Figure 1.2.1. Trade Tensions Scenario Analysis Using the Growth-at-Risk Approach

1. Near-Term Impact of Trade Tensions (Probability density)
   - Baseline
   - Trade scenario

2. Medium-Term Impact of Trade Tensions (Probability density)
   - Baseline
   - Trade scenario with persistent financial conditions shock

3. Severely Adverse Outcomes (5th percentile) under Baseline and Trade Tensions Scenarios: Relative to Historical Norms
   - Baseline
   - Trade scenario with persistent financial conditions shock

Source: IMF staff estimates.
Note: The bands are based on the interquartile range of GaR predictions (near and medium term), based on historical data since 1990:Q1. Baseline distributions correspond to the latest GaR assessment, as of 2018:Q3, presented in Figure 1.3 of the main text. The lines indicate the pairs of near- and medium-term forecasts and do not assert a linear relationship between the two periods. GaR = growth-at-risk.