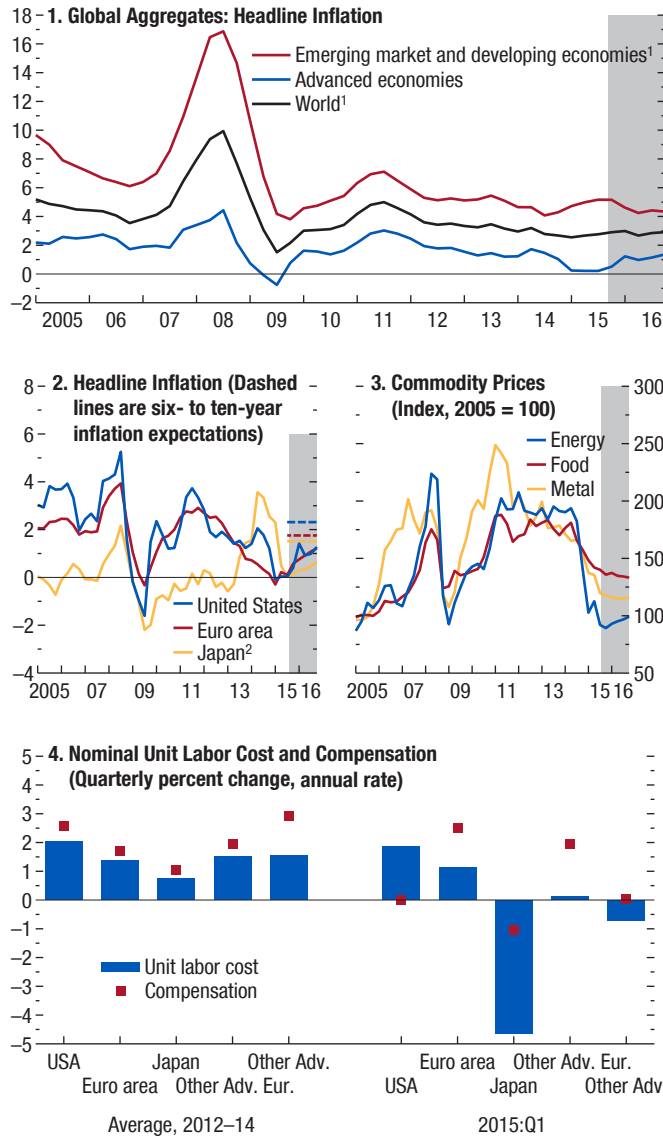


Figure 1.2. Global Inflation
(Year-over-year percent change, unless noted otherwise)

Headline inflation has declined in advanced economies, mostly reflecting the decline in the prices of oil and other commodities. Core inflation has remained more stable, but generally is below central banks' inflation objectives, as are nominal unit labor costs. In emerging market economies, lower commodity prices have also contributed to lowering headline inflation, but sizable currency depreciation has led to offsets on the upside in some economies.



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

Note: Other Adv. = other advanced economies; other Adv. Eur. = other advanced Europe; USA = United States.

¹Excludes Venezuela.

²In Japan, the increase in inflation in 2014 reflects, to a large extent, the increase in the consumption tax.