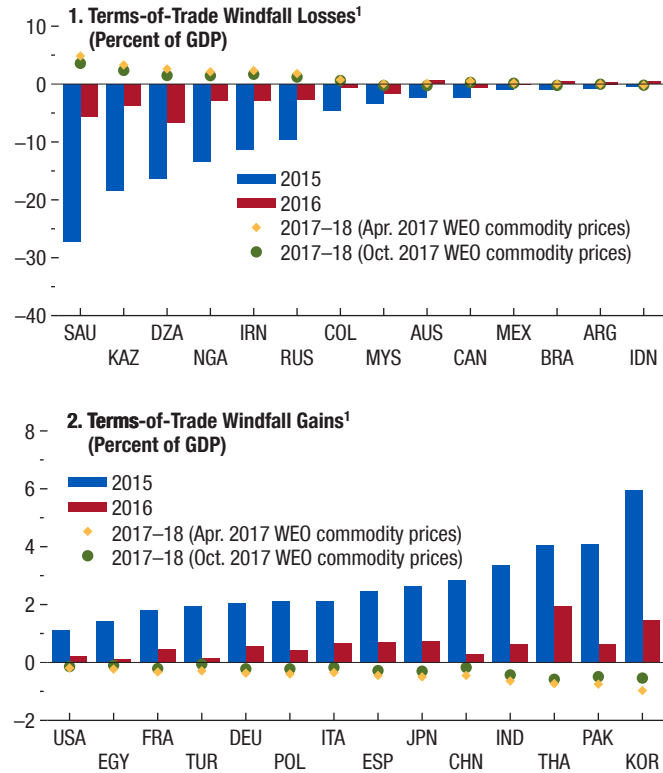


Figure 1.11. Emerging Markets: Terms-of-Trade Windfall Gains and Losses

Commodity terms-of-trade shifts imply relatively small projected gains and losses in disposable income when compared with the very large losses for commodity exporters during 2015–16.



Source: IMF staff estimates.

Note: Data labels in the figure use International Organization for Standardization (ISO) country codes. WEO = *World Economic Outlook*.

¹Gains (losses) for 2017–18 are simple averages of annual incremental gains (losses) for 2017 and 2018. The windfall is an estimate of the change in disposable income arising from commodity price changes. The windfall gain in year t for a country exporting x US dollars of commodity A and importing m US dollars of commodity B in year $t-1$ is defined as $(\Delta p^A x_{t-1} - \Delta p^B m_{t-1}) / Y_{t-1}$, in which Δp^A and Δp^B are the percentage changes in the prices of A and B between year $t-1$ and year t , and Y is GDP in year $t-1$ in US dollars. See also Gruss (2014).