

The impact of inflation on the global economy



, writing jsonp service The rationale for the decision above is that the specific rate announced is suitable for the whole country™s economy and can make the economy be in its normal running even though it has been influenced by some critical changes. Also, the rate announced is specified according to the inflation, including CPI inflation as well as core inflation, and it can in the meantime help advance the rotation of demand in the country toward more exports and business investment. Speaking of the factors that are influencing the Bank of Canada™s decision on interest rate, there are really many as can be accounted for, such as the details of monetary policy, the financial system at a specific moment, the supply and demand condition of state capital, the national economic policy, the price level, the international interest rate as well as other ones like that.

But what has to be referred to is that those aforementioned factors will exert different degrees of impacts toward the decision on interest rate, they will have a certain degree of influence. After this decision made, the GDP output will increase in that it can help advance the rotation of demand in Canada toward more exports and business investment so that it can in the meanwhile enlarge the difference between the import and export. That is to say, the GDP output will increase more or less afterwards. As for the CPI inflation after the decision-making, it will be within the scope of 1.6 to 1.8 percent in order to be consistent with persistent slack in the economy with various temporary factors being taken into consideration.

And it is a pity to say that the unemployment rate will be rather high as the general economic condition is in recession and many people may be jobless due to the job market™s low demand for employees.