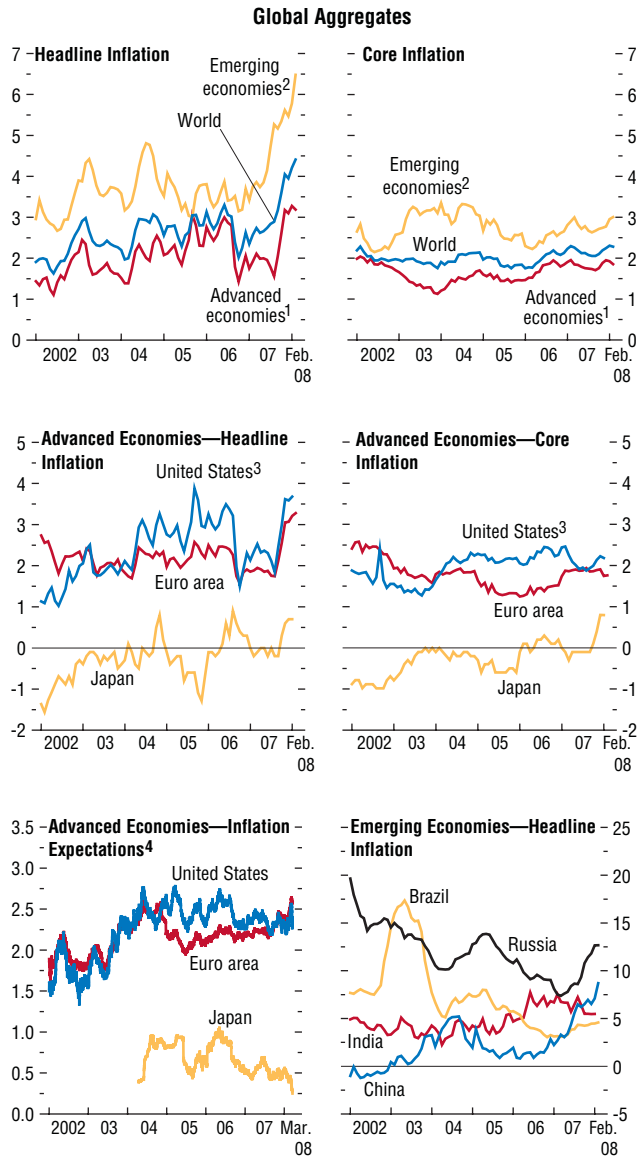


Figure 1.3. Global Inflation

(Twelve-month change of the consumer price index unless otherwise noted)

Headline inflation spiked in late 2007 and early 2008, reflecting the impact of rising energy and, particularly, food prices. Core inflation and inflation expectations have edged upwards.



Sources: Haver Analytics; and IMF staff calculations.
¹Australia, Canada, Denmark, euro area, Japan, New Zealand, Norway, Sweden, United Kingdom, and United States.
²Brazil, Bulgaria, Chile, China, Estonia, Hong Kong SAR, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Poland, Singapore, South Africa, Taiwan Province of China, and Thailand.
³Personal consumption expenditure deflator.
⁴Ten-year government bond yield minus ten-year inflation-linked government bond yield.