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## **CORONAVIRUS THREATENS REVIVAL OF JAPAN'S DEFLATIONARY NEMESIS**

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Reuters (2 April 2020)

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Tokyo

Years after Japan made a cautious recovery from its long deflationary spell, the worlds third-largest economy may be headed back into a cycle of falling prices as the coronavirus threatens a deep downturn and policymakers struggle for options.

A return to deflation would be a blow to Prime Minister Shinzo Abe, who has touted an end to stagnation as a key success of his Abenomics stimulus policies deployed in December 2012.

Analysts say the threat is real with recent sharp falls in oil costs weighing on inflation, and the pandemic hitting an economy already on the cusp of recession.

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