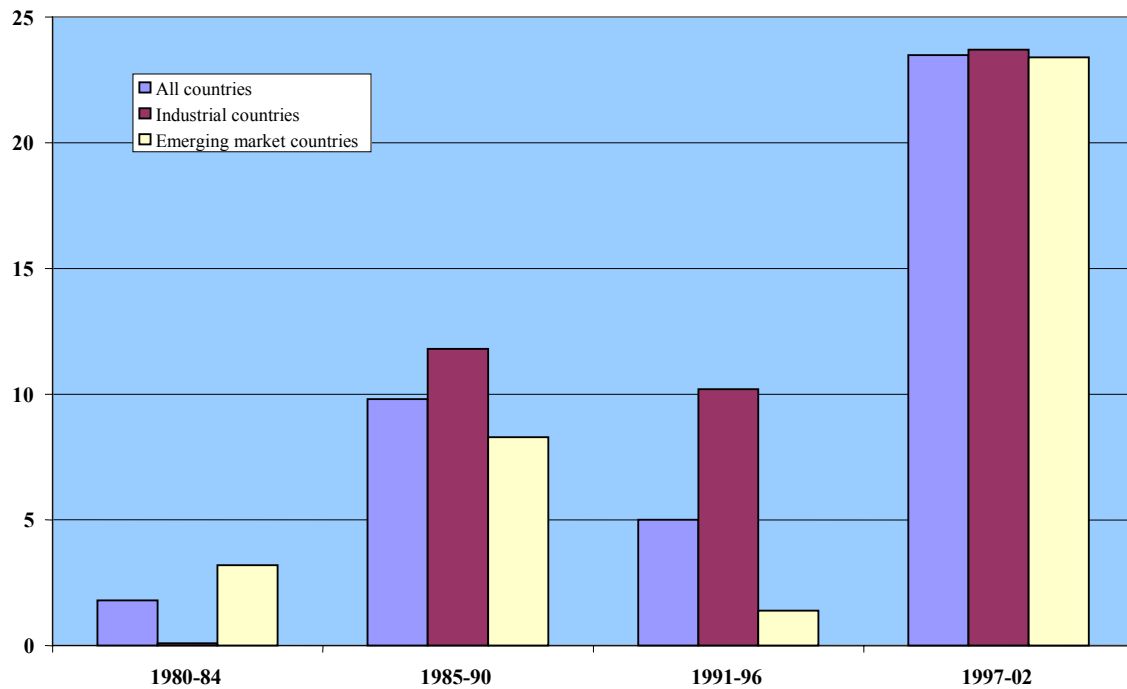
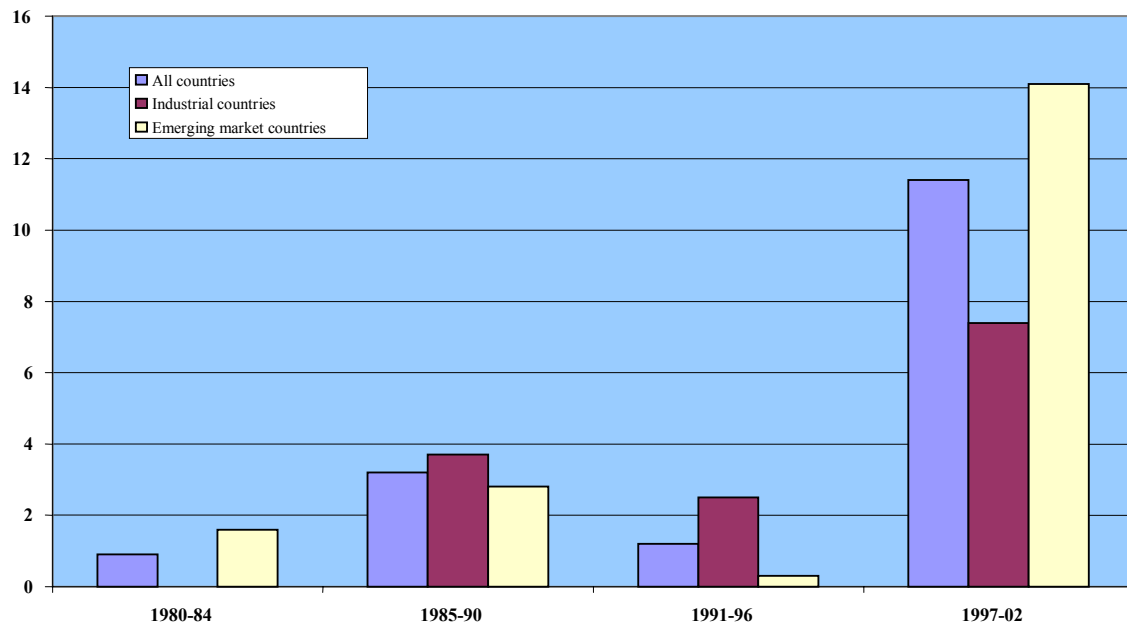


Figure 1: Incidence of Deflation and Low Inflation *

A: INCIDENCE OF DEFLATION AND INFLATION LESS THAN 1 PERCENT



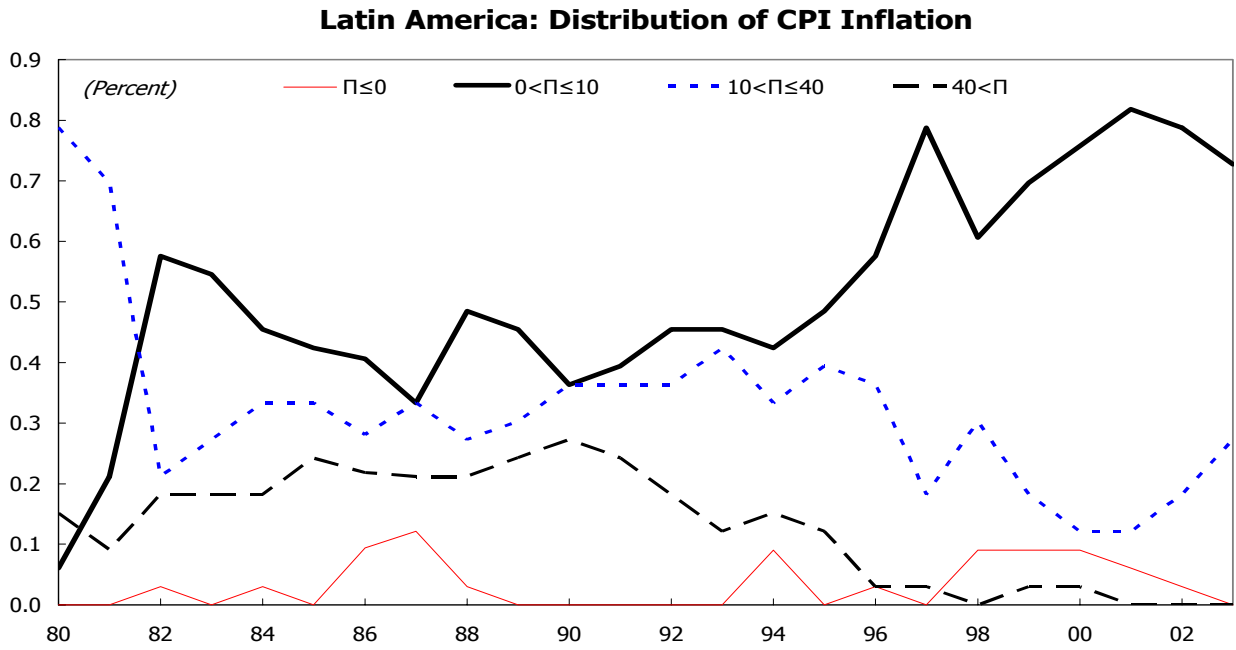
B: INCIDENCE OF DEFLATION



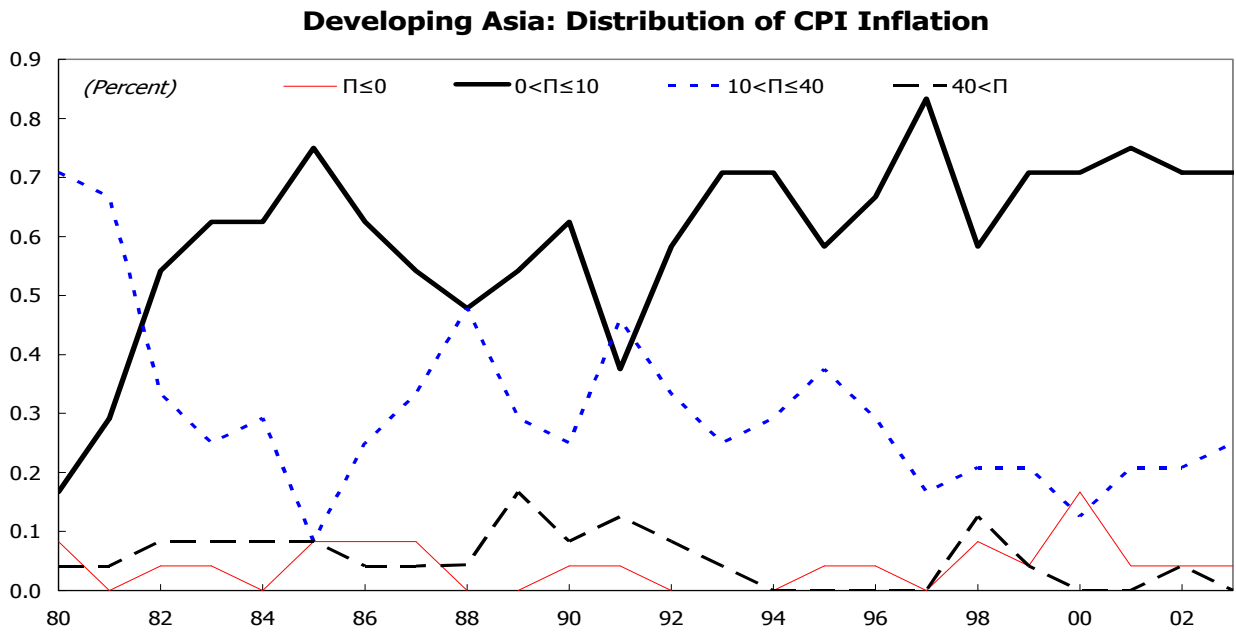
Source: Data derived from Kumar et al. (2003)

* Number of country months with year-on-year inflation less than 1 percent or negative, as a percent of total. Data based on 35 of the largest industrial and emerging market economies.

Figure 2a

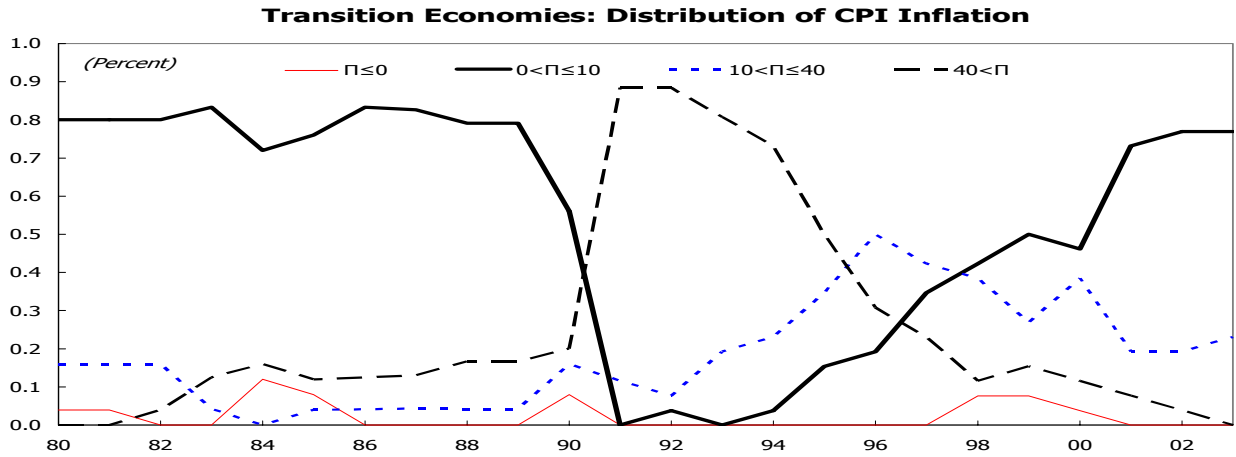


Source: IMF, *World Economic Outlook*.

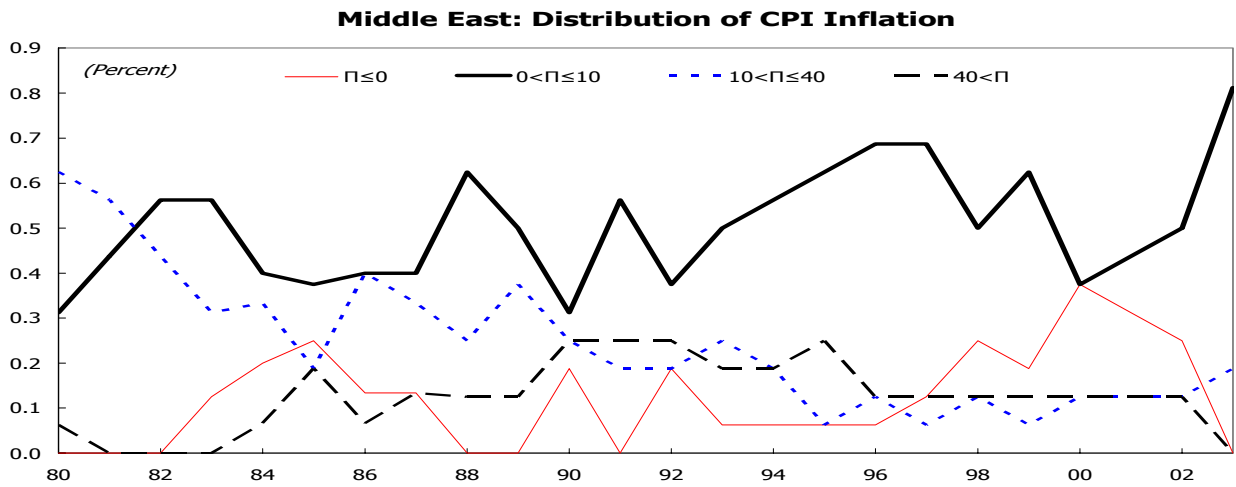


Source: IMF, *World Economic Outlook*.

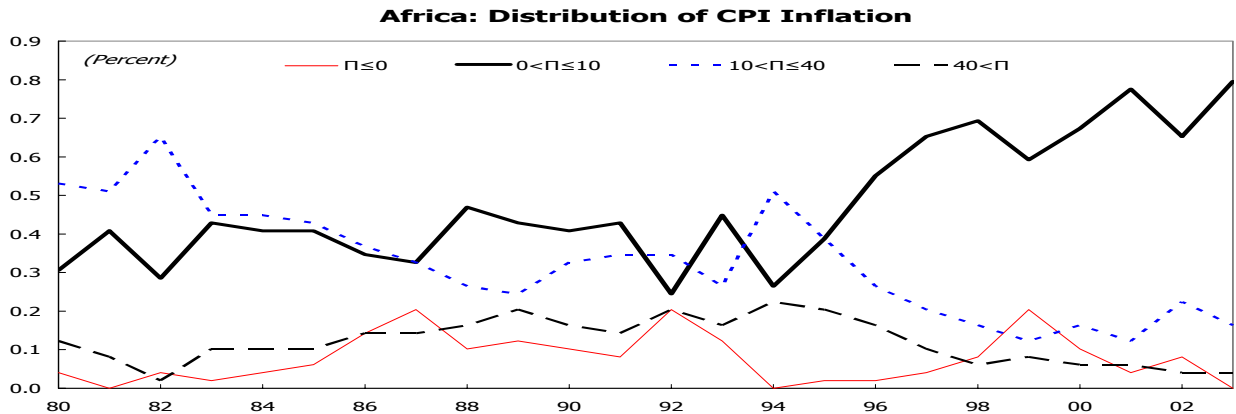
Figure 2b



Source: IMF, *World Economic Outlook*.



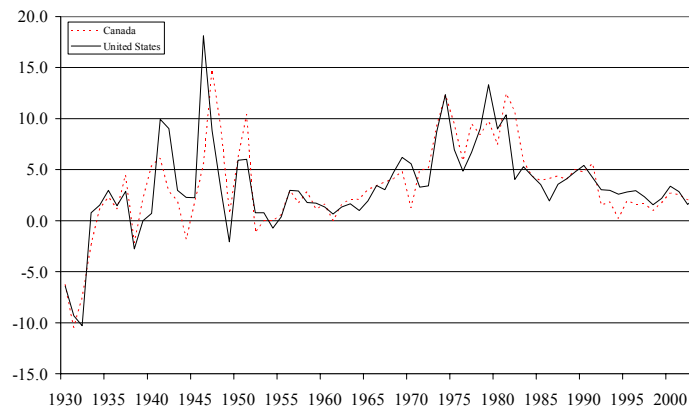
Source: IMF, *World Economic Outlook*.



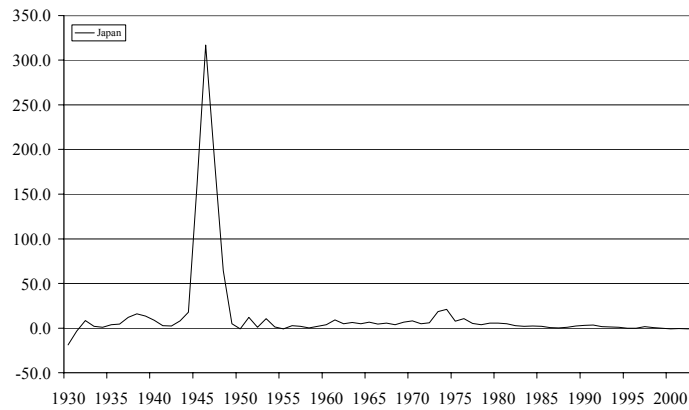
Source: IMF, *World Economic Outlook*.

Figure 3. CPI Inflation

United States and Canada



Japan



France, Germany, Italy, and United Kingdom

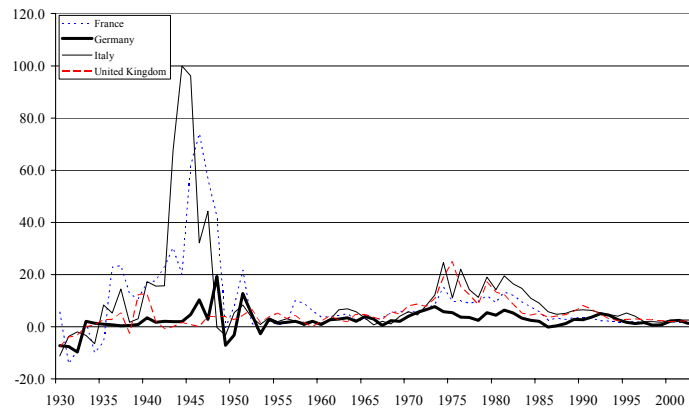
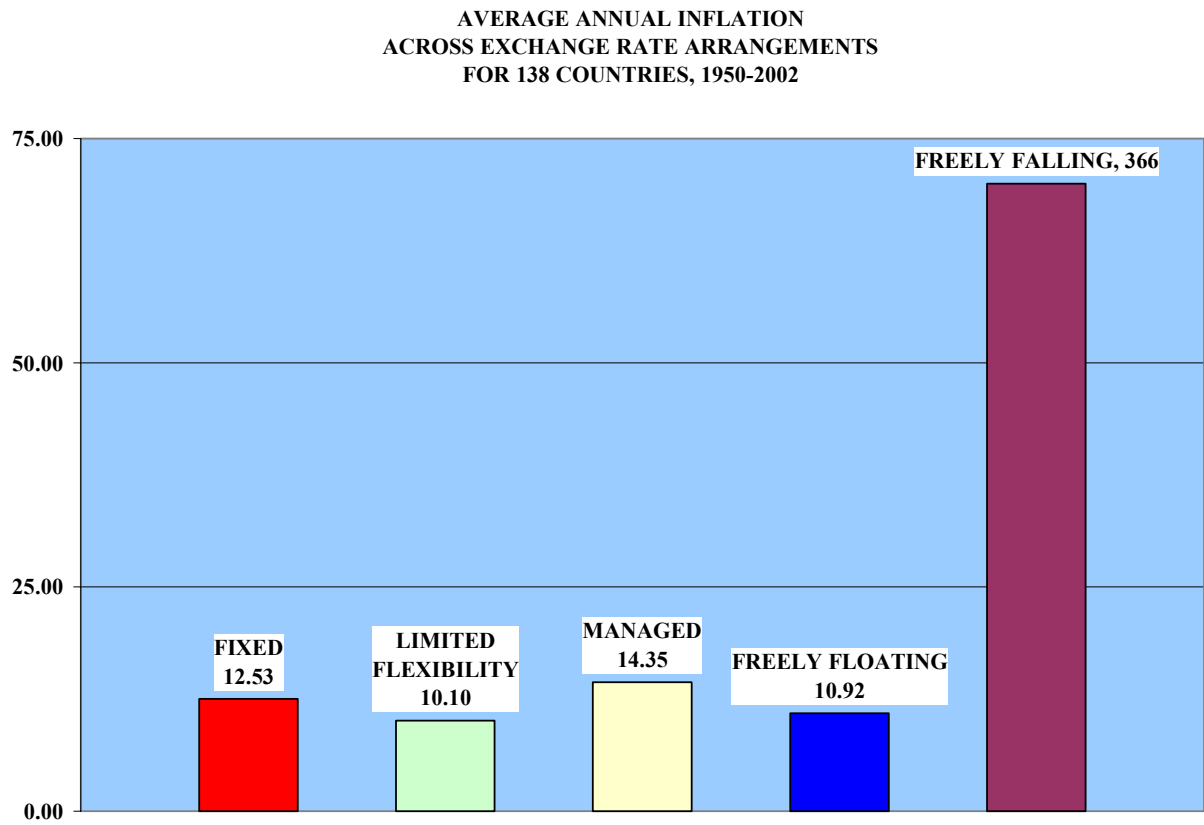
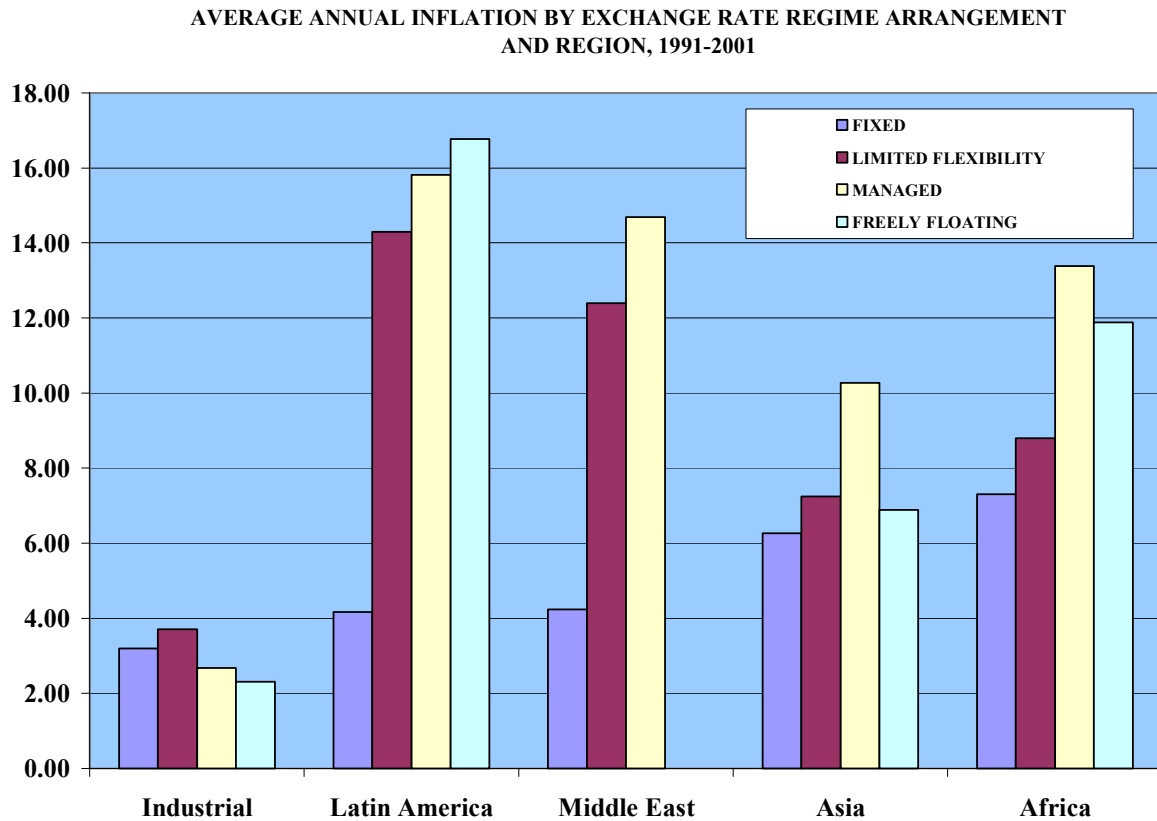


Figure 4



Note: CPI inflation from IMF, World Economic Outlook; Exchange rate regime according to the natural classification proposed by Reinhart and Rogoff(2004)

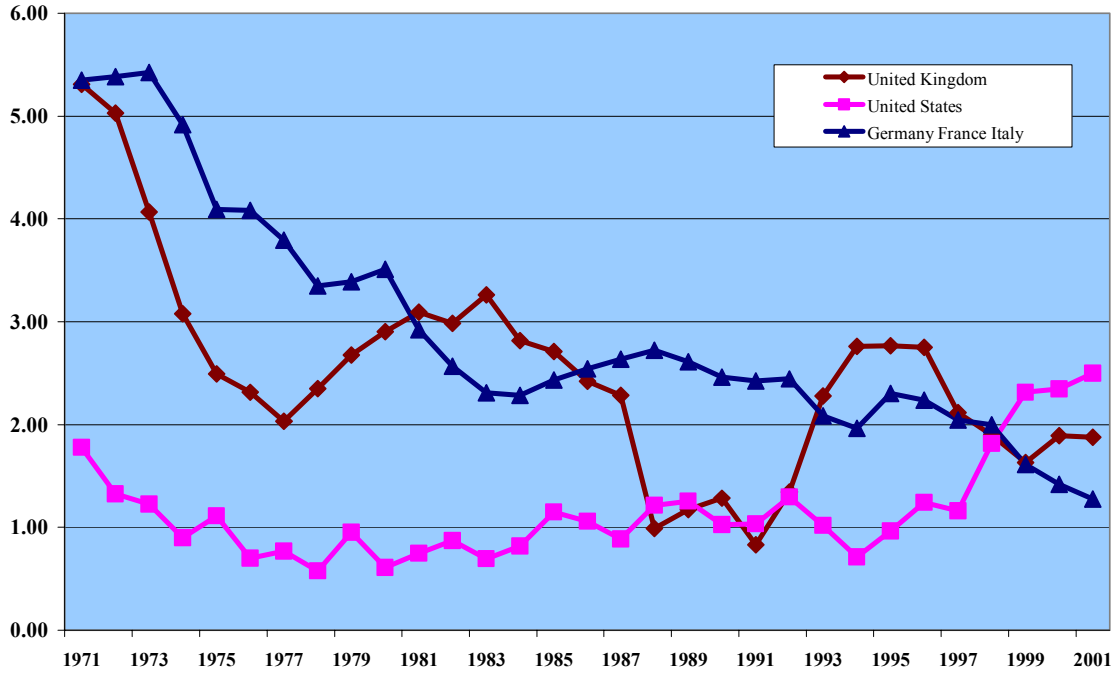
Figure 5



Note: CPI inflation from IMF, World Economic Outlook; Exchange rate regime according to the natural classification proposed by Reinhart and Rogoff(2004)

Figure 6

LABOR PRODUCTIVITY
(Percent; 5 year moving average; output per hour)



Source: Organization for Economic Cooperation and Development (2002)