Figure 3.1

Median Quasi-Correlations by Region¹

Quasi-Correlations by Region¹,²
(Excluding crisis periods)

Bilateral Pearson Growth Correlations by Region¹,²
(Excluding crisis periods)

Average Bilateral Pearson Growth Correlations
(Excluding crisis periods)

Sources: IMF, World Economic Outlook database; and IMF staff calculations.

¹ China supply-chain economies include China, Korea, Malaysia, the Philippines, Taiwan Province of China, and Thailand. They are identified based on the intensity of their trade linkages (in value-added terms). Unlike the usual (Pearson) correlation coefficient, which has to be computed over a time interval, the quasi-correlation can be calculated at any point in time. For a given pair of countries i and j, it is equal to the product of deviations of growth rates in i and j from their sample averages, divided by the product of standard deviations of growth rates in i and j over the sample. For details, see Duval and others, 2014. Crisis periods are years 1998 and 2009.

² Euro area includes the 11 countries that adopted the euro in 1999.