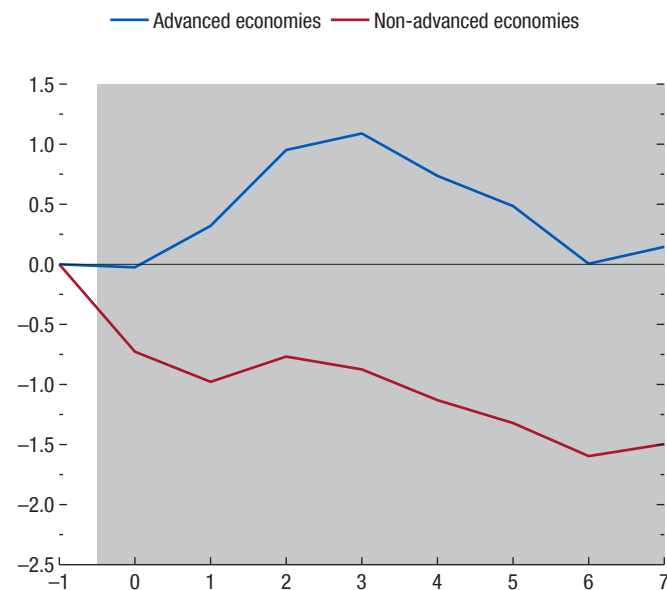


Figure 3.15. The Role of Development: Evidence from Subnational Data

(Percent; years on x-axis)

The adverse effect of an increase in temperature on output is more pronounced in non-advanced economies.



Source: IMF staff calculations.

Note: The figure depicts how the effect of a 1°C increase in temperature in the sample of states or provinces with average temperature exceeding 15°C varies with an indicator of whether the state or province is located in an advanced economy. Horizon 0 is the year of the shock. Gray area indicates that the blue and red lines are significantly different from each other at the 15 percent level.