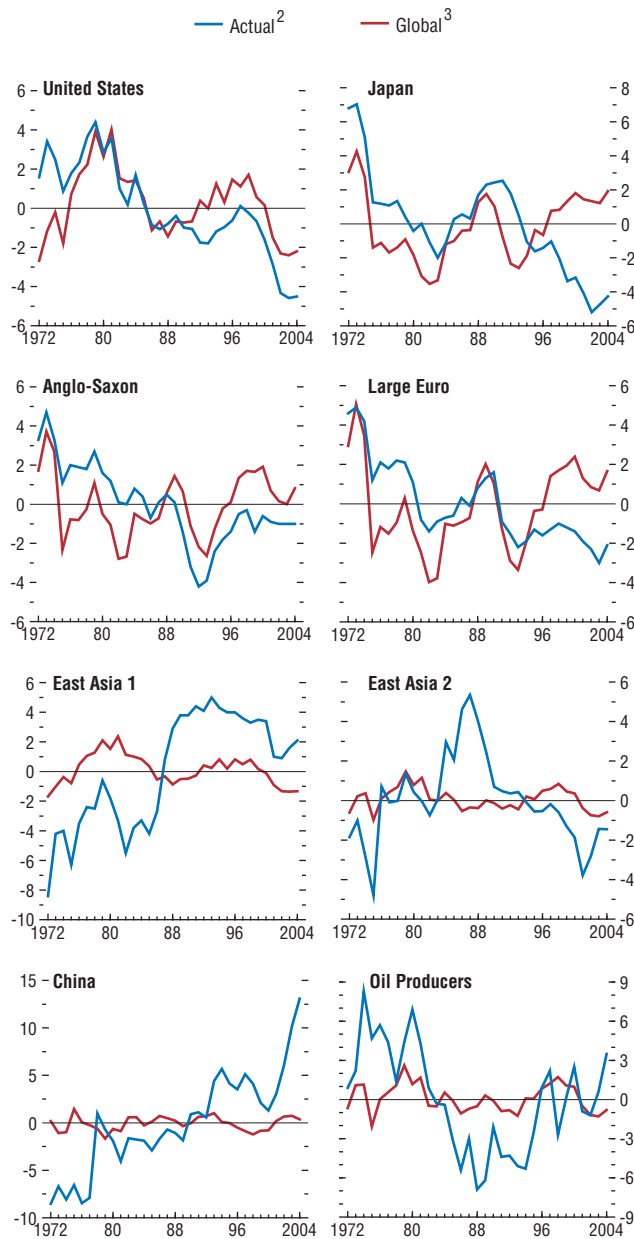


Figure 2.6. Saving: Global Factor¹

(Percent of GDP)

The global factor plays an important role in explaining fluctuations of saving rates in industrial countries, but fails to account for the recent decline in saving in Japan and large euro area countries. Saving rates in emerging markets have been largely unexplained by the global factor.



Source: IMF staff calculations.

¹See footnote 15 in main text for definition of country groupings.

²Actual time series have been rescaled by subtracting the average of the period.

³The global factor is the sum of the world and saving factors. For each region, the world and saving factors are multiplied by their factor loadings in the saving equation.