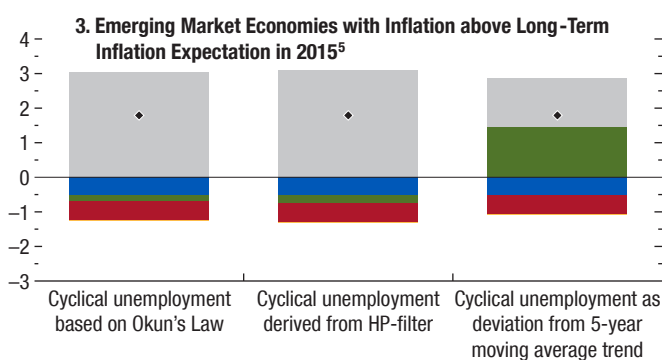
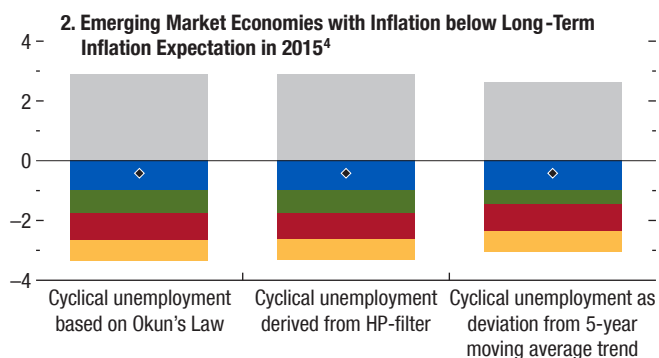
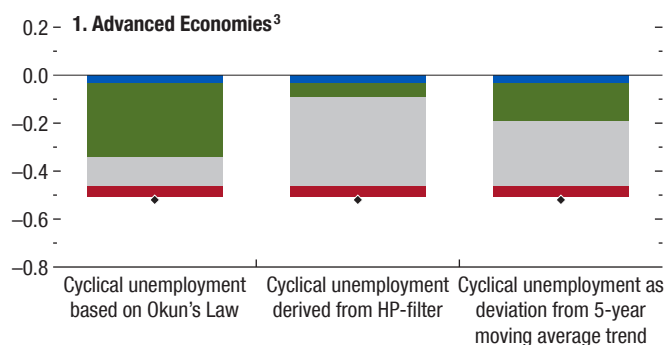


Annex Figure 3.4.2. Contribution to Inflation Deviations from Targets Using Various Measures of Cyclical Unemployment

■ Inflation expectation minus target ■ Relative import price in U.S. dollars
■ Exchange rate¹ ■ Cyclical unemployment
■ Others ♦ Inflation deviation from target²



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

Note: The figure reports average contributions in 2008–15.

¹ Exchange rate is defined as currency value per U.S. dollar.

² The target is defined as the average of 10-year inflation expectation in 2000–07. Okun's law coefficients come from Ball and others 2016.

³ Advanced economies in Annex Table 3.1.1. Estonia, Latvia, Lithuania, the Slovak Republic, and Slovenia are excluded as outliers.

⁴ Bulgaria, China, Hungary, Malaysia, Mexico, Philippines, Poland, Romania, Thailand.

⁵ Argentina, Brazil, Chile, Columbia, India, Indonesia, Peru, Russia, Turkey.