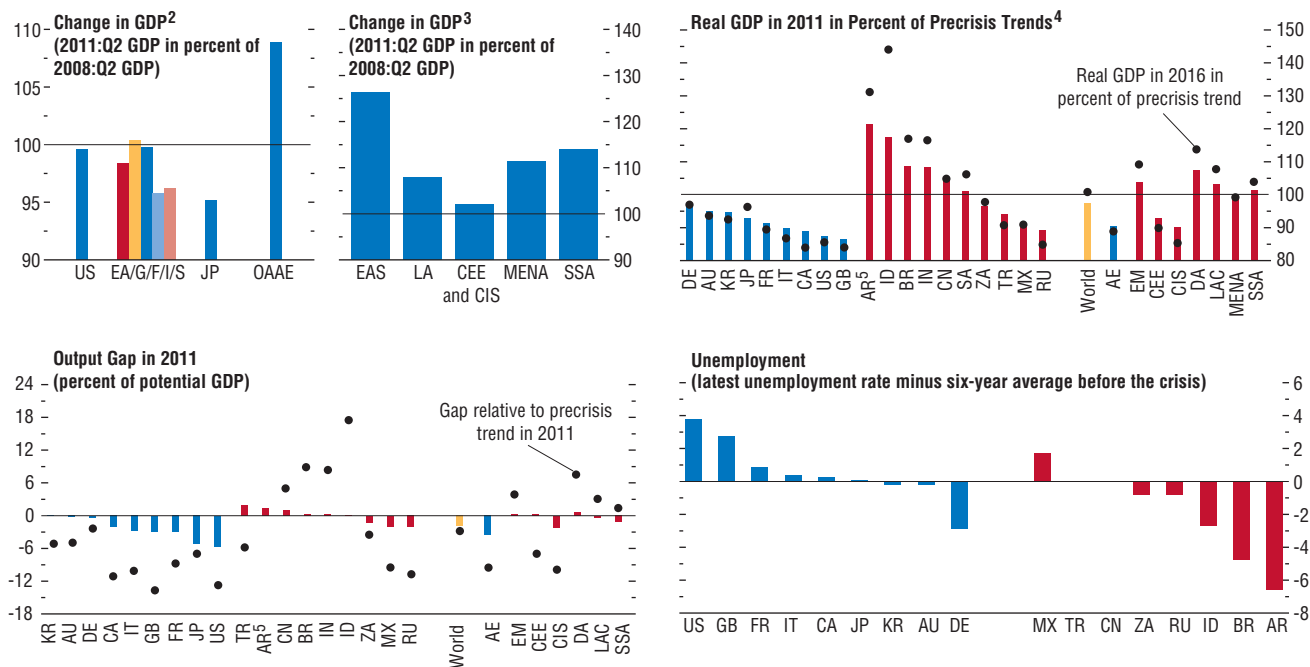


Figure 1.12. Cyclical Conditions¹

Output in major advanced economies has returned close to or above precrisis levels, with some notable exceptions. In emerging and developing economies, it is already well above precrisis levels, except in the CEE and CIS economies, which were hit hard by the financial crisis. Output in most advanced and CEE and CIS economies is still well below precrisis trends. However, much of the loss relative to trends is not expected to be recovered over the medium term. Accordingly, output gaps are generally much lower than losses relative to precrisis trends would suggest. Consistent with a view of generally limited output gaps, unemployment rates in most of the world are not much higher than precrisis averages—notable exceptions include the United States and the United Kingdom, which were at the epicenter of the crisis.



Source: IMF staff estimates.

¹AR: Argentina; AE: advanced economies; AU: Australia; BR: Brazil; CA: Canada; CEE: central and eastern Europe; CIS: Commonwealth of Independent States; CN: China; DA: developing Asia; DE: Germany; EM: emerging economies; FR: France; GB: United Kingdom; ID: Indonesia; IN: India; IT: Italy; JP: Japan; KR: Korea; LAC: Latin America and the Caribbean; MENA: Middle East and North Africa; MX: Mexico; RU: Russia; SA: Saudi Arabia; SSA: sub-Saharan Africa; TR: Turkey; US: United States; ZA: South Africa.

²EA/G/F/I/S: euro area/Germany/France/Italy/Spain; OAAE: other advanced Asian economies.

³EAS: emerging Asia; LA: Latin America; CEE and CIS: central and eastern Europe and Commonwealth of Independent States; MENA: Middle East and North Africa; SSA: sub-Saharan Africa. Due to data limitations, annual data are used for MENA and SSA.

⁴Precrisis trend obtained by extrapolating 1996–2006 real GDP growth.

⁵Figures are based on official GDP data.