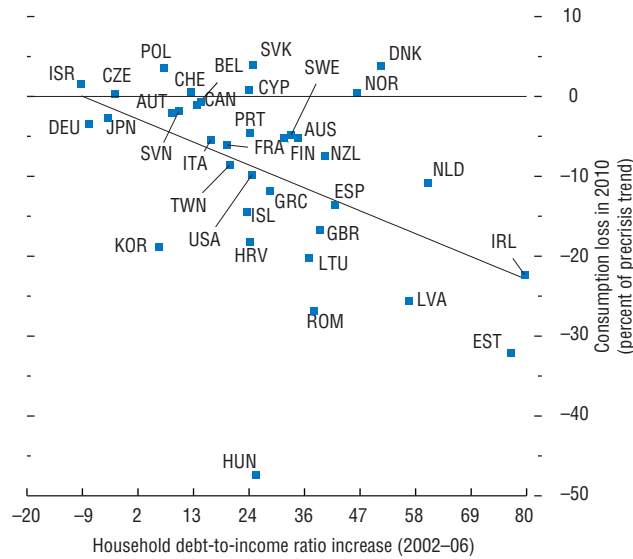


Figure 3.2. The Great Recession: Consumption Loss versus Precrisis Rise in Household Debt
(Percent)

The Great Recession was particularly severe in economies that experienced a larger run-up in household debt prior to the crisis.



Sources: Eurostat; Haver Analytics; and IMF staff calculations.

Note: The consumption loss in 2010 is the gap between the (log) level of real household consumption in 2010 and the projection of where real household consumption would have been that year based on the precrisis trend. The precrisis trend is defined as the extrapolation of the (log) level of real household consumption based on a linear trend estimated from 1996 to 2004. AUS: Australia; AUT: Austria; BEL: Belgium; CAN: Canada; CHE: Switzerland; CYP: Cyprus; CZE: Czech Republic; DEU: Germany; DNK: Denmark; ESP: Spain; EST: Estonia; FIN: Finland; FRA: France; GBR: United Kingdom; GRC: Greece; HRV: Croatia; HUN: Hungary; IRL: Ireland; ISL: Iceland; ISR: Israel; ITA: Italy; JPN: Japan; KOR: Korea; LTU: Lithuania; LVA: Latvia; NLD: Netherlands; NOR: Norway; NZL: New Zealand; POL: Poland; PRT: Portugal; ROM: Romania; SVK: Slovak Republic; SVN: Slovenia; SWE: Sweden; TWN: Taiwan Province of China; USA: United States.