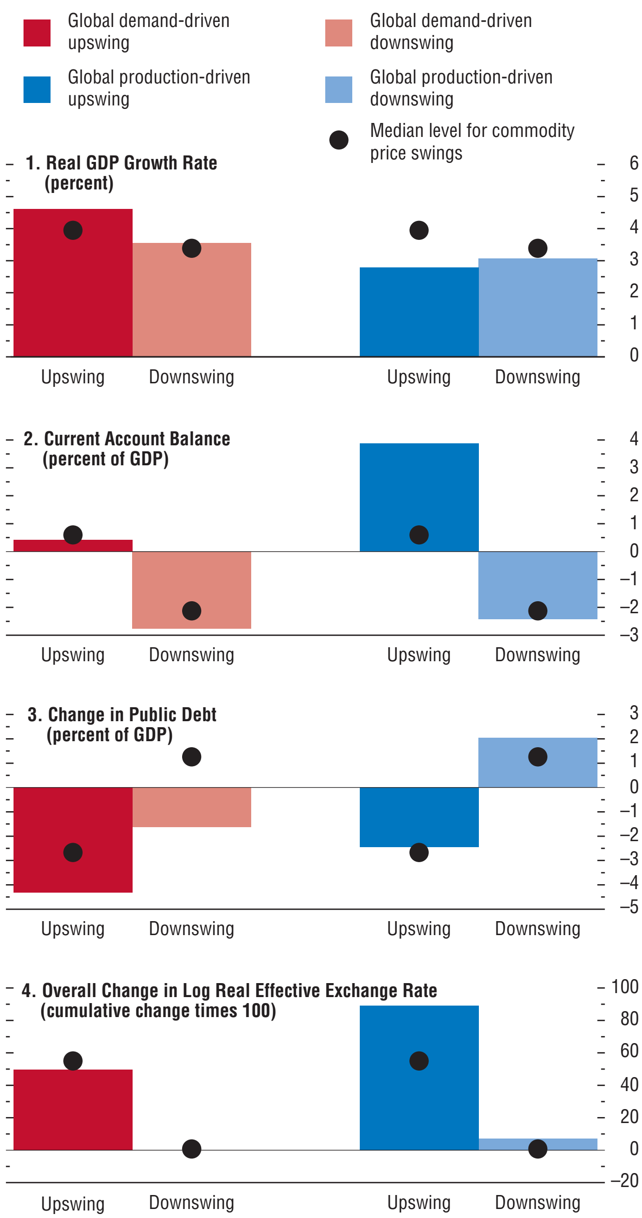
Figure 4.8. Oil Price Drivers, Cycles, and Performance in Net Oil Exporters

Global demand-driven oil price cycles lead to greater macroeconomic volatility.



Source: IMF staff calculations.

Note: The black circles denote the sample median level during upswings and downswings, without taking into account their underlying driver. There are two production-driven oil price swings: a downswing (1996:M1–1998:M12) and an upswing (1999:M1–2000:M9). There are four demand-driven price swings: two downswings (1990:M10–1993:M12 and 2000:M10–2001:M12) and two upswings (1994:M1–1996:M10 and 2002:M1–2008:M7). See Appendix 4.1 for a full description of the underlying data. See Appendix 4.3 for a description of the vector autoregression model used to estimate the underlying global activity and production shocks.