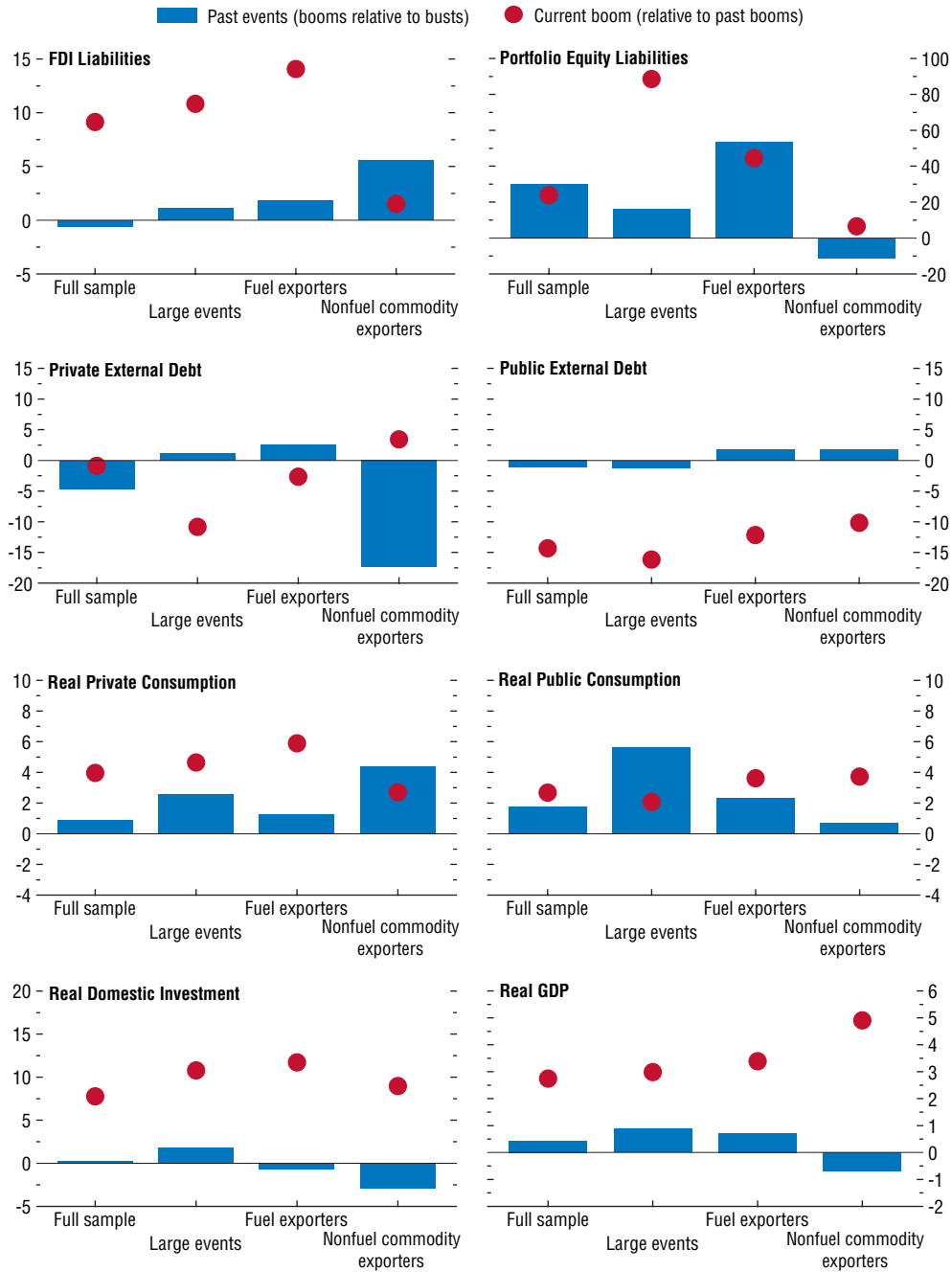


Figure 5.11 (concluded)

During past booms (compared with busts) foreign investment accelerated, reflecting primarily portfolio inflows, while domestic investment responded weakly. Governments tended to pursue procyclical fiscal policies and not to engage in consumption smoothing. In the current boom, FDI and domestic investment have grown substantially more. Government borrowing has slowed, and government spending has moderated slightly. Finally, real economic growth has accelerated.



Sources: IMF, Commodity Price System; UNCOMTRADE; World Bank, World Development Indicators database; and IMF staff calculations.

¹ Some of the series are not available after 2005 or 2006; effective exchange rates are available starting in the late 1970s; tariff rates are available starting in 1980.

² Because the current boom is concentrated in fuel exporters, its comparison to past booms in nonfuel commodity exporters is based on few observations and should be treated with caution.