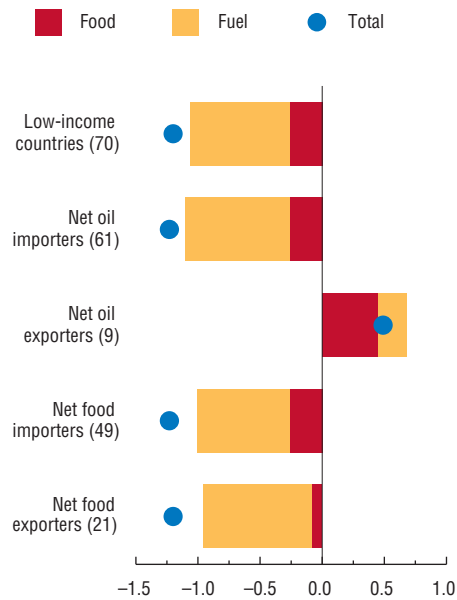


Figure 4.1.3. Impact of Higher Commodity Prices on the Fiscal Balance for Low-Income Countries in 2012
(Percent of GDP, median)

The fiscal balance of the median low-income country would deteriorate by more than 1 percent of GDP in 2012, mainly due to higher global fuel prices.



Sources: September 2011 *World Economic Outlook*; and IMF staff calculations.

Note: The estimates of the fiscal impact are calculated using revenue and expenditure elasticities to changes in global food and oil prices. The policy response is assumed to be similar to that in the 2007–08 episode of high global food and oil prices. The calculations are based on the median of differences, so the sum of the components may differ from the total. The numbers in parentheses indicate the sample size (number of economies).