

Disinflation

Disinflation is a slowing rate of inflation. Disinflation is sometimes confused with *deflation*. The two are not the same. Deflation is a general fall in prices. Disinflation is simply a fall in *inflation*, and it is not necessarily a fall in prices. The difference between disinflation and deflation is similar to the difference between a car decelerating and a car going backwards.