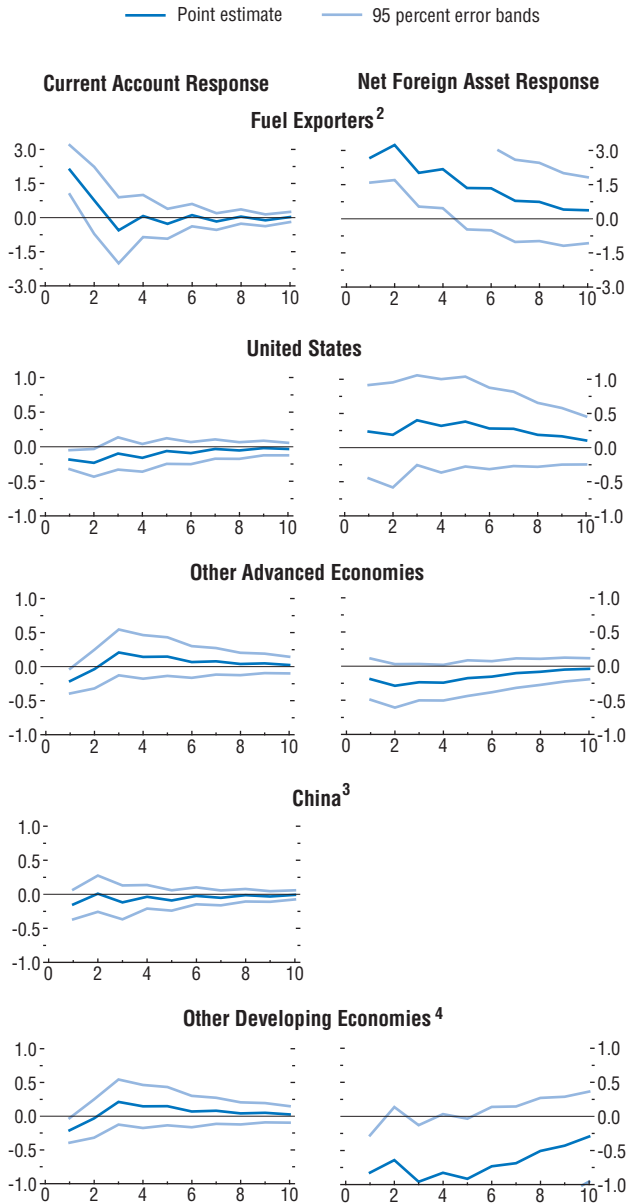


## Figure 2.6. Impact of Oil Price Shocks on External Imbalances, 1972–2004<sup>1</sup>

(Percent of GDP, x-axis in years)

In the short term, oil price shocks lead to external imbalances. However, the impact on net foreign assets has historically proved transitory.



Source: IMF staff calculations.

<sup>1</sup> Response to a permanent \$10 a barrel annual average increase in oil prices (measured in constant 2005 U.S. dollars).

<sup>2</sup> Fuel exporters' response presented on a wider scale.

<sup>3</sup> Net foreign asset data available only after 1980.

<sup>4</sup> Error bands partially out of scale.