

GLOBAL INFLATION EXPECTED TO FALL



According to a recent survey conducted by the IFO Institute among over 1,500 experts in 128 countries, global inflation may be lower than previously feared in the current and upcoming years.

The survey suggests that the inflation rate for the current year is estimated to be only 6.2 percent on average (median) across countries. **This is a decrease from the previous expectation of 7 percent, predicted three months ago.**

According to Niklas Potrafke, an expert at IFO, global inflation expectations remain high but have decreased significantly compared to the previous quarter. The average inflation forecast for the upcoming year is 5.2 percent, while for 2026, it is 4.5 percent. This shows a decrease of 0.8 and 0.4 points, respectively, compared to three months ago.

The experts predict the lowest inflation rates in North America at 4.1 percent, Western Europe and Central America and the Caribbean at 4.6 percent, and East Asia, including China and Japan at 4.7 percent.

Compared to the previous quarter, there has been a decrease of 0.4 points in North America and 0.3 points in East Asia and Western Europe. Meanwhile, the expectations have more than halved for Central America and the Caribbean.

The lowest values for 2024 are predicted to be in Western Europe and North America, both at 3.3 percent, a slight decline. However, by 2026, Western Europe is expected to have the highest values at 2.4 percent, followed by North America at 2.7 percent and Northern Europe at 3.1 percent.

The outlook for some regions has significantly improved, with East Africa experiencing a 73.4 percentage point decrease in expectations. However, some regions are expected to worsen, including East Asia, which was previously predicted to improve to 4.5 percent but is now expected to deteriorate to 5.2 percent.

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