

Office for  
**Budget  
Responsibility**

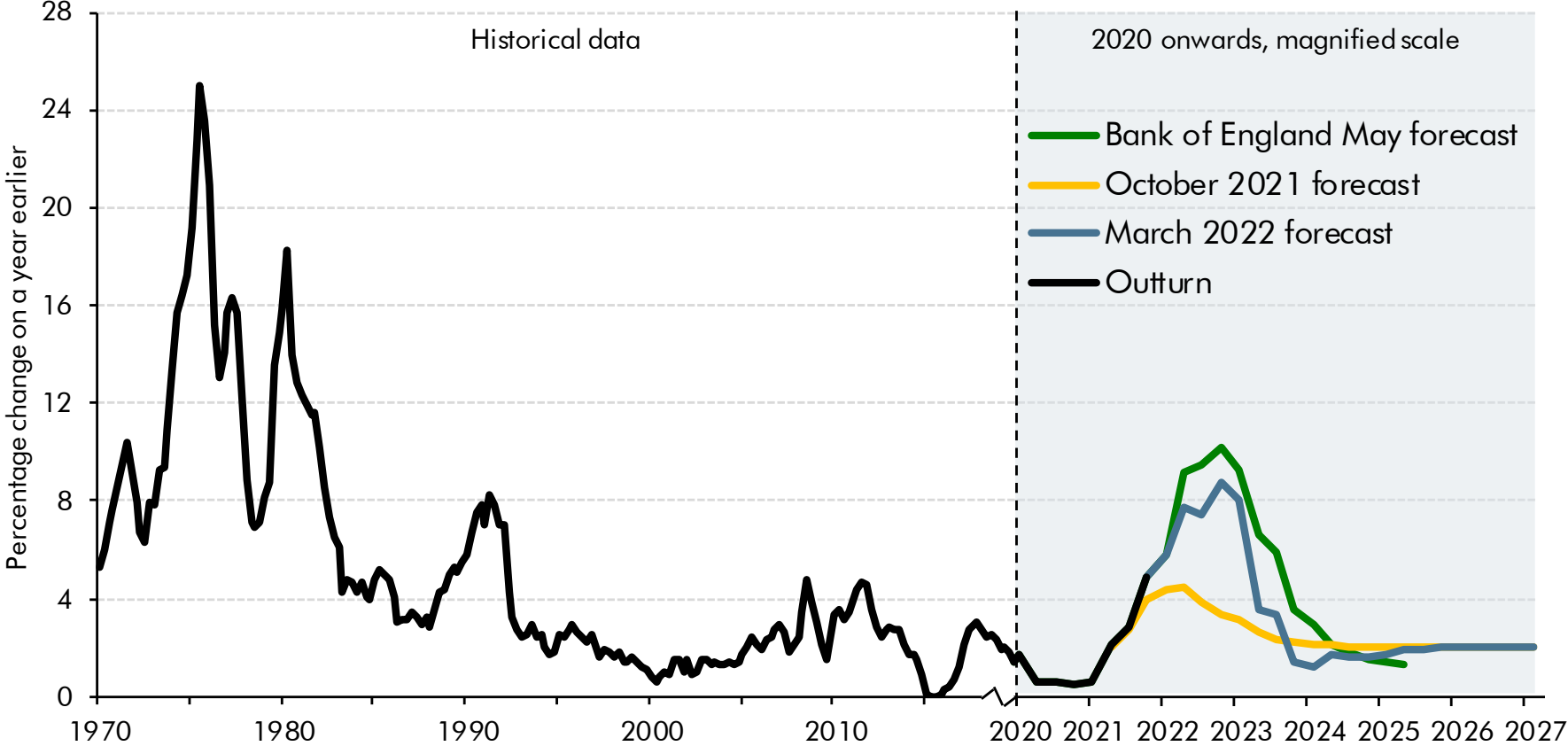
## **Inflation 2022: *International influences or domestic pressures?***

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**Steve Farrington**  
Chief of Staff

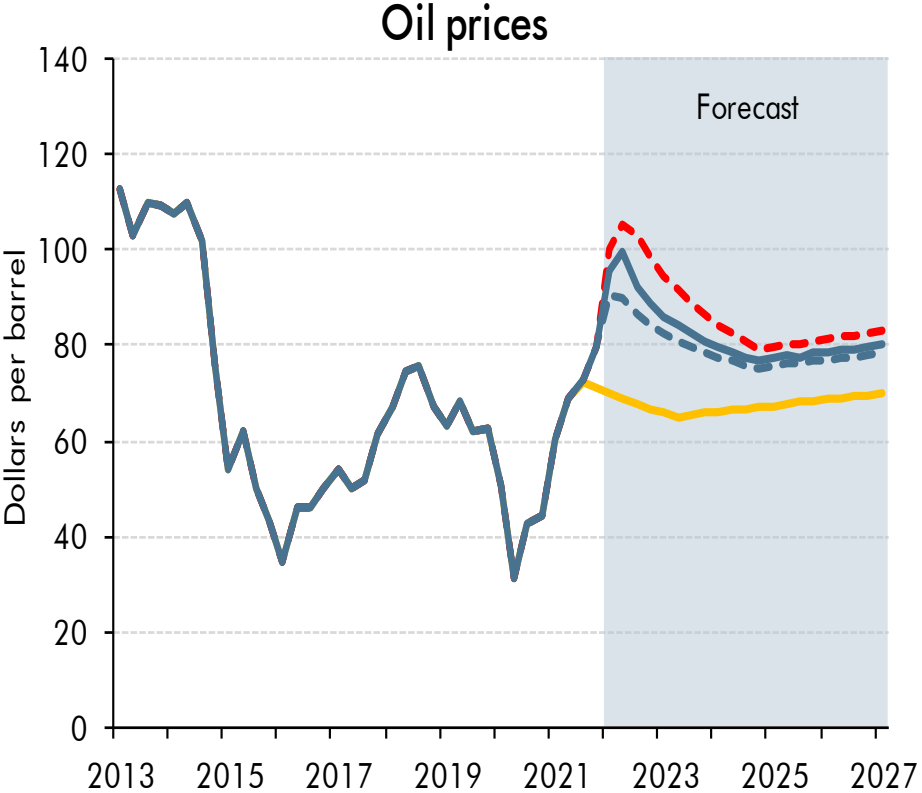
London  
11 May 2022

# CPI inflation forecasts



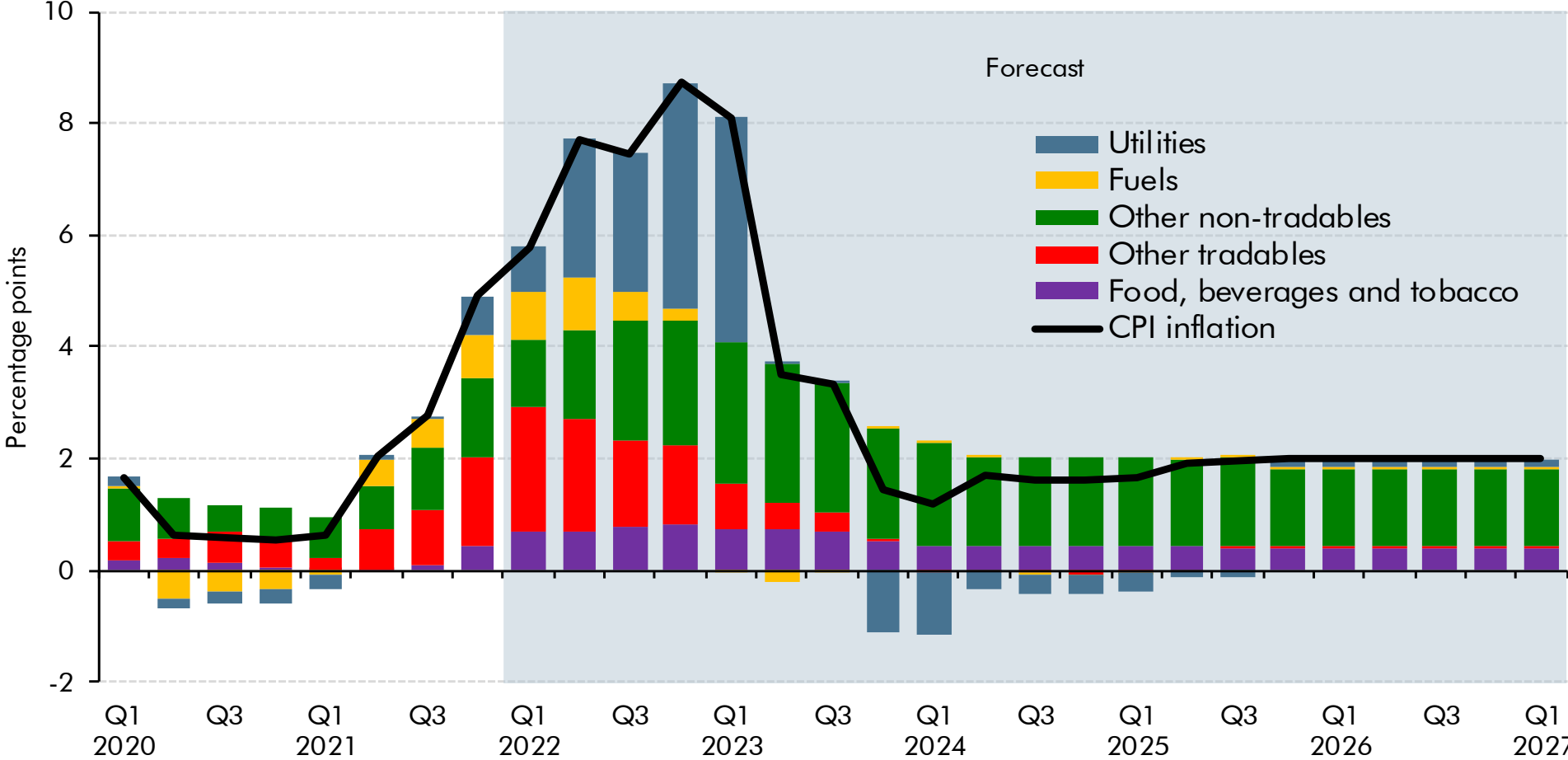
Source: Bank of England, ONS, OBR

# Global energy market developments



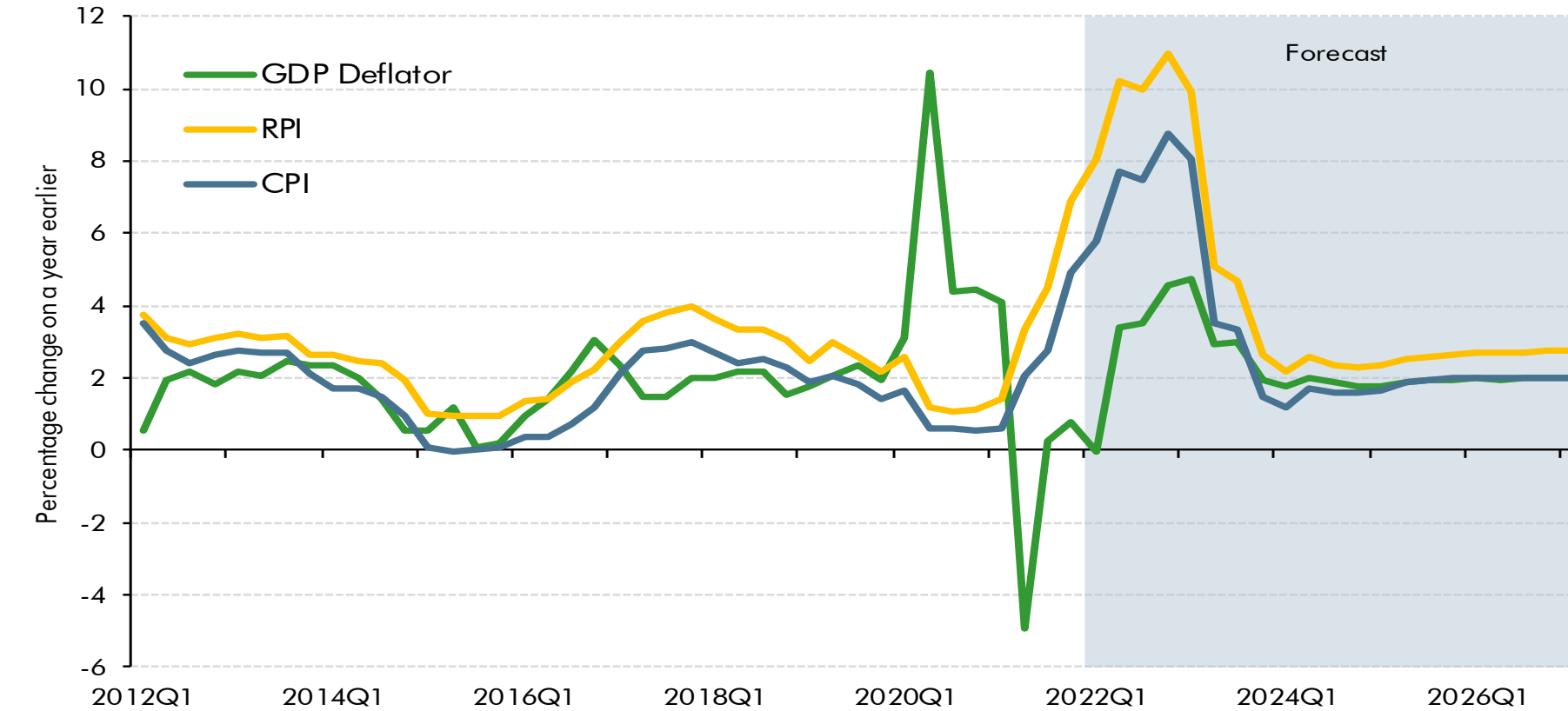
Source: Datastream, OBR

# Contributions to CPI inflation



Source: ONS, OBR

# Forecasts for different inflation measures vary widely



Source: ONS, OBR

# Conclusions

- Domestically generated inflation pressures were rising before the invasion of Ukraine
- But the huge rise in gas and in oil prices will push CPI inflation outturns to 40 year highs
- Whole economy inflation expected to rise much less steeply due to assumption of limited pass through to domestically generated inflation