Annex Figure 2.1.1. Trends in the Transmission of Monetary Policy—Robustness

The exclusion of the nominal effective exchange rate does not significantly change the response of real GDP to a monetary policy rate cut.

1. Vector Autoregression without Normal Effective Exchange Rate

Neither does the inclusion of real household consumption and real business investment.

2. Vector Autoregression with Consumption and Investment

Sources: Krippner 2016; Organisation for Economic Co-operation and Development; Wu and Xia 2016; and IMF staff estimates.

Note: Solid bars mean that the responses are statistically significant using 68 percent confidence intervals.