Inflation has generally remained below central bank targets in advanced economies, an indication of continued substantial economic slack. In Japan, headline inflation has risen above 3 percent while core inflation has risen above 2 percent. But excluding the effects on the price level of the increase in the consumption tax rate from 5 to 8 percent in the second quarter of 2014, headline inflation is running at about 1¼ percent, below the Bank of Japan's inflation target. In emerging market and developing economies, inflation has remained broadly stable.

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

Note: CIS = Commonwealth of Independent States; ED Asia excl. China = emerging and developing Asia excluding China; ED Europe = emerging and developing Europe; LAC = Latin America and the Caribbean; SSA = sub-Saharan Africa.

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