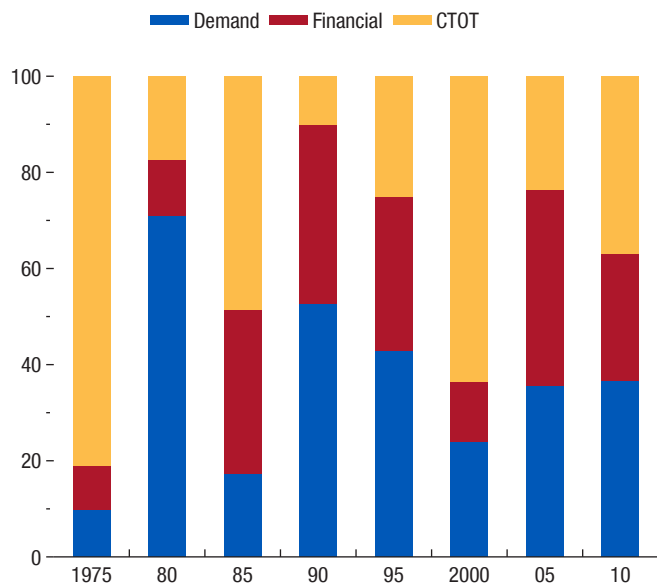


Figure 2.9. Variance of GDP per Capita Growth Accounted for by Each External Conditions Variable
(Share of the variance accounted for by all external variables, percent)

The relative importance of each country-specific external conditions variable in explaining growth variability across economies has varied significantly over decades. On average, commodity terms of trade and external demand each accounts for almost 40 percent of the variability.



Source: IMF staff calculations.

Note: The results are based on the estimates from the baseline growth regression for the whole sample (see Annex 2.3). X-axis labels indicate starting year of five-year period. CTOT = commodity terms of trade.