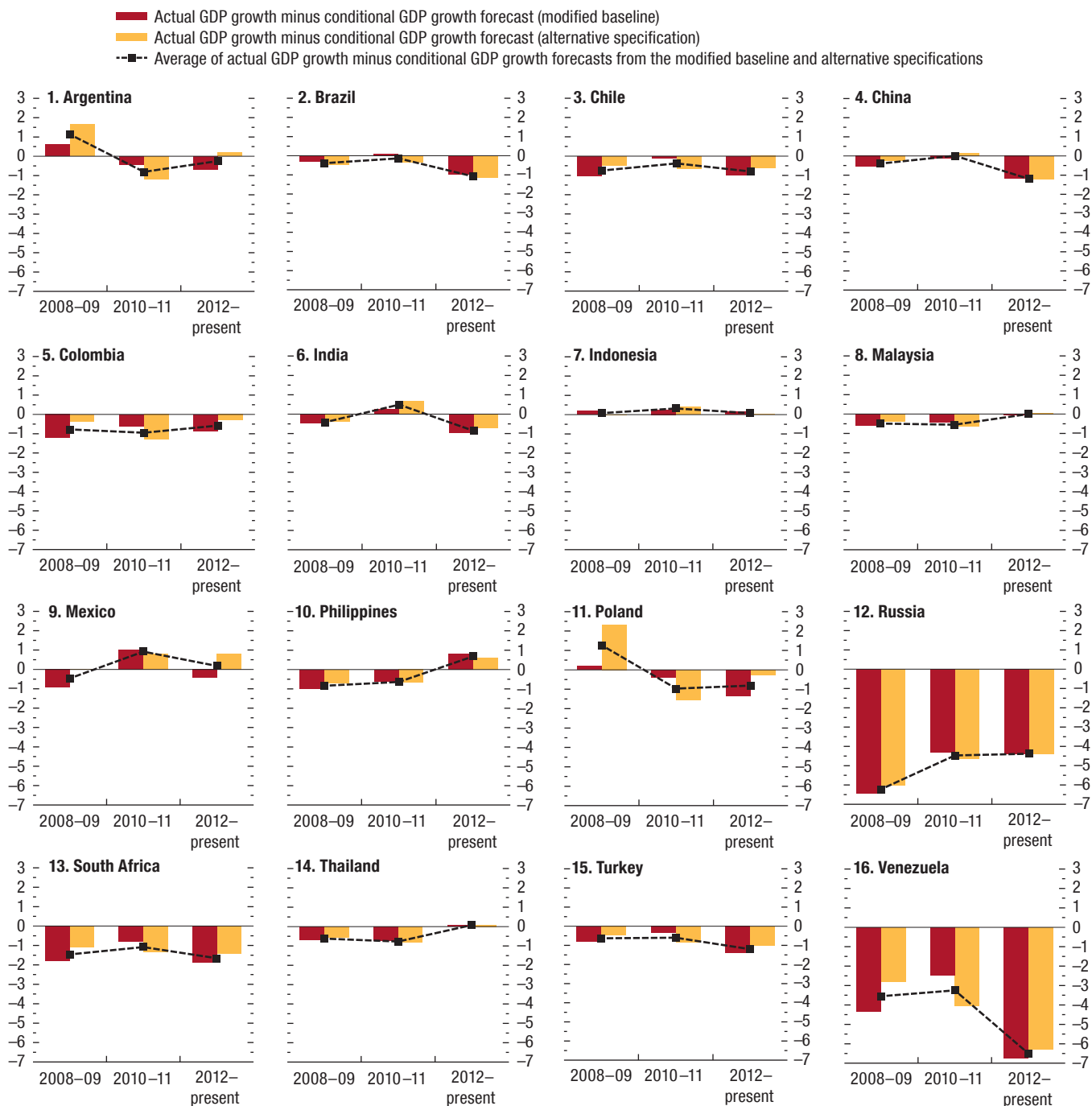


Figure 4.13. Conditional Forecast and Actual Growth since the Global Financial Crisis, by Country
(Percentage points)

Differences between actual growth and forecast growth conditional on external conditions are not that large for most sample economies.



Sources: Haver Analytics; Thomson Reuters Datastream; and IMF staff calculations.

Note: For all economies except China, the modified baseline vector autoregression model includes U.S. real GDP growth, U.S. inflation, 10-year U.S. Treasury bond rate, China real GDP growth, J.P. Morgan Emerging Markets Bond Index (EMBI) yield, and terms-of-trade growth in the external block; the alternative specification includes U.S. real GDP growth, euro area real GDP growth, U.S. inflation, 10-year U.S. Treasury bond rate, China real GDP growth, EMBI yield, and terms-of-trade growth in the external block. For China, the modified baseline vector autoregression model includes U.S. real GDP growth, U.S. inflation, 10-year U.S. Treasury bond rate, EMBI yield, and terms-of-trade growth in the external block; the alternative specification includes U.S. real GDP growth, euro area real GDP growth, U.S. inflation, 10-year U.S. Treasury bond rate, EMBI yield, and terms-of-trade growth in the external block. All values have been normalized using the standard deviation of country-specific real GDP growth between the first quarter of 1998 and the fourth quarter of 2007.