombia, Mexico, and Peru; Rest of the world comprises Argentina, Australia, Bulgaria, Canada, Czech Republic, Denmark, Israel, New Zealand, Norway, Russia, South Africa, Sweden, Switzerland, Turkey, the United Kingdom, and Venezuela. April 2017 WEO data refer to simulations run in March 2017. WEO = *World Economic Outlook*.

<sup>1</sup>Deflation is defined as a fall in the price level on a year-over-year basis in the quarter indicated in the figure.