Figure 4.4. Dynamic Responses of Recipient Countries’ Output to Fiscal Shocks
(Impact on output level, percent; quarters on x-axis)

1. Overall Fiscal Shock

2. Spending Shock

3. Tax Shock

Source: IMF staff calculations.
Note: $t = 0$ is the quarter of the respective shocks. Solid lines denote point estimates and dashed lines denote 90 percent confidence bands. Shocks are normalized to an average of 1 percent of GDP across source countries.