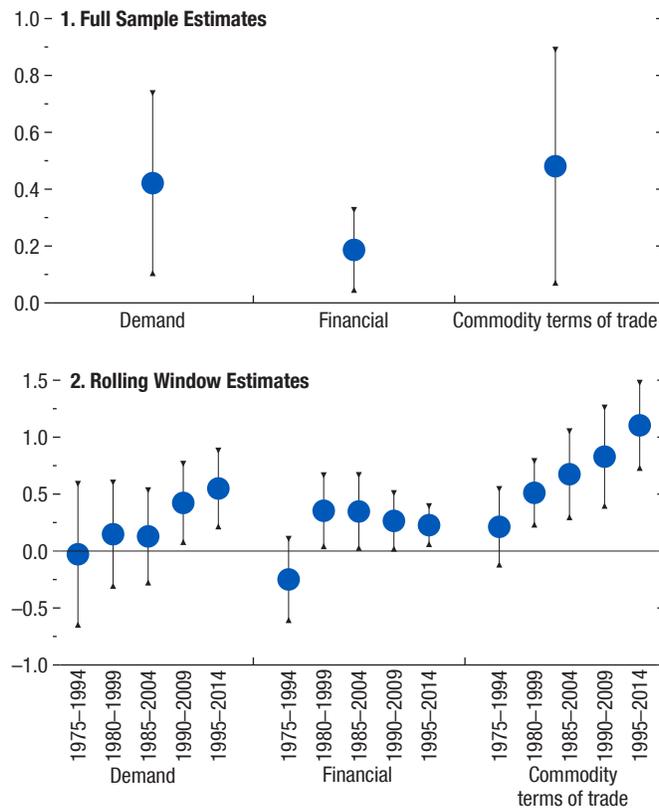


Figure 2.5. Elasticity of Medium-Term GDP per Capita Growth in EMDEs with Respect to External Conditions
(Percentage points)

External conditions have a significant effect on EMDE medium-term growth. The sensitivity to external conditions has risen as EMDEs have become more integrated into the global economy.



Source: IMF staff calculations.

Note: The figure shows the coefficient estimates from the baseline growth regression described in Annex 2.3. The specification includes all three external conditions variables, country and time fixed effects, and additional control variables. The first panel corresponds to the estimates for the whole sample period (1970–2014), while the second panel shows estimates over subintervals. The vertical lines denote 90 percent confidence intervals. EMDEs = emerging market and developing economies.