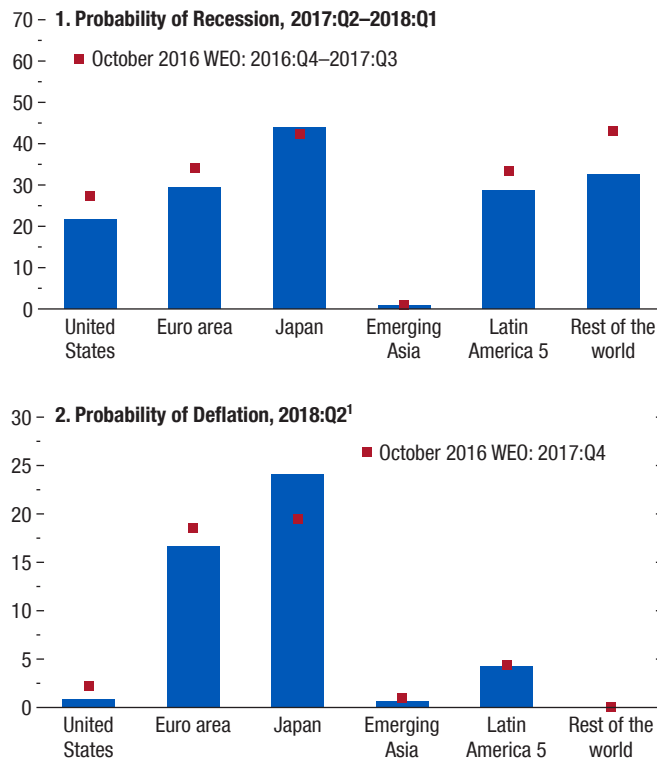


Figure 1.20. Recession and Deflation Risks
(Percent)

The probability of recession has declined in most regions, except in Japan where it is broadly unchanged. Deflation risks remain elevated in Japan and the euro area.



Source: IMF staff estimates.

Note: Emerging 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. October 2016 WEO data refer to simulations run in September 2016.

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