The IMF staff’s Global Projection Model suggests that recession risks have increased for most advanced economies and the Latin America 5 group, mostly reflecting relatively weaker baseline projections. The risk of deflation, while decreasing, remains elevated in the euro area.

Source: IMF staff estimates.

Note: Emerging Asia comprises China, Hong Kong SAR, India, Indonesia, Korea, Malaysia, 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, Estonia, Israel, New Zealand, Norway, Russia, South Africa, Sweden, Switzerland, Turkey, United Kingdom, and Venezuela.

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