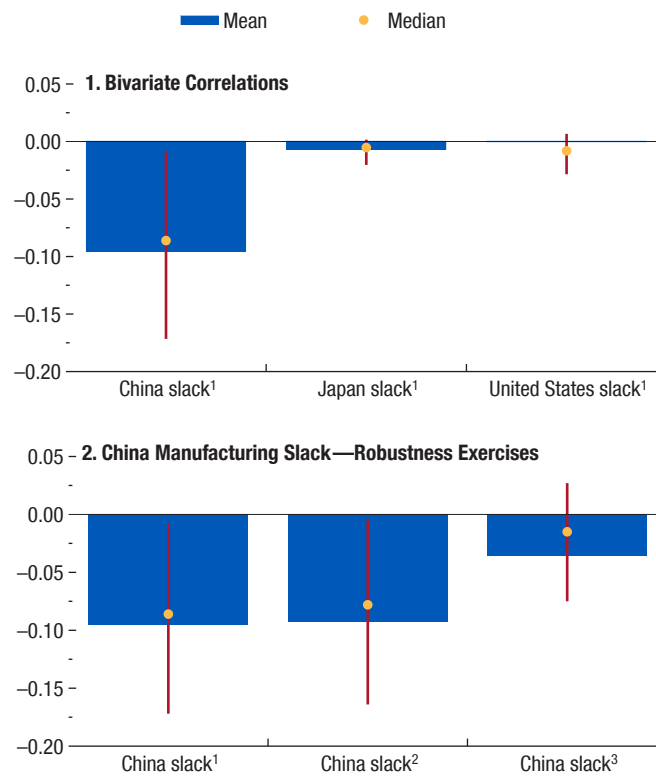


**Figure 3.14. Correlation of Manufacturing Slack in China, Japan, and the United States with Import Price Contribution to Inflation in Other Economies**  
(Percentage points)

Subdued inflation across a large number of countries is associated with manufacturing slack in Japan, the United States, and especially China.



Sources: Consensus Economics; Haver Analytics; Organisation for Economic Co-operation and Development; and IMF staff calculations.

Note: Vertical lines denote interquartile ranges. The figure shows the means, medians, and interquartile ranges of coefficients of manufacturing slack from country-specific regressions. See Annex 3.4 for the regression specifications.

<sup>1</sup> No controls.

<sup>2</sup> Controlling for manufacturing slack in the other two economies, change in oil prices, and global output gap.

<sup>3</sup> Controlling for global output gap and change in oil prices in current and previous four quarters.