

# Global Inflation Analysis & Forecasting Report

**Timeframe: 1980 - 2024, with Forecasts to 2030**

This report provides a detailed analysis of global inflation trends from 1980 to 2024, with country-level comparisons, extreme outliers, and predictive modeling for selected nations (Philippines and United States). Data is sourced from World Bank (via Kaggle).

## Executive Summary

Global inflation has shown significant fluctuations over the past four decades, influenced by oil shocks, financial crises, and the COVID-19 pandemic. The analysis reveals extreme outliers such as Venezuela driving global averages upward, while stable economies like Japan, Switzerland, and Singapore maintained near-zero inflation. Forecasts suggest moderate inflation for most advanced economies, with higher volatility likely in emerging markets.

## Top 10 Countries by Inflation Rate (1980–2024)

Highest Inflation Countries	Average Inflation (%)	Lowest Inflation Countries	Average Inflation (%)
Venezuela	2041.7	Japan	1.07
Congo, Dem. Rep.	791.6	Brunei Darussalam	1.13
Nicaragua	676.1	Saudi Arabia	1.31
Bolivia	311.9	Switzerland	1.61
Armenia	291.2	Bahrain	1.65
Peru	288.2	Oman	1.84
Brazil	263.8	San Marino	2.03
Angola	249.8	Andorra	2.07
Ukraine	232.2	Puerto Rico	2.08
Turkmenistan	224.0	Singapore	2.12

Countries like Venezuela experienced hyperinflation, heavily distorting global averages. In contrast, advanced economies such as Japan and Switzerland maintained price stability. This contrast highlights the disparity between stable economies and those with weak monetary and fiscal policies.

## Global Trends and Shocks

The early 1990s saw high global inflation driven by emerging market instability and structural adjustments. The 2008 Global Financial Crisis caused short-lived disruptions, while the COVID-19 pandemic (2020–2022) pushed inflation higher due to supply chain shocks and energy price volatility. Interestingly, inflation in 2018 also spiked globally, largely due to emerging market turbulence (e.g., Argentina, Turkey, Venezuela).

## Country Comparisons: Philippines vs United States

The Philippines showed moderate inflation averaging around 3–4% over the last decade, with forecasts suggesting a slight decline toward deflationary pressures (-1% by 2029). In contrast, the United States remains stable with forecasts around 1–1.5%. This divergence reflects stronger monetary stability in advanced economies, while emerging economies face risks of volatility.

## Forecast Insights (2025–2029)

Year	Global Forecast (%)
2025	3.26
2026	3.06
2027	3.15
2028	3.11
2029	3.13

Forecasting models indicate global inflation will stabilize between 3–3.3% from 2025 to 2029. Advanced economies like the US are expected to maintain low inflation, while the Philippines may experience downward pressure, possibly entering deflation. Emerging market volatility will remain a risk factor for global stability.

## Key Takeaways

1. Outliers such as Venezuela and Argentina significantly distort global averages. 2. Stable economies (Japan, Switzerland) demonstrate resilience to inflationary shocks. 3. Global inflation spikes align with major crises: early 1990s instability, 2008 crash, 2018 EM crisis, and COVID-19. 4. Forecasts suggest stable global inflation (~3%) but risks persist in emerging markets. 5. Policymakers in vulnerable economies must strengthen monetary frameworks to avoid hyperinflation scenarios.

## Limitations

**Data-set Scope** – The data-set only covers [specific time period or countries]. Broader coverage across more years or regions could provide deeper insights.

**Missing Variables** – The data-set does not include important socioeconomic indicators such as **GDP, inflation rates, unemployment**, or other external drivers that could strengthen causal explanations for the observed trends.

**Correlation vs. Causation** – While the analysis identifies patterns and relationships (e.g., spikes, country comparisons), these correlations do not imply direct causation without further econometric testing.

**Forecasting Constraints** – The Prophet model used for forecasting works well for trend and seasonality, but it cannot capture sudden shocks (like geopolitical conflicts, pandemics, or policy changes).

**Data Quality** – Any errors, inconsistencies, or gaps in the raw data set could influence the accuracy of the analysis and the forecast results.

**Global Context Limitations** – While the report connects spikes and differences to global events, these explanations remain **interpretations** and should be verified with supporting sources (e.g., World Bank, IMF, or news reports).

## Conclusion

Global inflation has shown distinct cycles of spikes and stabilization over the last four decades. Institutional strength is the most important factor separating low-inflation advanced economies from volatile emerging markets. Looking ahead, inflation is forecasted to stabilize, though risks from energy, climate, and geopolitics remain significant.

## Appendices

### Appendix A: Data Source

country_name	indicator_name	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Afghanistan	Annual average inflation (consumer prices) rate	13.4	22.2	18.2	15.9	20.4	8.7	-2.1	18.4	27.5	71.5	47.4	43.8	58.19	33.99
Albania	Annual average inflation (consumer prices) rate											-0.2	35.7	226	85
Algeria	Annual average inflation (consumer prices) rate	9.7	14.6	6.6	7.8	6.3	10.4	14	5.9	5.9	9.2	9.3	25.9	31.7	20.5
Andorra	Annual average inflation (consumer prices) rate														
Angola	Annual average inflation (consumer prices) rate	46.7	1.4	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	85.3	299.1	1379.5
Antigua and Barbuda	Annual average inflation (consumer prices) rate	19	11.5	4.2	2.3	3.8	1	0.5	3.6	6.8	4.4	6.6	4.5	3	3.1
Argentina	Annual average inflation (consumer prices) rate														
Armenia	Annual average inflation (consumer prices) rate														3731.8
Aruba	Annual average inflation (consumer prices) rate								3.6	3.1	4	5.8	5.6	3.9	5.2

Figure: Global Inflation dataset

## Appendix B:

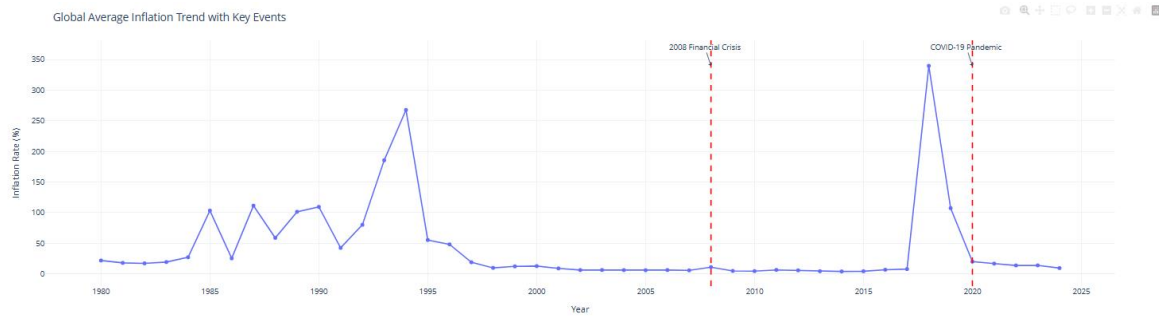


Figure: Inflation Trend by time

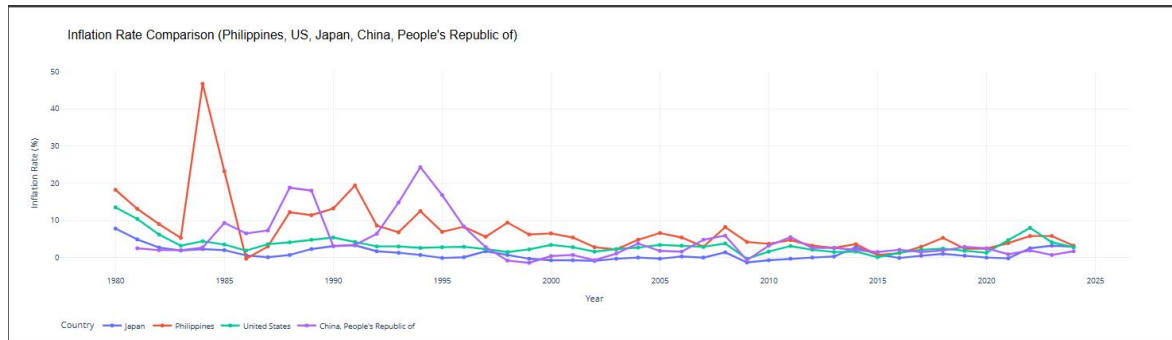


Figure: Inflation Rate Comparison

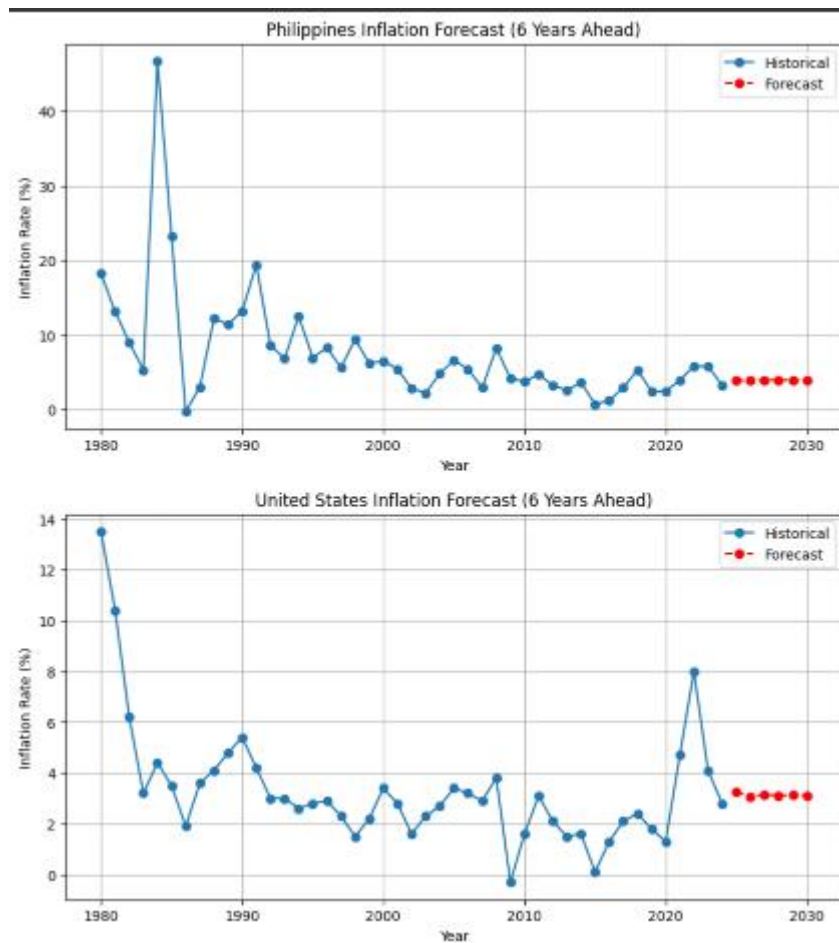


Figure: PH - US Inflation rate comparison

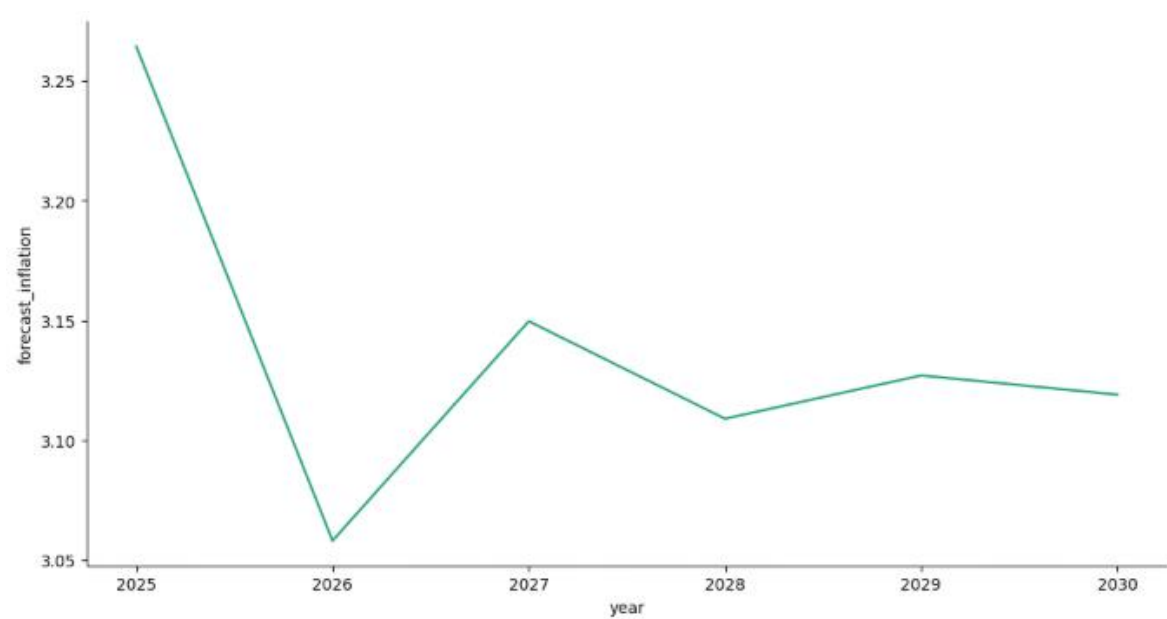


Figure: PH - US Inflation rate comparison (average)

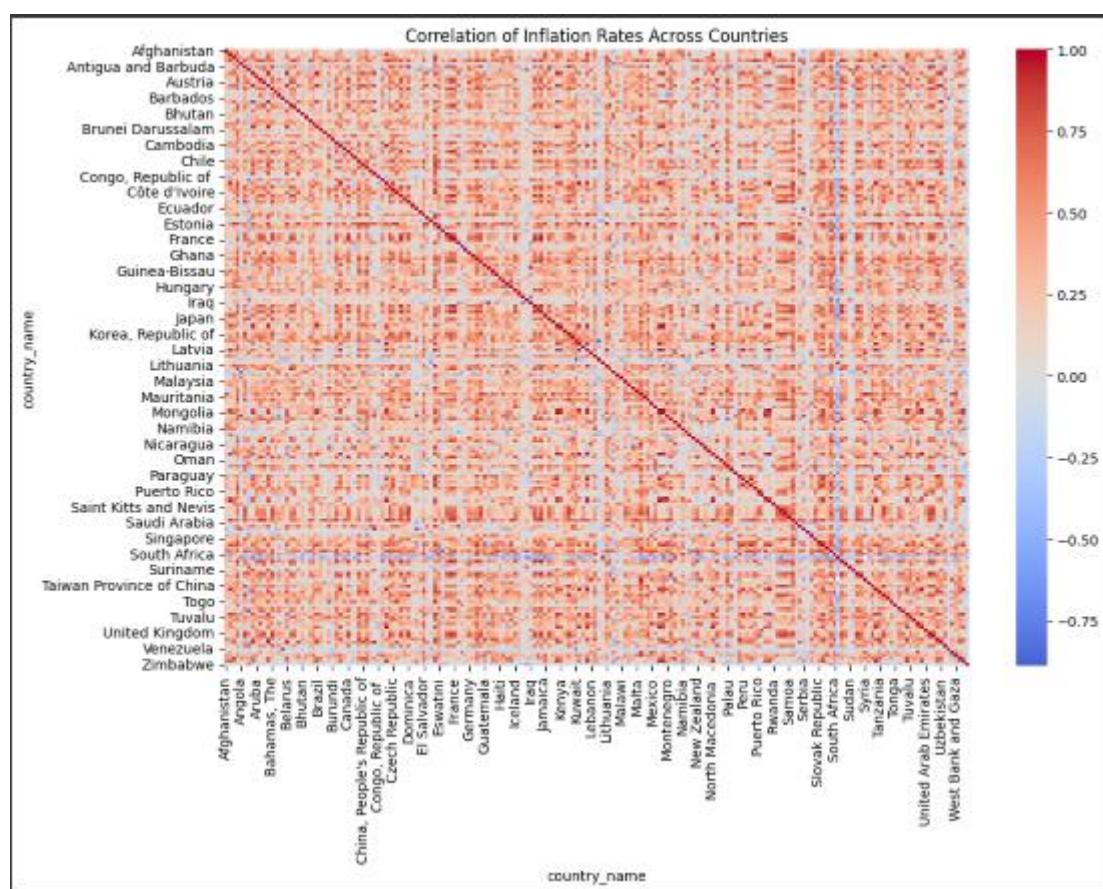


Figure: Correlation Heatmap

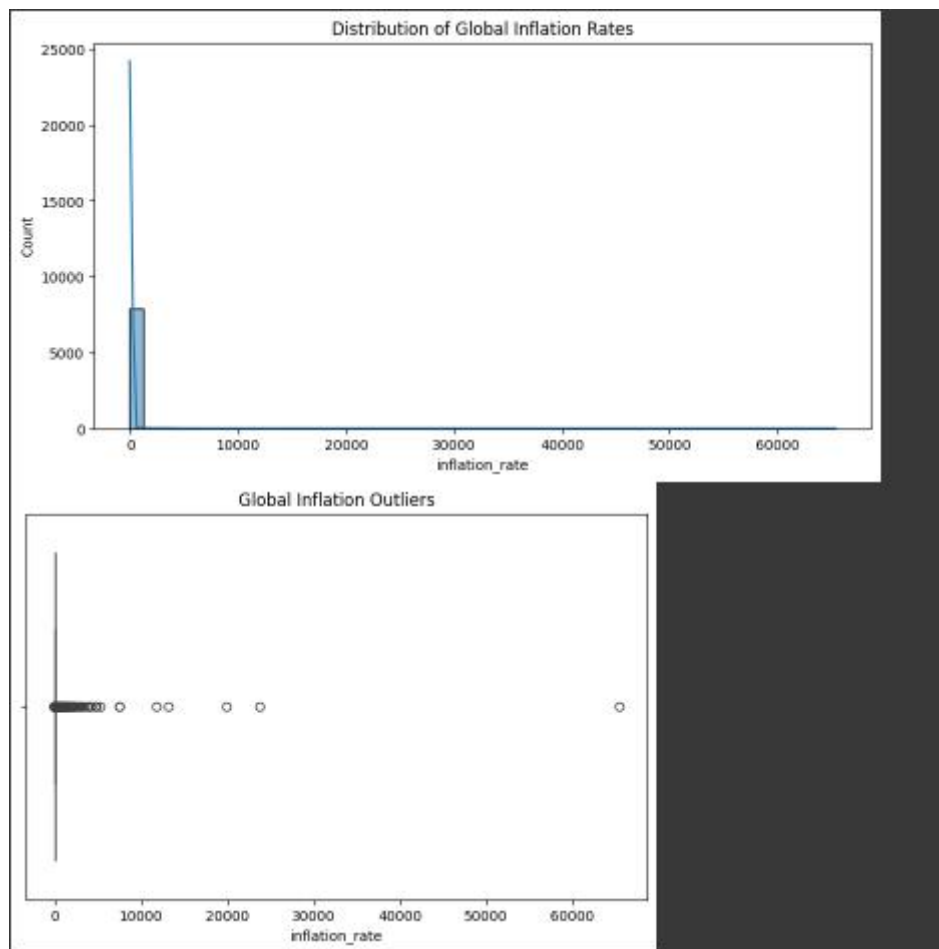


Figure: Distribution of Global Inflation Rates