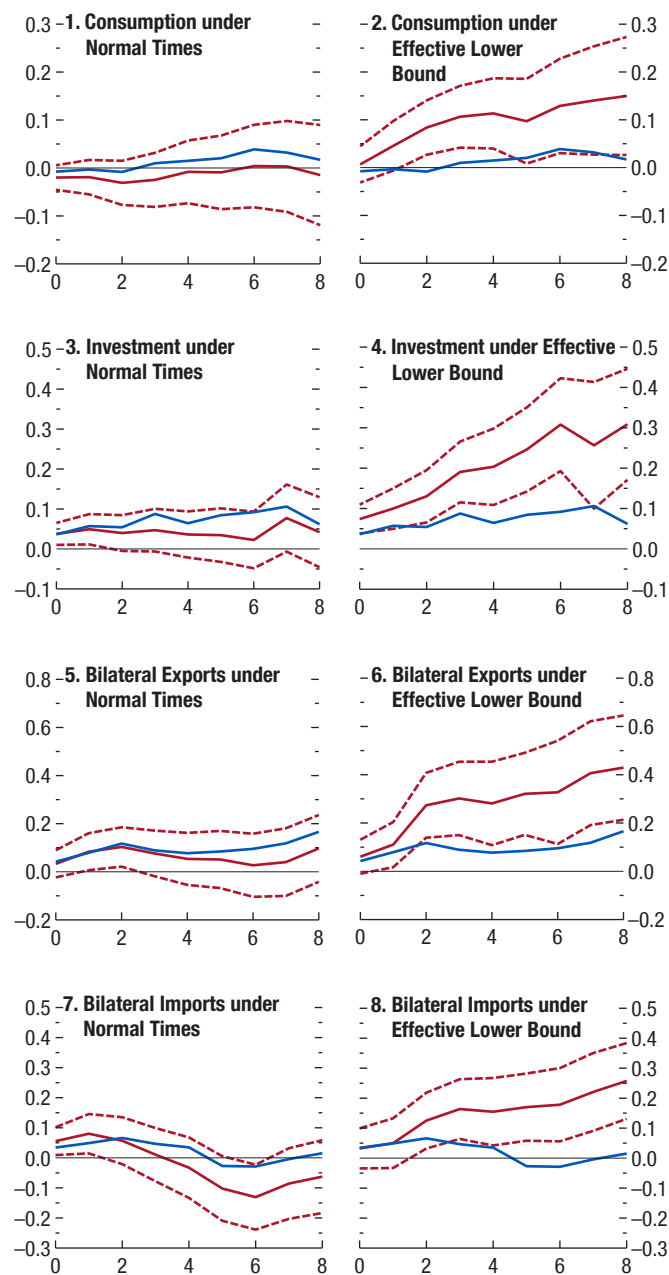


Figure 4.8. Dynamic Responses of Components of Recipient Countries' Output under Normal Times and Effective Lower Bound in Recipient Countries
(Percent of output; quarters on x-axis)



Source: IMF staff calculations.
 Note: Normal times = no effective lower bound. $t = 0$ is the quarter of the shock. Solid red lines denote point estimates under different conditions; dashed red lines denote 90 percent confidence bands; and solid blue lines represent the unconditional response. Effective lower bound 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.