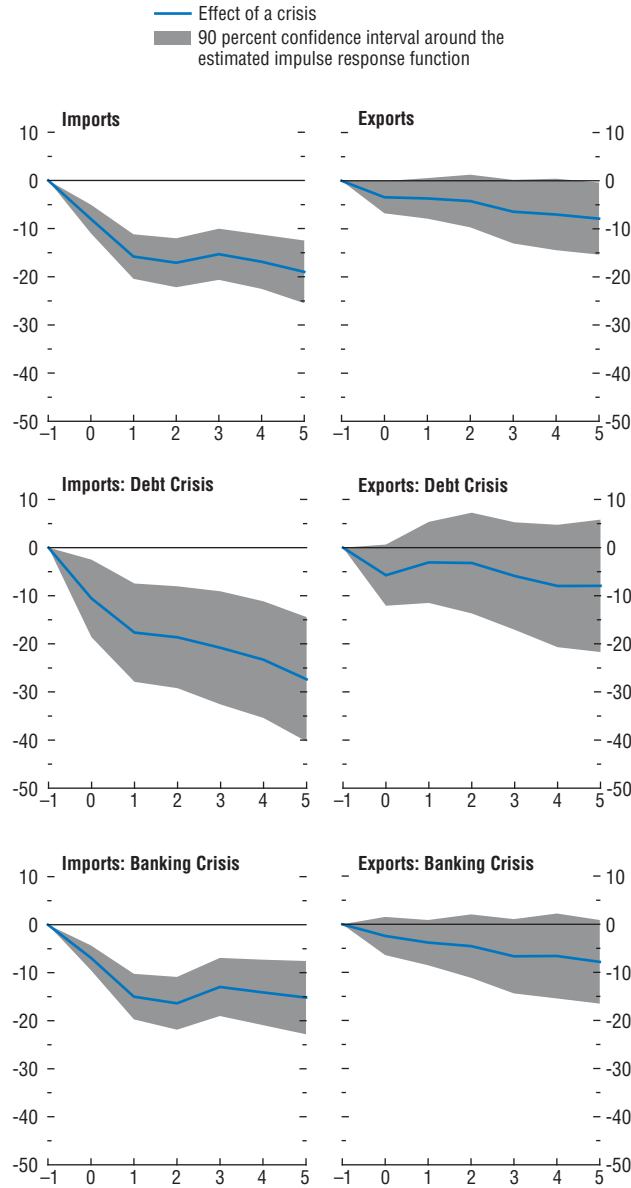


Figure 4.4. Import and Export Losses, Not Controlling for Output

(Percent deviation from normal; years on x-axis; crisis begins at $t = 0$)

There is a sharp and significant decline in imports in the first two years after a crisis and no recovery in subsequent years. Exports exhibit a smaller and more gradual decline, which is marginally significant in the medium term. Trade dynamics are similar following debt and banking crises, although the adverse dynamics of imports and exports are slightly (but not significantly) more severe following debt crises.



Source: IMF staff calculations.

Note: The estimated impulse response function is based on contemporaneous and lagged crises and country and time dummies.