Online Appendix for

Is Inflation Just Around the Corner?

The Phillips Curve and Global Inflationary Pressures

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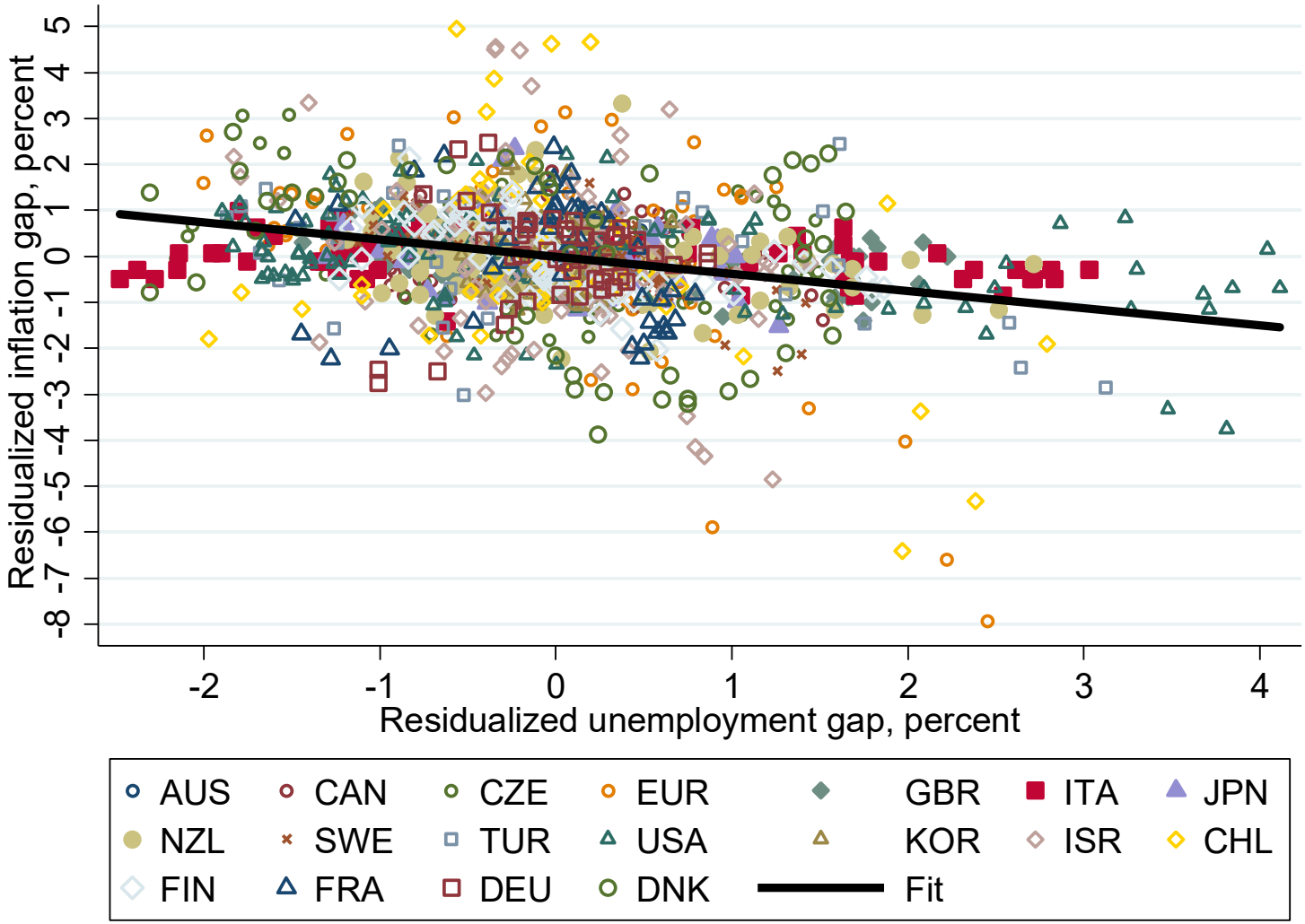
APPENDIX TABLE 1. SOURCES OF INFLATION EXPECTATIONS

Country	Country code	Survey	Respondent	Coverage
USA	USA	Michigan Survey of Consumers	Consumers	1978-2018
Australia	AUS	Melbourne Institute, Survey of Consumer Inflationary Expectations	Consumers	2014-2018
Canada	CAN	Bank of Canada, Business Outlook Survey	Firms	2001-2018
Czechia	CZE	Czech National Bank, Statistical Survey	Firms	1999-2018
United Kingdom	GBR	Bank of England/TNS, Inflation Attitudes Survey	Consumers	1999-2018
Eurozone	EUR	European Commission	Consumers	2004-2016
France	FRA	European Commission	Consumers	2004-2015
Germany	DEU	European Commission	Consumers	2004-2015
Denmark	DNK	European Commission	Consumers	2004-2015
Italy	ITA	Bank of Italy, Survey of Households and Firms	Firms	2000-2018
Japan	JPN	Cabinet Office, Consumer Confidence Survey	Consumers	2004-2018
Korea	KOR	Bank of Korea, Survey of Consumer Expectations	Consumers	2002-2018
New Zealand	NZL	Reserve Bank of New Zealand, Survey of Expectations	Consumers	1987-2018
Sweden	SWE	National Institute of Economic Research, Economic Tendency Survey	Consumers	2001-2018
Turkey	TUR	Turkish Central Bank, Business Tendency Statistics	Firms	2007-2018
Israel	ISR	Bank of Israel Companies Survey	Firms	1996-2018
Finland	FIN	Bank of Finland/European Commission	Consumers	2000-2018
Chile	CHL	University of Chile, Survey of Perception and Expectations about the Economic Situation	Consumers	2005-2018

Notes: Data for the Eurozone, France, Germany, and Denmark are taken from Arioli et al. (2018). The time series of inflation expectations for Italy is adjusted for the fact that in the early part of the survey firms were provided with recent inflation expectations which strongly influences inflation expectations (see. Coibion et al. 2018 for more details). In the later part of the survey, a subset of firms is not provided with recent inflation. We find that inflation gap for firms that are not provided with recent inflation is 1.8 times larger than inflation gap for firms that are provided with recent inflation. Hence, we multiply the time series of the inflation gap by 1.8.

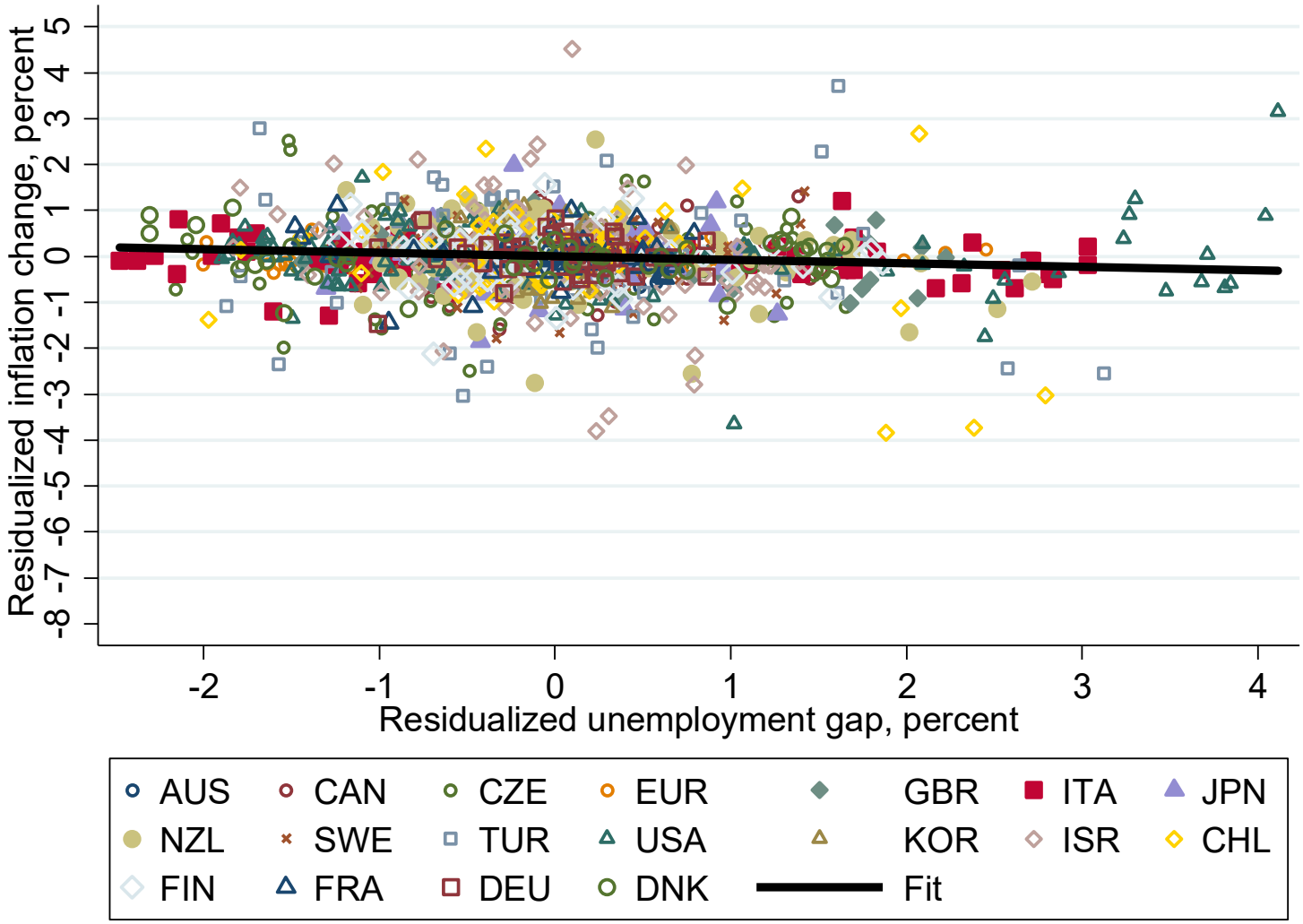
Coibion, Olivier, Yuriy Gorodnichenko and Tiziano Ropele. 2018. "Inflation Expectations and Firm Decisions: New Causal Evidence," Manuscript.

APPENDIX FIGURE 1. THE EXPECTATIONS-AUGMENTED PHILLIPS CURVE ACROSS COUNTRIES.



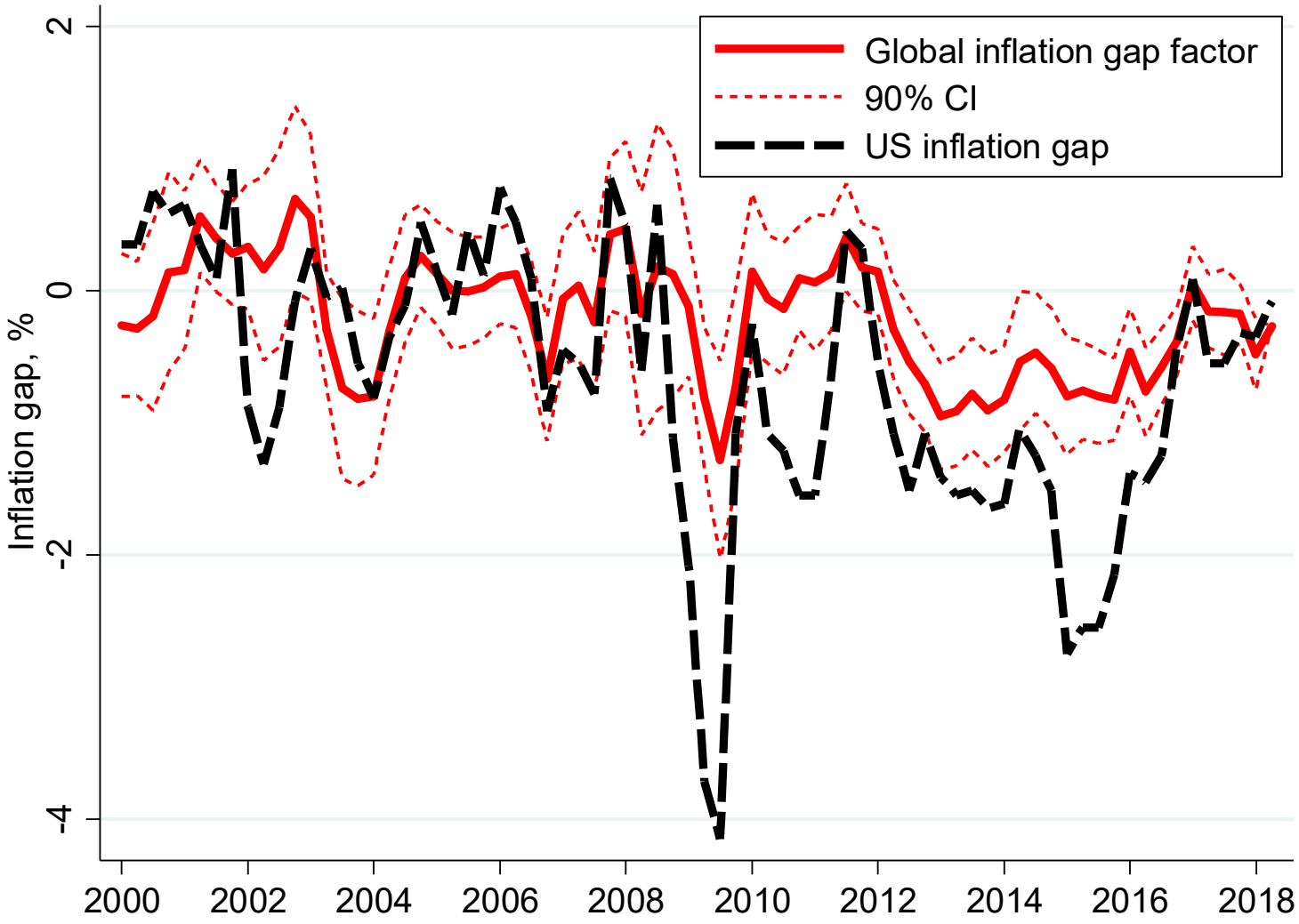
Note: The figure presents a scatter plot of inflation gap ($\pi_{it} - E_t\pi_{i,t+1}$) versus unemployment gap ($u_{it} - u_{it}^*$) where i and t index countries and time (quarter), π_{it} is year-on-year CPI inflation rate, $E_t\pi_{it}$ is one-year-ahead inflation expectations of households or firms, u_{it} is unemployment rate, u_{it}^* is non-accelerating inflation rate of unemployment rate (NAIRU) provided by the OECD. We residualize inflation gap and unemployment gap, i.e., we remove country fixed effects (and country-specific linear time trends for Czech Rep., Chile, Turkey, Israel and the Euro zone).

APPENDIX FIGURE 2. THE BACKWARD-LOOKING PHILLIPS CURVE ACROSS COUNTRIES.



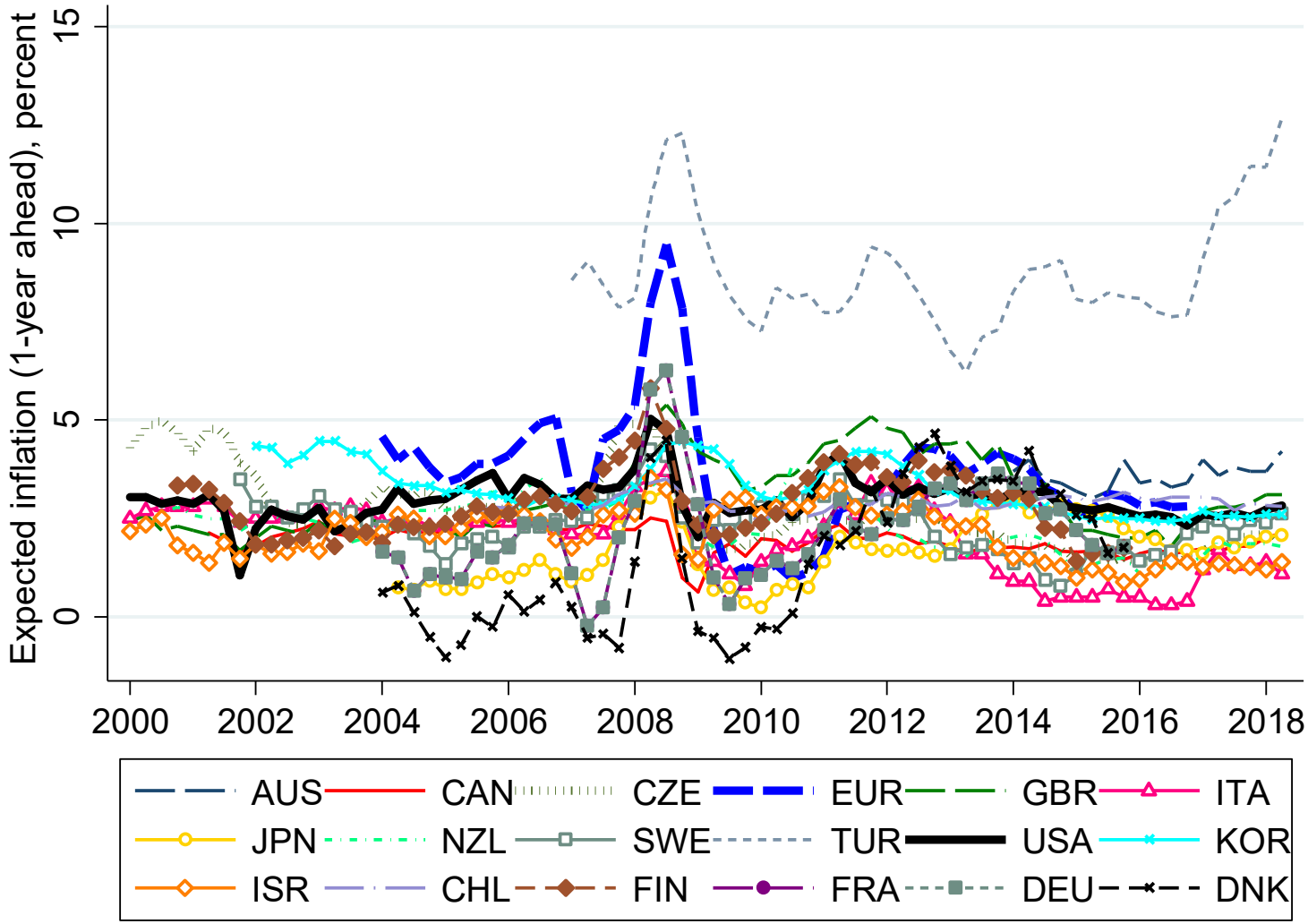
Note: The figure presents a scatter plot of inflation change $(\pi_{it} - \pi_{i,t-1})$ versus unemployment gap $(u_{it} - u_{it}^*)$ where i and t index countries and time (quarter), π_{it} is year-on-year CPI inflation rate, u_{it} is unemployment rate, u_{it}^* is non-accelerating inflation rate of unemployment rate (NAIRU) provided by the OECD. We residualize inflation gap and unemployment gap, i.e., we remove country fixed effects (and country-specific linear time trends for Czechia, Chile, Turkey, Israel and the Euro zone).

APPENDIX FIGURE 3. THE GLOBAL AND U.S. INFLATION GAP



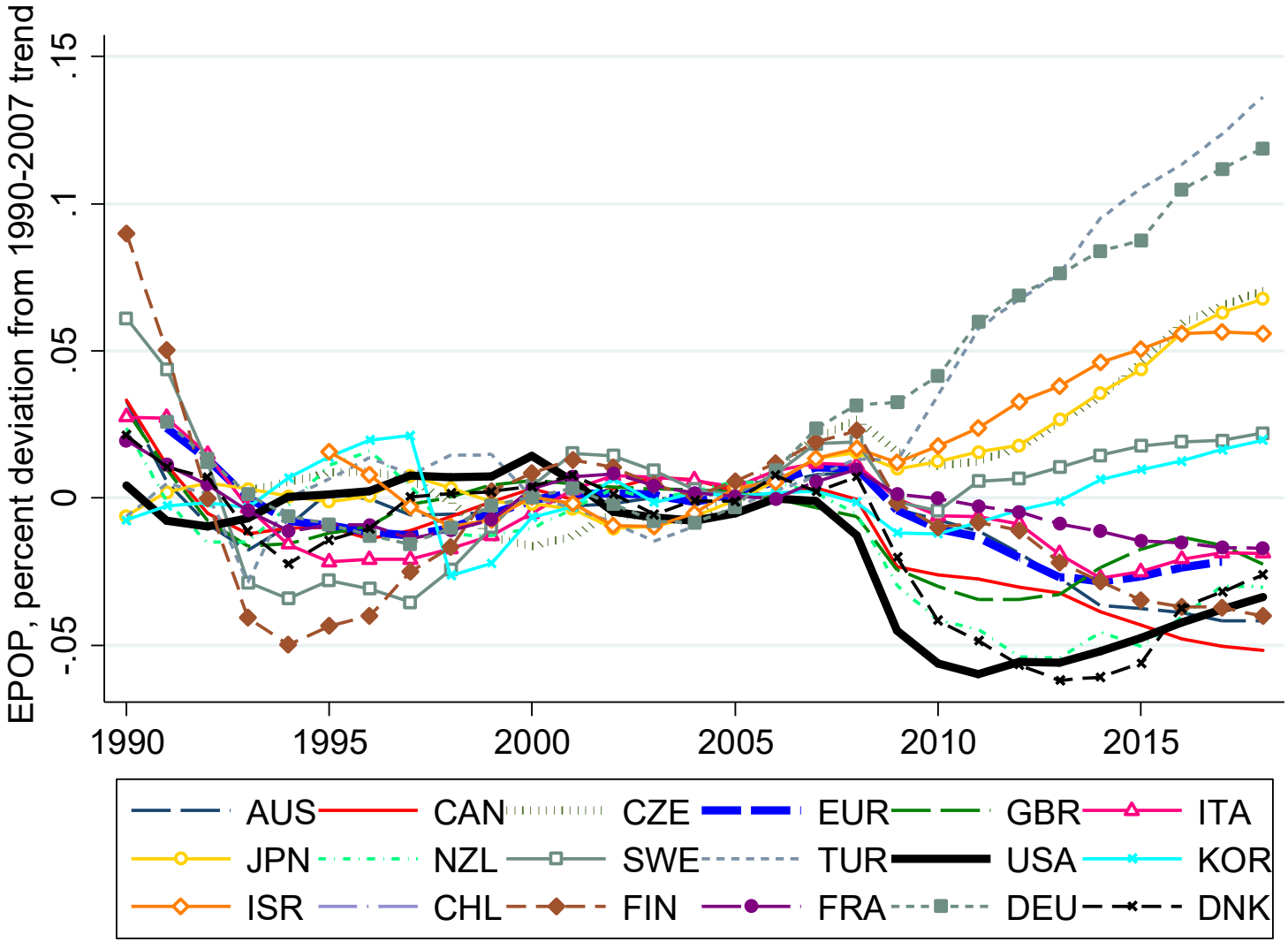
Note: The figure plots time series of inflation gap, i.e. the different between actual inflation and one-year-ahead inflation expectations of households or firms. The global inflation gap is measured as the time fixed effects λ_t in the following regression: $\pi_{it} - E_t\pi_{i,t+1} = \alpha_i + \lambda_t + error_{it}$ where i and t index countries and time. In this regression, we include country specific linear time trends for select countries with histories of recent disinflations (Czechia, Turkey, Chile, Israel) or major monetary changes (the Euro zone). The global inflation factor and the U.S. inflation gap are scaled to have zero mean over the 2000-2007 period. The time series are smoothed using one-year moving averages.

APPENDIX FIGURE 4. INFLATION EXPECTATIONS



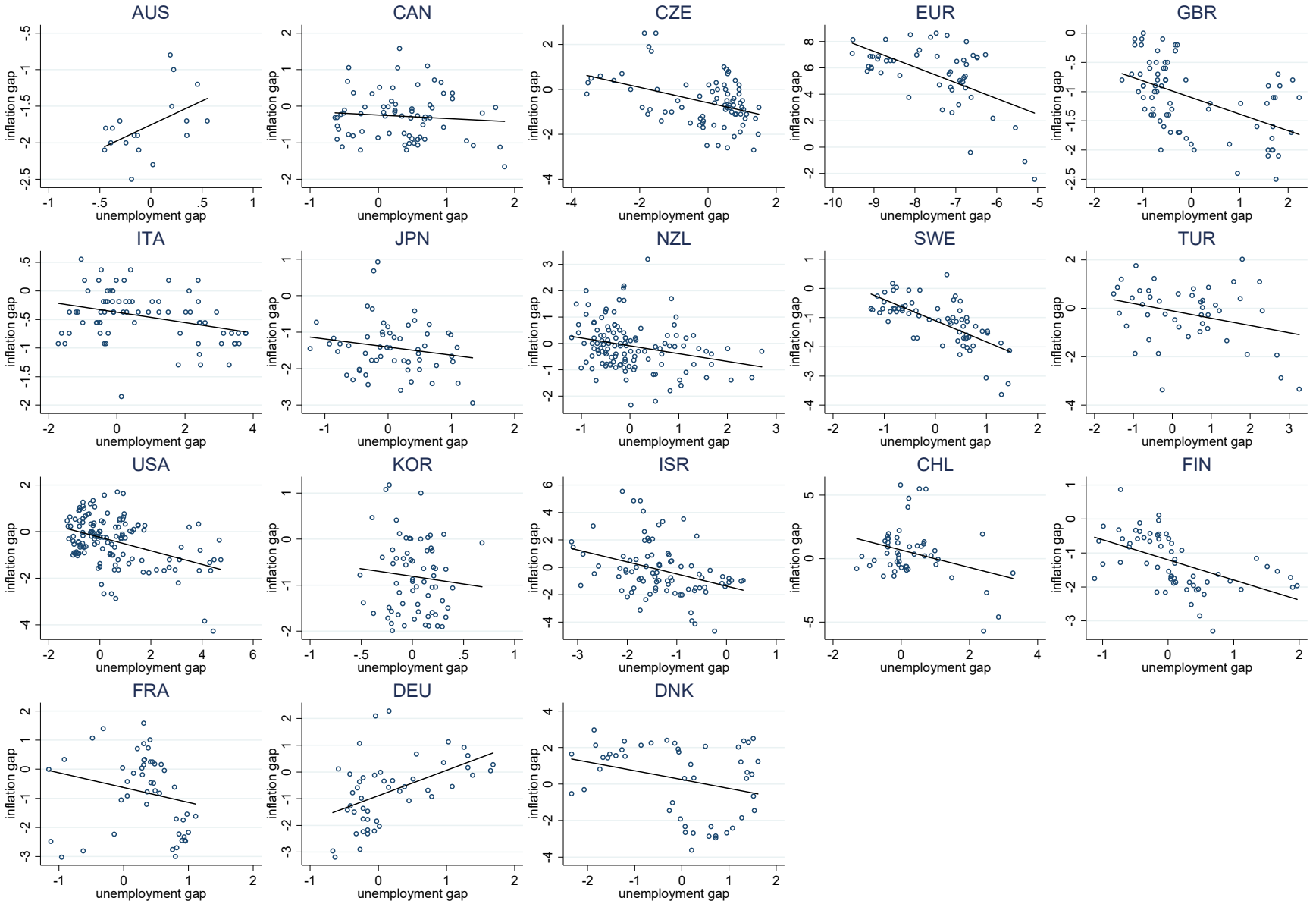
Note: The figure plots time series of inflation expectations for households or firms since 2000. The sources of expectations are reported in Appendix Table 1.

APPENDIX FIGURE 5. EMPLOYMENT TO POPULATION RATIO



Notes: the figure plots detrended time series of employment-to-population ratios. For each country, a linear time trend is estimated on the 1990-2007 sample.

APPENDIX FIGURE 6. THE EXPECTATIONS-AUGMENTED PHILLIPS CURVE BY COUNTRY.



Note: The figure presents a scatter plot of inflation gap ($\pi_{it} - E_t\pi_{i,t+1}$) versus unemployment gap ($u_{it} - u_{it}^*$) where i and t index countries and time (quarter), π_{it} is year-on-year CPI inflation rate, $E_t\pi_{it}$ is one-year-ahead inflation expectations of households or firms, u_{it} is unemployment rate, u_{it}^* is non-accelerating inflation rate of unemployment rate (NAIRU) provided by the OECD.