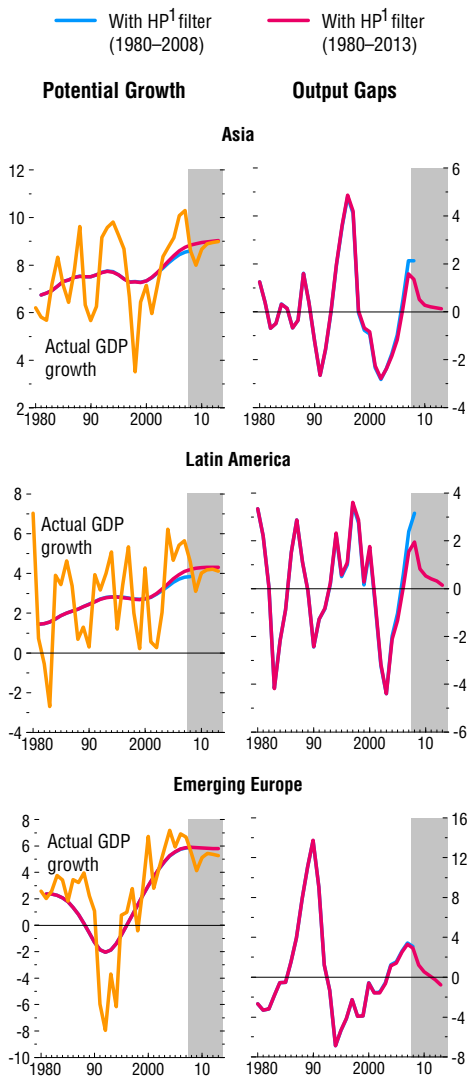


## Potential Growth and Output Gaps in Emerging Economies

Although potential growth probably rose in emerging economies over the past decade, time-series techniques suggest that recent growth has been above potential, implying the opening of significant output gaps in the past year or so. The estimated size of the gap is sensitive to the choice of end point and to the IMF staff's judgment of the extent to which potential growth has risen.



Source: IMF staff estimates.  
<sup>1</sup>HP = Hodrick-Prescott.

Box 1.3 figure 1