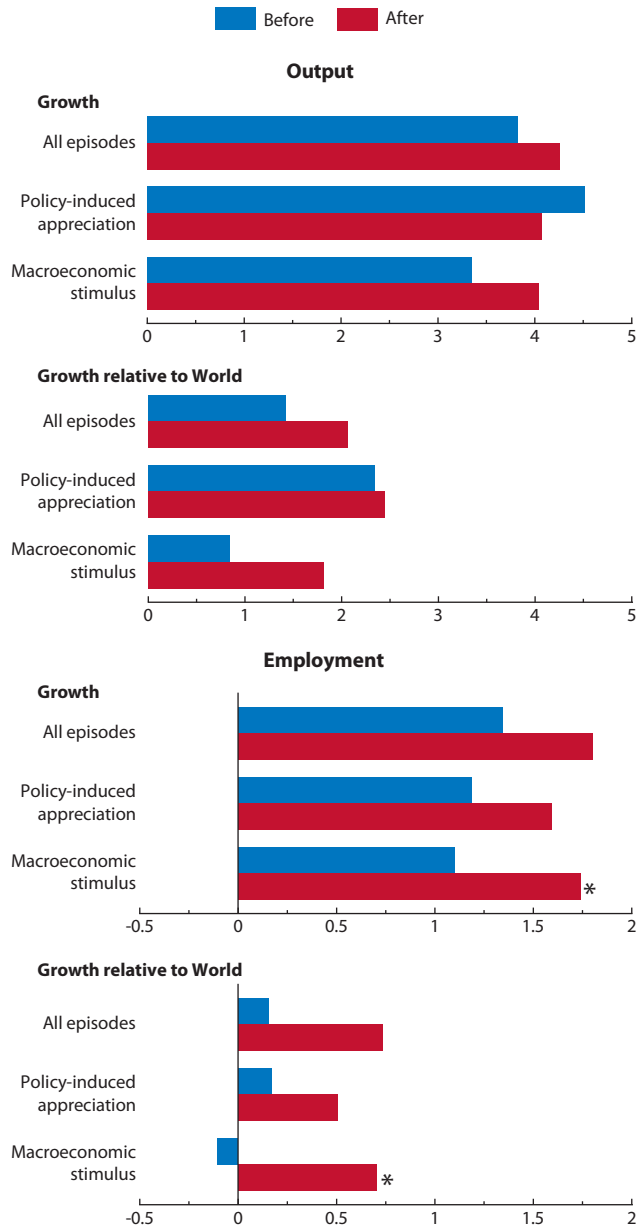


Figure 4.3. Output and Employment Growth during Surplus Reversals

(Percent)

There is no evidence that a policy-induced surplus reversal is associated with significantly lower output or employment growth. When measured relative to world growth, both output and employment growth increase.



Source: IMF staff calculations.

Note: Figure reports average growth of real GDP per capita and employment in the three years before the reversal and the three years starting with a reversal.

An asterisk (*) indicates that change in growth is statistically significant at the 10 percent level. "Policy-induced appreciation" denotes cases in which there was a policy-induced appreciation of at least 10 percent as described in the text.

"Macroeconomic stimulus" denotes cases in which there was fiscal or monetary stimulus as described in the text.