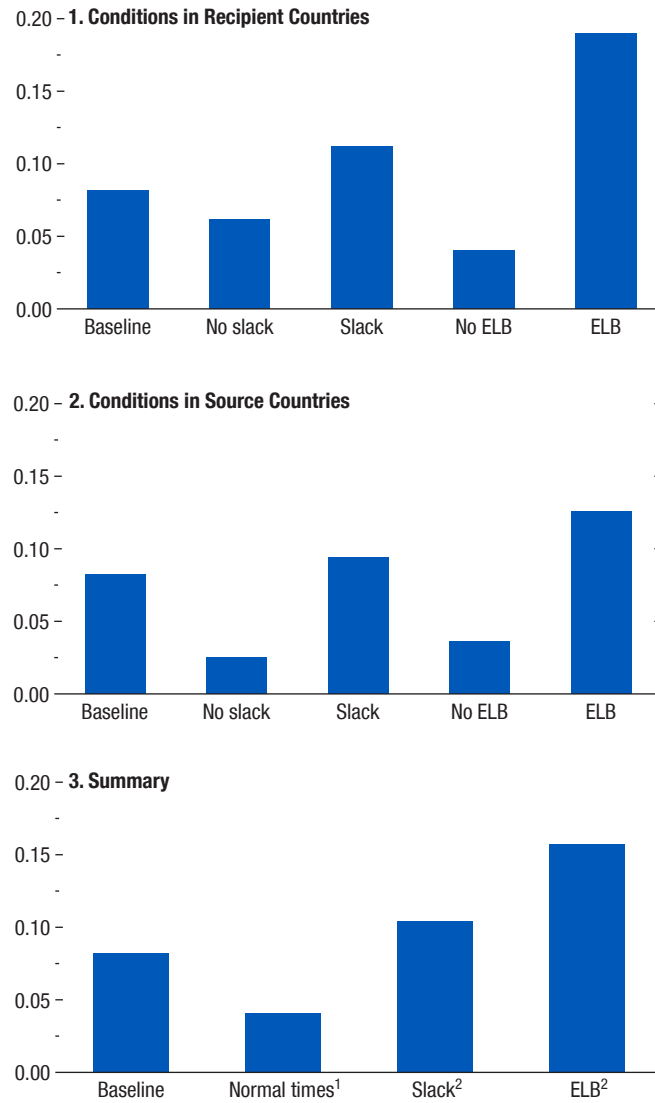


Figure 4.7. Spillovers under Various Economic and Policy Conditions
(One-year average impact on output; percent)



Source: IMF staff calculations.

Note: ELB = effective lower bound. Slack is defined as output gap below zero; and ELB corresponds to short-term interest rates in the bottom 25 percent of cross-country historical distribution. Responses to an overall fiscal shock are presented. Shocks are normalized to an average of 1 percent of GDP across source countries.

¹Normal times refer to average of no slack and no ELB in both source and recipient countries.

²Average estimates for conditions in source countries and conditions in recipient countries.