Financial Openness and GDP Growth

Change in Financial Openness and GDP Growth, Conditional Relationship

Change in Financial Openness and GDP Growth, Unconditional Relationship

Evolution of GDP (per capita, PPP weighted)

Advanced economies
Emerging Asia (excluding China and India)
Emerging markets
Other developing economies

Change in Financial Openness and GDP Growth, Conditional Relationship

Growth rate of per capita GDP
Mean financial openness

Source: IMF staff calculations.

1Change in financial openness is defined as the change over the same period in the ratio of gross stocks of foreign assets and liabilities to GDP. The conditional relationship uses residuals from a cross-section regression of growth on initial income, population growth, human capital, and the investment rate.

2PPP = purchasing power parity.

Box 5.1 Figure