

Increased spending power will fuel inflation.

Mr Kuroda has already postponed the deadline for achieving inflation of 2% twice. The new deadline is next summer. But that now looks optimistic, and Mr Kuroda is hinting at another postponement. This week Shinzo Abe, the prime minister, said he understood the bank's explanation that reaching the target of 2% "is in fact getting difficult". But the bank is increasingly rattled by mounting criticism.

The side effects of monetary easing are under scrutiny, too. A weaker yen is seen by politicians in Mr Abe's Liberal Democratic Party as benefiting big exporters but hurting small firms and households by raising the price of imports. Another worry is that the BoJ's voracious bond-buying has impaired the functioning of the market for government bonds. Debt hawks complain—as ever—that the purchases are eroding the need for fiscal discipline on the part of the government.

The BoJ, for its part, remains confident that the economy is on the mend. It discreetly suggests that a big part of the problem lies with the inclusion of energy in its preferred measure of inflation. In July it quietly began publishing a novel measure in its monthly bulletins, which outsiders have dubbed "new core CPI". This strips out the cost of energy as well as fresh food, and is rising by a relatively brisk 0.7%.

Some speculate that the bank may start to include new core CPI in its official forecasts. "We will never use the word 'alter' or 'shift'," says one person close to the bank. But the move is long overdue, and the sooner the bank makes it the better, says Christopher Wood of CLSA, a brokerage.

Yet depending on how the economy fares, even the new index may not keep rising. Measures of inflation expectations remain fairly stable for now, but may begin to fall if core CPI does indeed turn negative. That might prompt the BoJ to ease monetary policy by techniques other than bond-buying, such as adopting a negative interest rate for the excess reserves banks keep with it, or buying more exchange-traded funds. Such steps are unlikely to reduce the controversy surrounding the bank.

Private islands

Non-profit paradise

Low prices attract a new type of customer

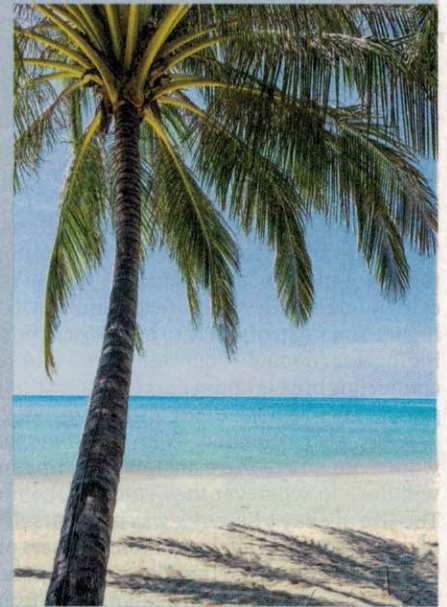
JUST off the west coast of Florida lies the sun-drenched island of Little Bokeelia. It is blessed with cascading waterfalls, tennis courts, pools and a Spanish-style villa. Despite such enticing features, the island languished on the market for three years, before selling in July for a mere \$14.5m—half the original asking price.

Little Bokeelia is not the only island that is proving hard to shift. In the Bahamas, where prices per acre are among the world's highest, hundreds of atolls lie unbought. The price of undeveloped islands, which make up around 80% of the market, has dropped roughly by half since the financial crisis, says Farhad Vladi, a private-island broker.

In the early 2000s private islands were the trophy of choice for millionaires but the recession sapped demand. Building on an island is much pricier than on a mainland plot, and there are many potential pitfalls. It is not for the faint-hearted, says Edward Childs of Smiths Gore, an estate agent in the British Virgin Islands. Mega-yachts and private jets are seen as more predictable investments. As a result private islands can be surprisingly inexpensive (see left-hand chart).

But low prices have helped a new type of client to enter the market. Governments and NGOs acquired around 60 islands between 2011 and 2014, mainly in North America, up from 22 in the four years before (see right-hand chart), according to numbers compiled by Mr Vladi. They plump for undeveloped islands, which are cheaper and more pristine than built-up ones.

Conservation is the main reason for the new legions of unlikely island own-



FronD management

ers. In Canada the Nova Scotia Nature Trust plans to buy or protect over 200 islands. Funded by donations, the non-profit wants to preserve unique ecological systems, says Bonnie Sutherland, head of the trust. In Maine non-profits own 65 islands, which nurture seabirds and seals. The unspoiled sands of the Discovery Islands, 150 miles west of Abu Dhabi, were slated for development until the government intervened in 2012. Now its main residents are nesting turtles and baby osprey. And for less ecologically minded island-owners, it's reassuring to know there are recession-proof buyers out there.

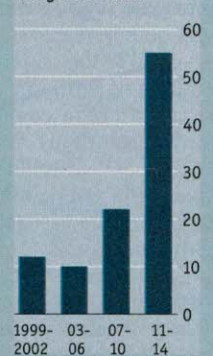
Treasured islands

Price range of private islands, 2010-14, \$m



Sources: Private Islands Inc; Vladi Private Islands

Known island purchases by NGOs and governments



*July 2015 †Small sample