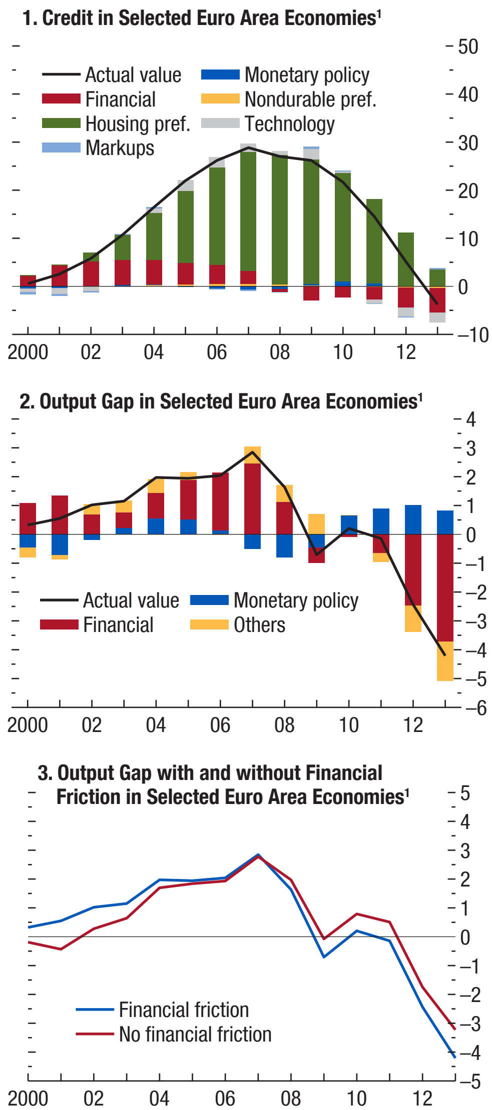
Figure 3.1.2. Credit and Output Gaps Implied by the Dynamic Stochastic General Equilibrium Model

(Percent deviation from potential, unless noted otherwise)



Source: IMF staff estimates.

Note: Credit is in percent deviation from trend. In panel 2, "Others" includes nondurable preference, housing preference, technology, and markups. Pref. = preference.

[1]Euro area economies (Greece, Ireland, Italy, Portugal, Spain) with high borrowing spreads during the 2010–11 sovereign debt crisis.