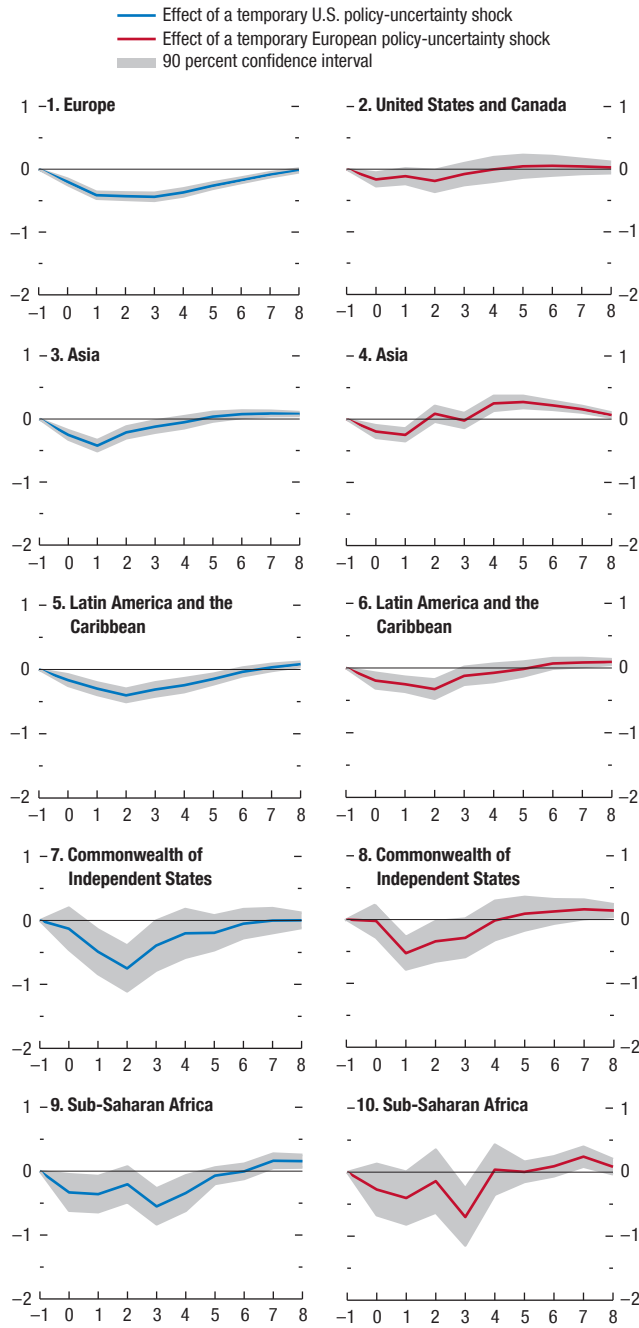


Figure 2.SF3. Effect of a U.S. or European Policy-Uncertainty Shock on Real GDP in Other Regions
(Quarters on x-axis, percent change in real GDP on y-axis)

Policy-uncertainty shocks in the United States and Europe have a negative effect on real activity in other regions, with the magnitude, persistence, and statistical significance differing across regions. In general, the effect of U.S. policy-uncertainty shocks tends to be slightly bigger and more persistent than that of European policy-uncertainty shocks, and U.S. shocks affect Europe more than vice versa.



Source: IMF staff calculations.
 Note: Policy-uncertainty shocks are defined as periods during which detrended uncertainty is more than 1.65 standard deviations above its mean.