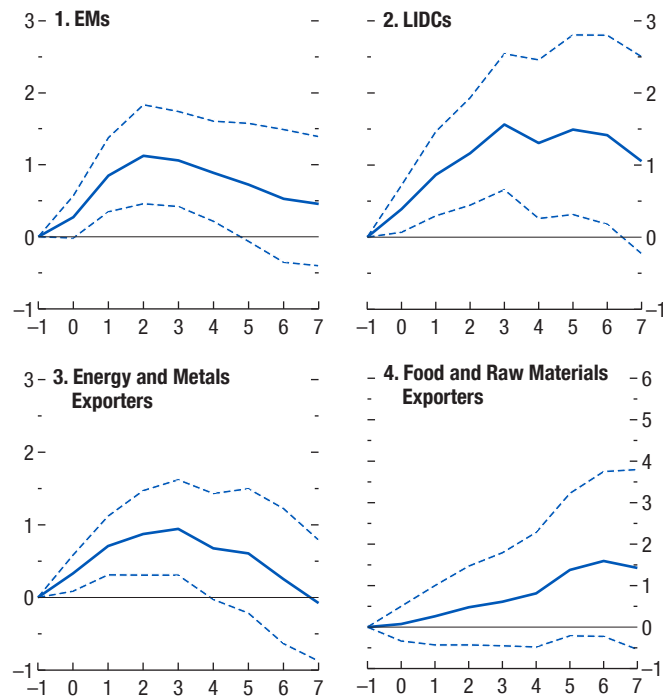


Figure 2.12. Output in the Aftermath of Commodity Terms-of-Trade Shocks: Role of Income Level and Type of Commodity
(Percentage points; years on x-axis)

Terms-of-trade shocks have stronger effects on output in low-income developing countries than in emerging market economies. The shocks are estimated to have a more rapid effect on output in countries specializing in the export of extractive commodities.



Source: IMF staff estimates.

Note: $t = 0$ is year of the shock; dashed lines denote 90 percent confidence bands; solid lines represent the response of the variable to an exogenous 10 percentage point increase in the commodity terms of trade. EM = emerging market; LIDC = low-income developing country.