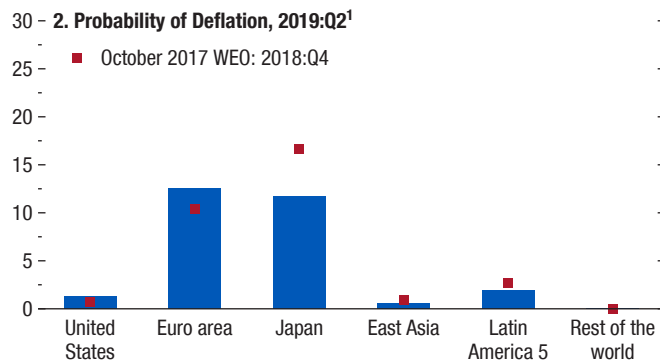
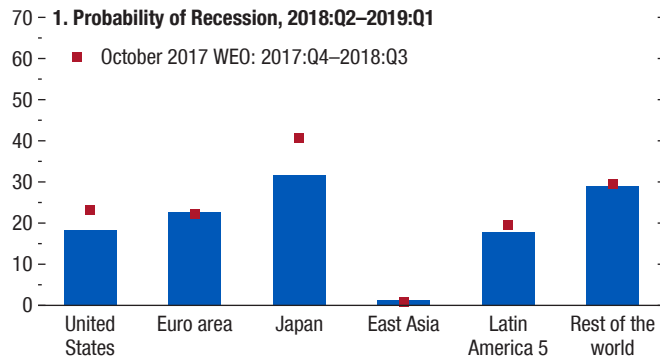


Figure 1.22. Recession and Deflation Risks
(Percent)

For most regions, recession and deflation risks over a four-quarter horizon have declined since last fall.



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. October 2017 WEO data refer to simulations run in September 2017. WEO = *World Economic Outlook*.

¹Deflation risk is measured by the four-quarter-ahead probability of deflation occurring together with a negative output gap.