



How Does Canada's Record-High Inflation Compare to Other Countries?

Description

For the second month in a row, Canada's inflation rate hovered above 5.7%. And by the looks of it, inflation might be even higher in March. The war in Ukraine hasn't helped ease the high price of gas or food, nor have supply disruptions normalized since the pandemic. And though the Bank of Canada is finally raising interest rates, it's unlikely we'll see inflation reversed before the end of 2022.

It's not looking good for Canada. But what about *other* countries? Are other countries facing high inflation rates, too?

Well surprise, surprise — yes, many countries around the world are facing higher-than-average prices. And it's not just North America. In fact, some countries, like Venezuela, have been entrenched in high inflation for years now. Others, like China and Australia, are experiencing a low inflationary period

For perspective, here's how Canada's inflation compares to 10 other countries in the G20.

Turkey

If you thought 5.7% was bad, imagine an inflation rate that's 54.44%. Well, that's what Turkey is facing right now. Like other countries in Europe, Turkey's citizens are paying extremely high prices for gas, and their currency, the lira, has suffered immensely.

Argentina

Around 200 basis points below Turkey is Argentina, which has an inflation rate of 52.3%. Even before the war in Ukraine, Argentina, a major producer of grain and corn, was struggling with high inflation, and the recent climb in grain prices has only exacerbated the problem.

Brazil

The global rise in both food and gas prices have hit Brazil hard, which now has an inflation rate of 10.79%. Brazil's central bank has aggressively raised its benchmark rate from 2% to 10.75% to combat inflation, and it might even hike the rate further if inflation goes higher. Imagine if the Bank of Canada raised *our* benchmark rate by 800 basis points!

Russia

Not surprisingly, but Russia is also facing its fair share of high prices. Right now, inflation sits at a whopping 20%, and many analysts are predicting inflation could climb even higher, as new sanctions begin to hurt its economy.

United States

The United States is facing a 40-year high of 7.9%, with food, gas, and housing surging above normal levels. Many experts predict in the United States could climb well above 8% by the end of March, especially with the spike in oil.

United Kingdom

Much like Canada, inflation in the United Kingdom has surged to 6.2%, the highest it's been in 30 years. The Bank of England recently hiked its interest rate by 25 basis points from 0.5% to 0.75%, though many experts believe the hike will do little to curb inflation.

Australia

Unlike the United States, Australia hasn't seen a major uptick in its inflation rate, though, recently, prices have started to climb. Right now, inflation sits at 3.5% — not bad but still above the targeted rate of 2-3%.

Indonesia

Unlike other countries on this list, Indonesia has not had a high inflation rate this year. In fact, its inflation has gone *down*. In January, inflation was at 2.18%, while, in February, the rate dropped to 2.06%.

Japan

Another country with a low inflation rate, Japan's inflation sits at 0.9%. The war in Ukraine might make the needle jump to 1.5% or even 2%, but many experts don't see inflation becoming as big of a fire as it is in other parts of the world.

China

China has also managed to keep prices relatively the same, despite the pandemic and the war in Ukraine. Right now, inflation sits at 0.9%, though some believe the war in Ukraine could make food and gas a bit more expensive for Russia's neighbor.

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Date

2025/08/11

Date Created

2022/03/30

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sporrello

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