Deutsche Bank: Mapping the World's Prices 2025

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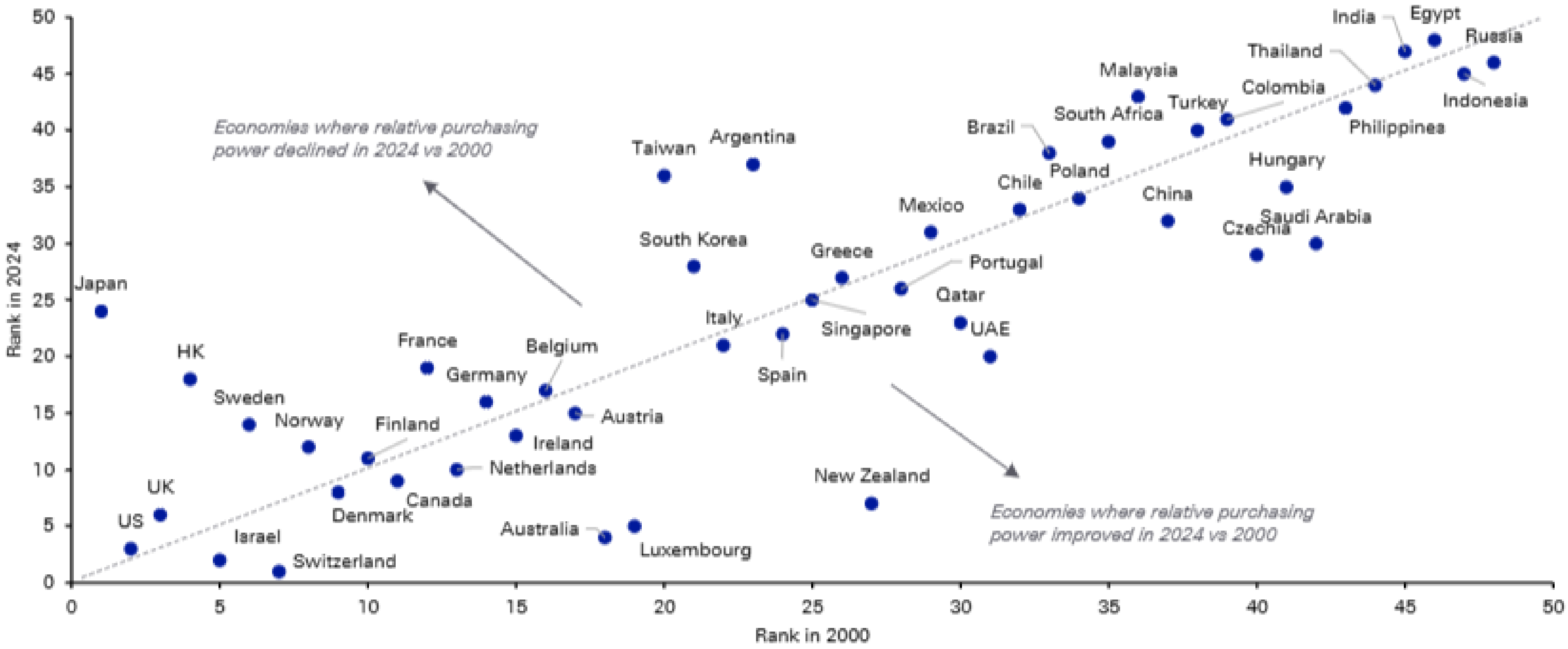
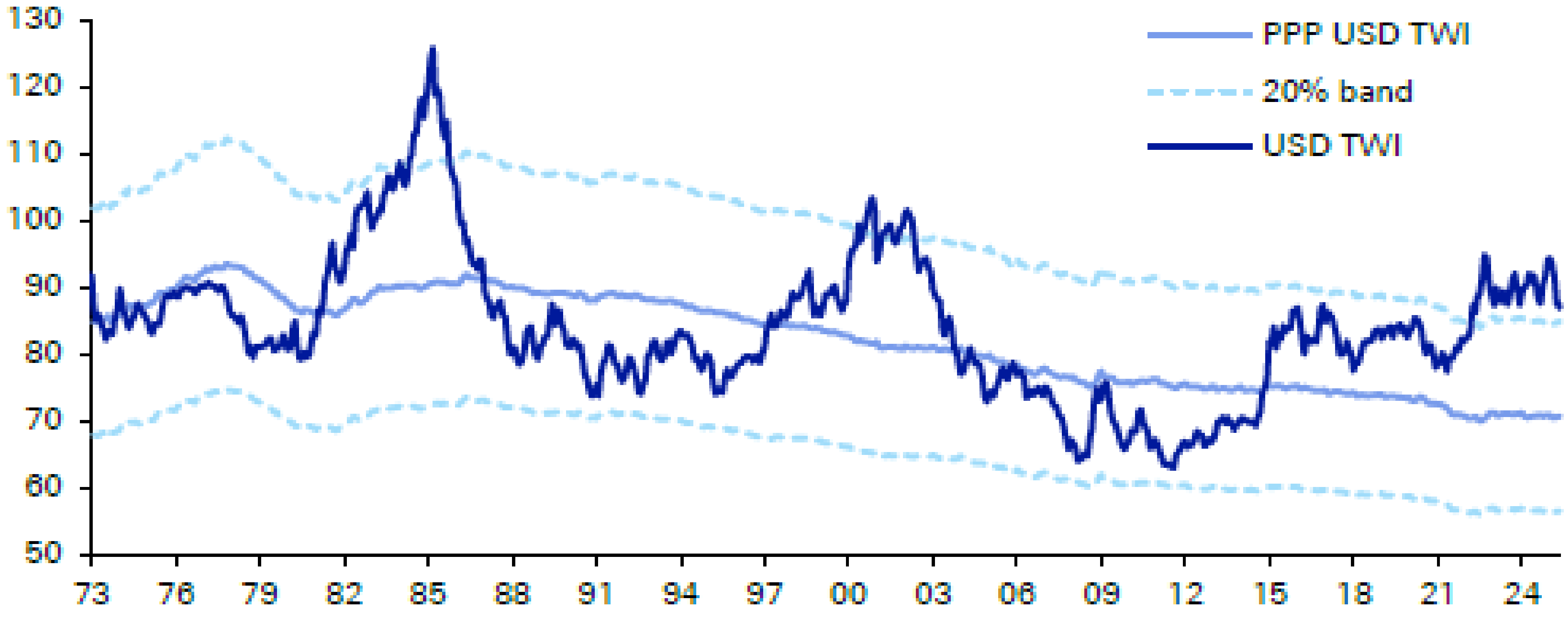
Figure 1: Relative Price Levels as Implied by PPP (US = 100), ranked by economy between 2000 and 2024



Source : IMF, WEO, Haver Analytics, Bloomberg Finance LP, Deutsche Bank calculations.
Note: The PPP conversion rates as published by the IMF have been adjusted with actual foreign exchange rates (as on 31 December each year) to derive the implied price levels. Also note that some of the above numbers may not match those published last year exactly due to data revisions.

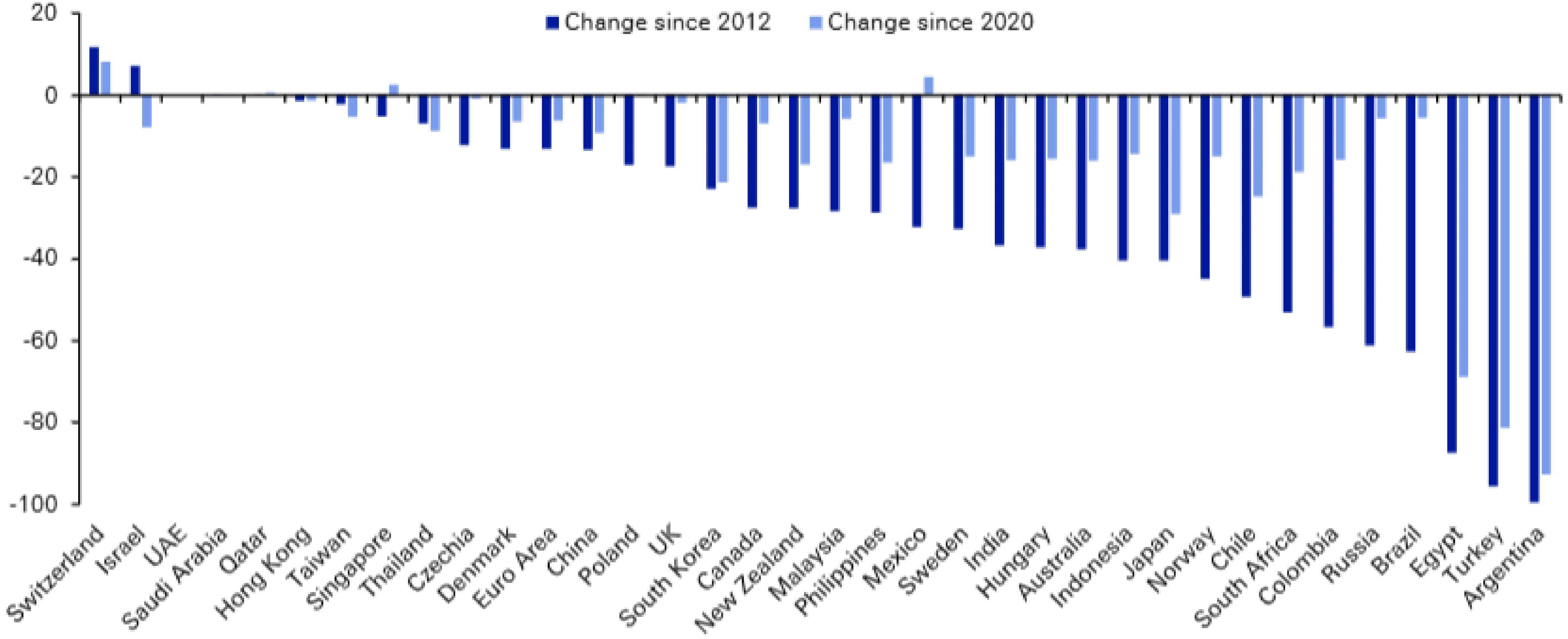
The US declined 16 places between 2000 and 2010, only to bounce back to number 3, behind Switzerland and Israel, by the start of 2025. Japan (-20), Brazil (-16), and South Africa (-13) have seen notable deterioration since 2010.

Figure 3: The dollar has been more than 20% expensive vs PPP for 3 years - unprecedented



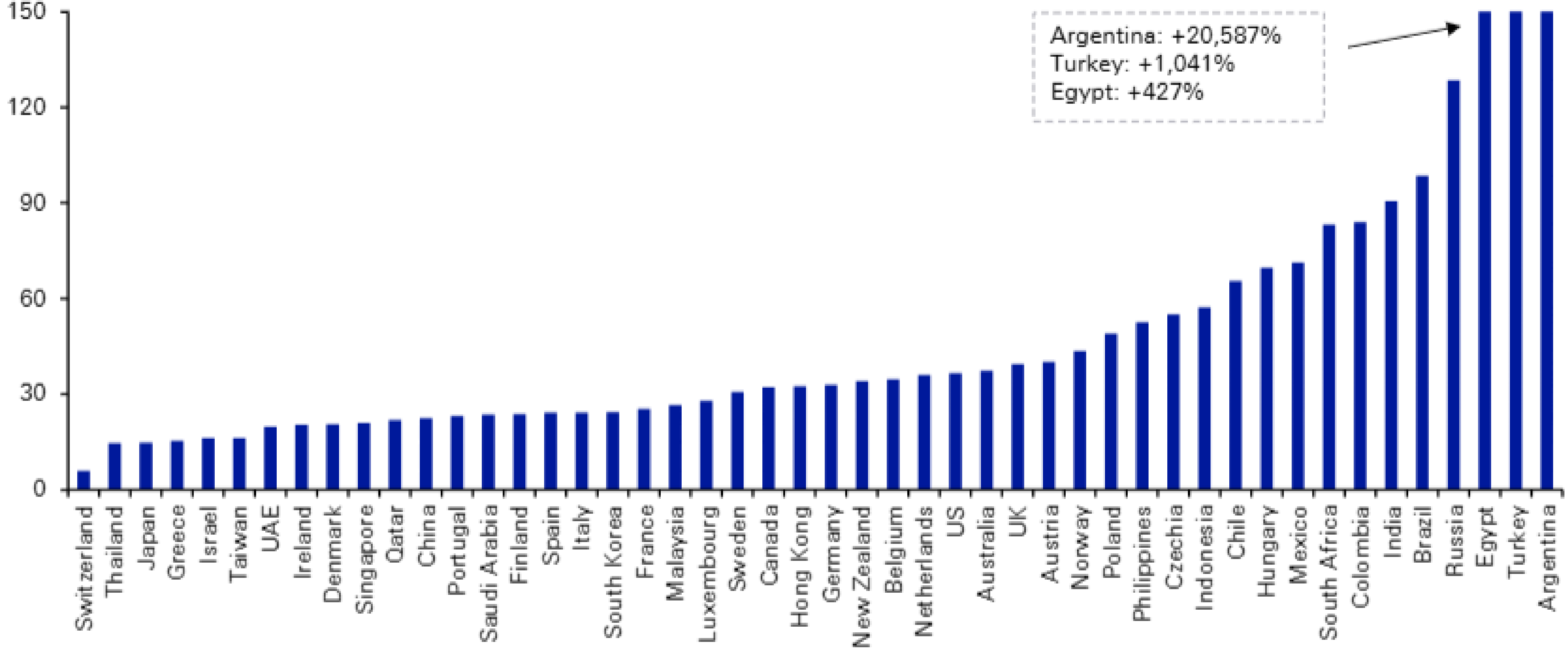
Source : Refinitiv Eikon Datastream, Deutsche Bank.

Figure 4: Cumulative changes in currencies of our sample economies vs the USD (%) since 2012



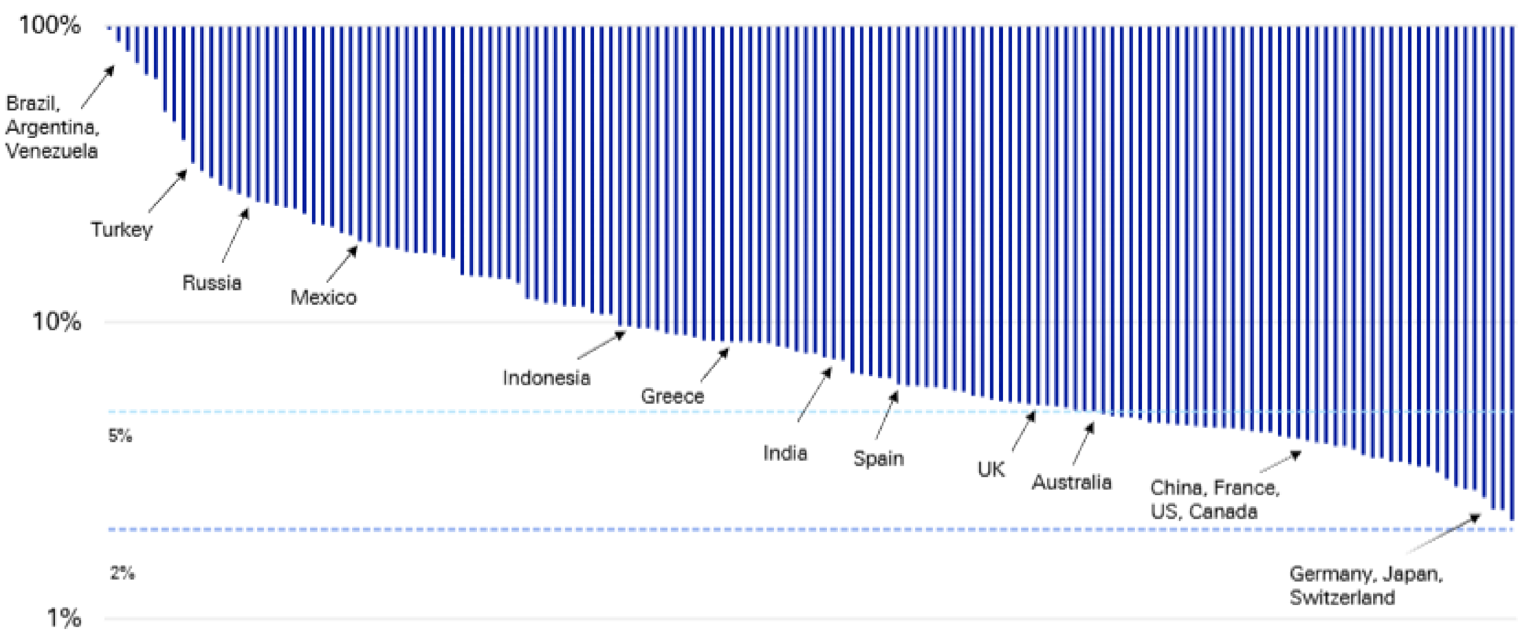
Source : Bloomberg Finance LP, Deutsche Bank.

Figure 5: Cumulative change in the CPI of our sample economies since 2012 (%)



Source : Haver Analytics, Deutsche Bank.

Figure 6: Average annual inflation of 152 countries since 1971 when the Bretton Woods system collapsed. No country has averaged less than 2% inflation but Switzerland at 2.2% comes closest.

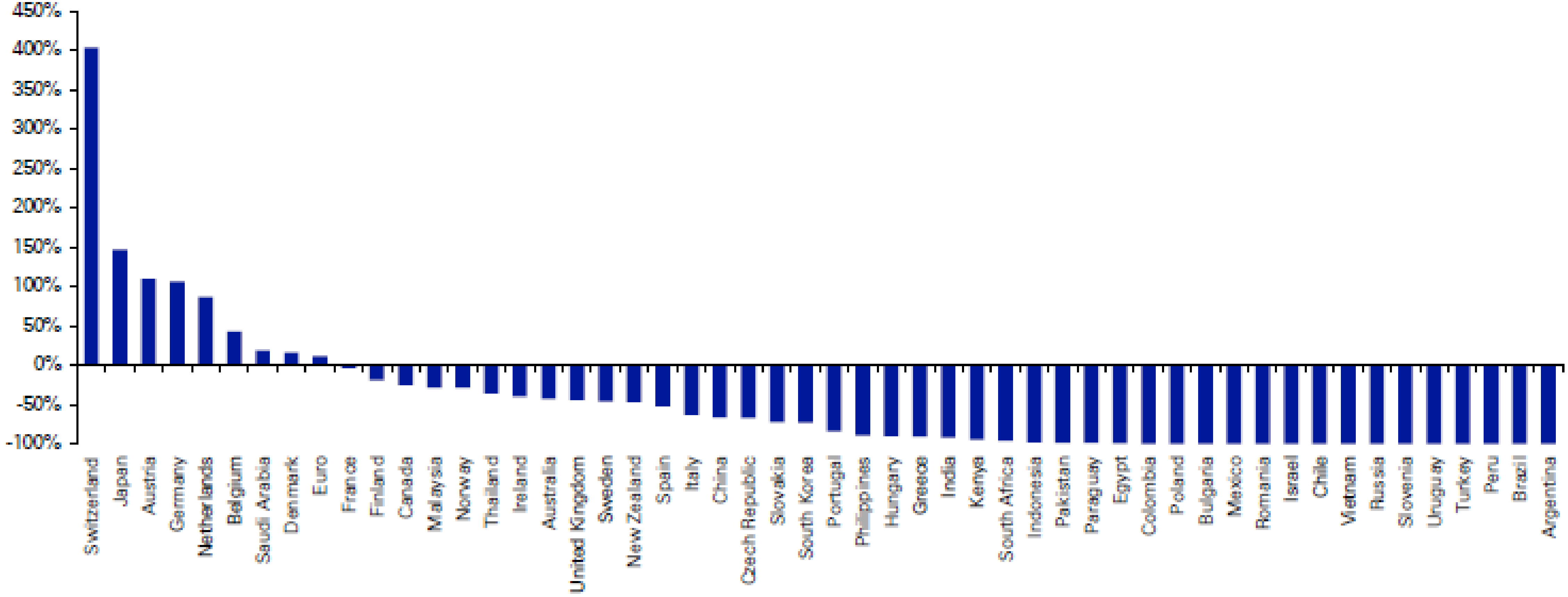


Source : World Bank, Deutsche Bank. Note: log scale.

Countries with cities in our study that have seen inflation average below 4% since 1971 are limited to Switzerland (2.2%), Japan (2.3%), Germany (2.7%), Singapore (2.7%), Holland (3.3%), Austria (3.3%), Malaysia (3.3%), Saudi Arabia (3.4%), Luxembourg (3.4%), Belgium (3.6%), China (3.8%), Canada (3.9%) and the US (3.9%). The likes of Argentina (82.2%), Brazil (74.9%), Turkey (34.5%), Russia (25.2%) and Mexico (18.8%) have found themselves at the other end of the spectrum.

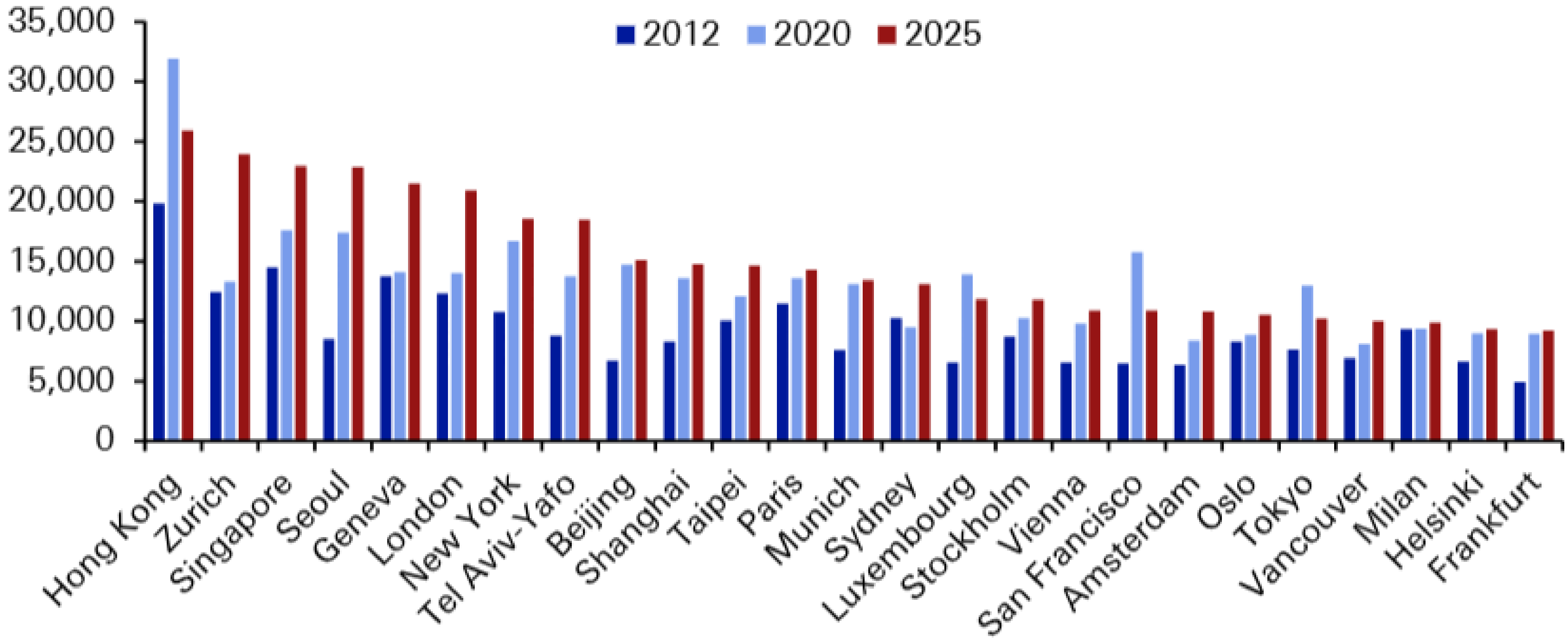
The track record on inflation broadly correlates to the performance of currencies. It is no surprise to see Switzerland have the strongest global currency in the era of fiat money. Many of the others near the top of the inflation charts are near the top of the FX charts and vice-versa. So amongst the most expensive cities there are many who

Figure 7: Change in value vs US Dollar since June 1971. Switzerland stands out on the positive side but with several EM countries seeing their currency completely debased over the full period….



Source : Finaeon, Deutsche Bank.

Figure 8: Price per square meter to buy apartment in city centre (USD), top 25 most expensive cities



Source : Numbeo, Deutsche Bank.