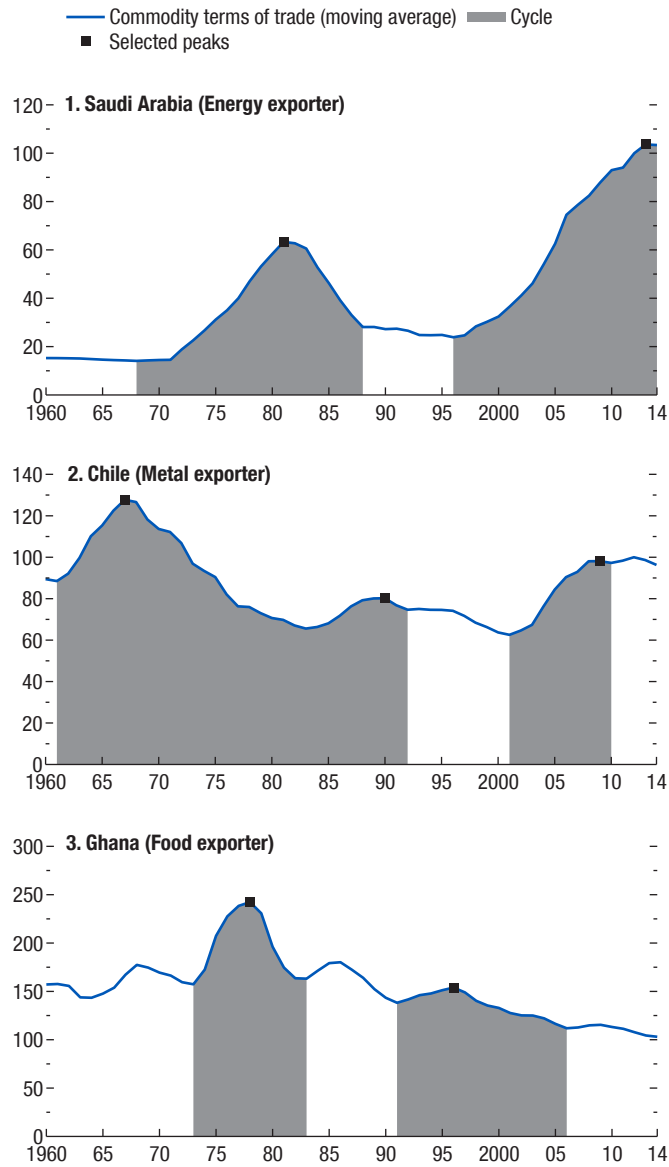


Figure 2.7. Identification of Cycles in the Commodity Terms of Trade: Three Country Examples
(Index, 2012 = 100)

The event studies focus on the behavior of variables during commodity terms-of-trade cycles with prolonged upswings that peaked before 2000. On average, those upswings were eight years long for exporters of extractive commodities and five years long otherwise, and the commodity terms of trade improved by 63 percent.



Sources: Gruss 2014; IMF, Primary Commodity Price System; U.S. Energy Information Administration; World Bank, Global Economic Monitor database; and IMF staff calculations.

Note: The definition of the commodity terms of trade is given in Annex 2.1. The algorithm for selecting the cycles is described in Annex 2.2. The portion of a cycle before (after) the peak is referred to as an upswing (downswing).