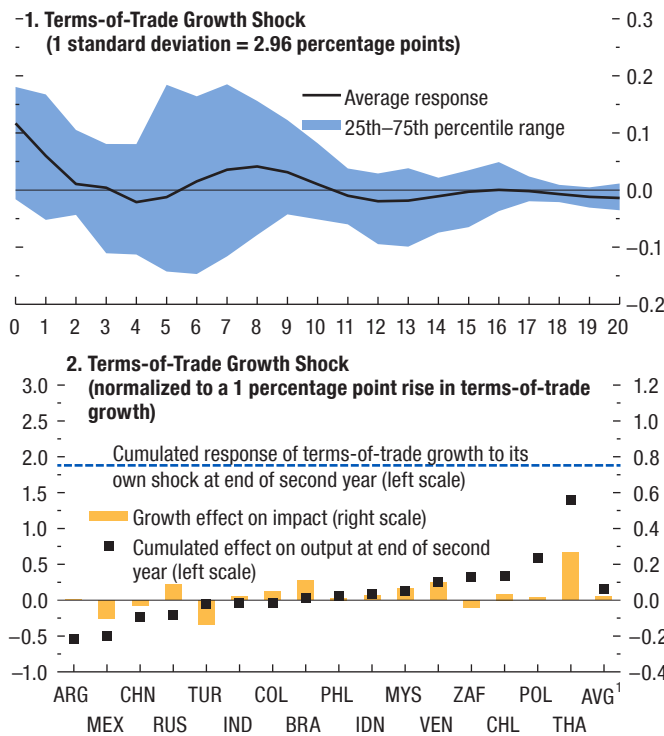


Figure 4.7. Impulse Responses of Domestic Real GDP Growth to Terms-of-Trade Growth Shock
(Percentage points)

Increases in emerging market economies' terms-of-trade growth that are not accounted for by external demand have a small positive effect on growth that lasts for about one year.



Sources: Haver Analytics; IMF, International Financial Statistics database; Organization for Economic Cooperation and Development; and IMF staff calculations.

Note: X-axis units in panel 1 are quarters; $t = 0$ denotes the quarter of the shock. X-axis in panel 2 uses International Organization for Standardization (ISO) country codes. Average response to terms-of-trade growth shock is calculated as the average of the responses of emerging market economies' growth to their country-specific terms-of-trade growth shock.

¹Average for all sample economies except Argentina, Russia, and Venezuela.