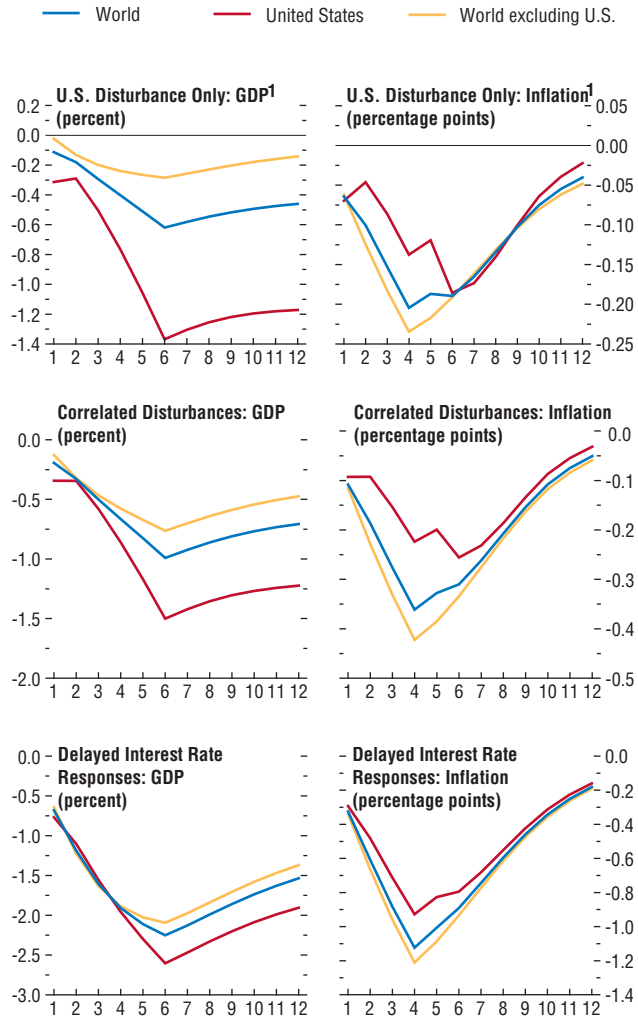


Figure 4.9. Global Growth and Inflation with Correlated Disturbances and Delayed Monetary Policy Response
(Deviations from control; x-axis in calendar quarters)

Disturbances to U.S. private demand that are associated with disturbances elsewhere have a much larger impact on global growth. The slowing in growth is exacerbated if the monetary policy response is not appropriately forward looking.



Source: IMF staff calculations.
¹See simulation results in Figure 4.8.