A 1 percentage point rise in China’s growth increases emerging market economies’
growth by 0.1 percentage point on impact, on average. The positive effect builds
over time as emerging market economies’ terms-of-trade growth gets a further
boost, highlighting China’s relevance for global commodity markets.

Figure 4.9. Impulse Responses to Real GDP Growth Shock in
China
(Percentage points)

1. Domestic Real GDP Growth Response
   (1 standard deviation = 0.54 percentage point)

2. Domestic Real GDP Growth Response
   (normalized to a 1 percentage point rise in China growth)
   - Cumulated response of China real GDP growth to
     its own shock at end of second year (left scale)
   - Growth effect on impact (right scale)
   - Cumulated effect on output at end of second year
     (left scale)

   (1 standard deviation = 0.54 percentage point)

Source: IMF staff calculations.
Note: X-axis units in panels 1 and 3 are quarters; t = 0 denotes the quarter of the
shock. X-axis in panel 2 uses International Organization for Standardization (ISO)
country codes.
1Average for all sample economies except Argentina, Russia, and Venezuela.