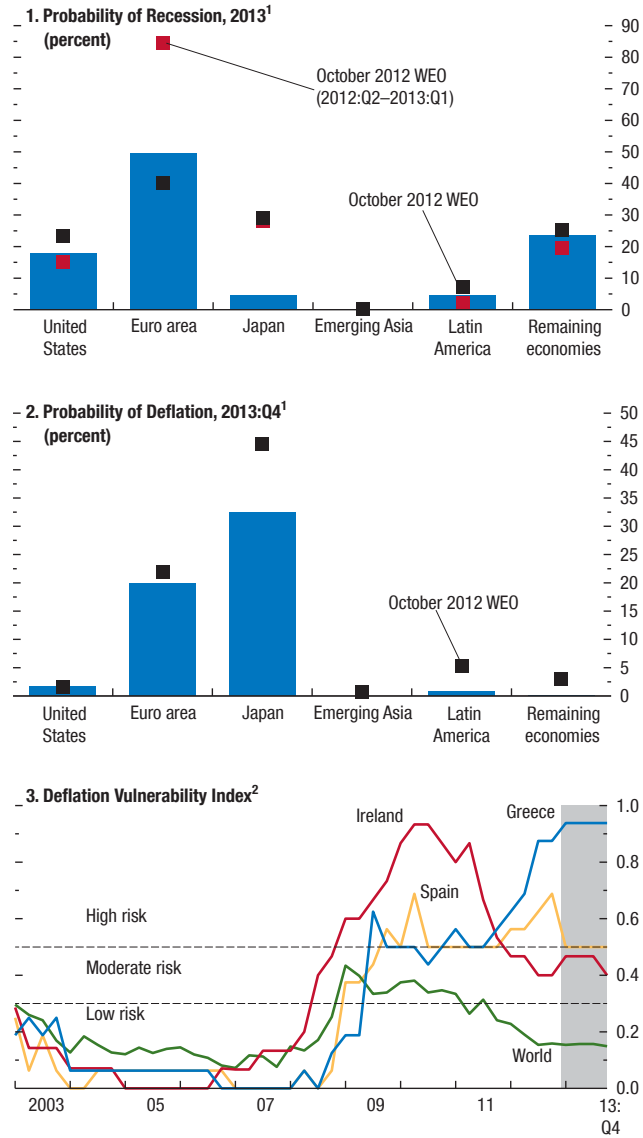


Figure 1.13. Recession and Deflation Risks

Risks for recessions during 2013 have stayed broadly unchanged or receded. They remain relatively high in the advanced economies. The same holds for deflation risks. Deflation vulnerabilities are particularly elevated in some euro area periphery economies.



Source: IMF staff estimates.
¹Emerging Asia: China, Hong Kong SAR, India, Indonesia, Korea, Malaysia, Philippines, Singapore, Taiwan Province of China, Thailand; Latin America: Brazil, Chile, Colombia, Mexico, Peru; remaining economies: Argentina, Australia, Bulgaria, Canada, Czech Republic, Denmark, Estonia, Israel, New Zealand, Norway, Russia, South Africa, Sweden, Switzerland, Turkey, United Kingdom, Venezuela.
²For details on the construction of this indicator, see Kumar (2003) and Decressin and Laxton (2009). The indicator is expanded to include house prices.