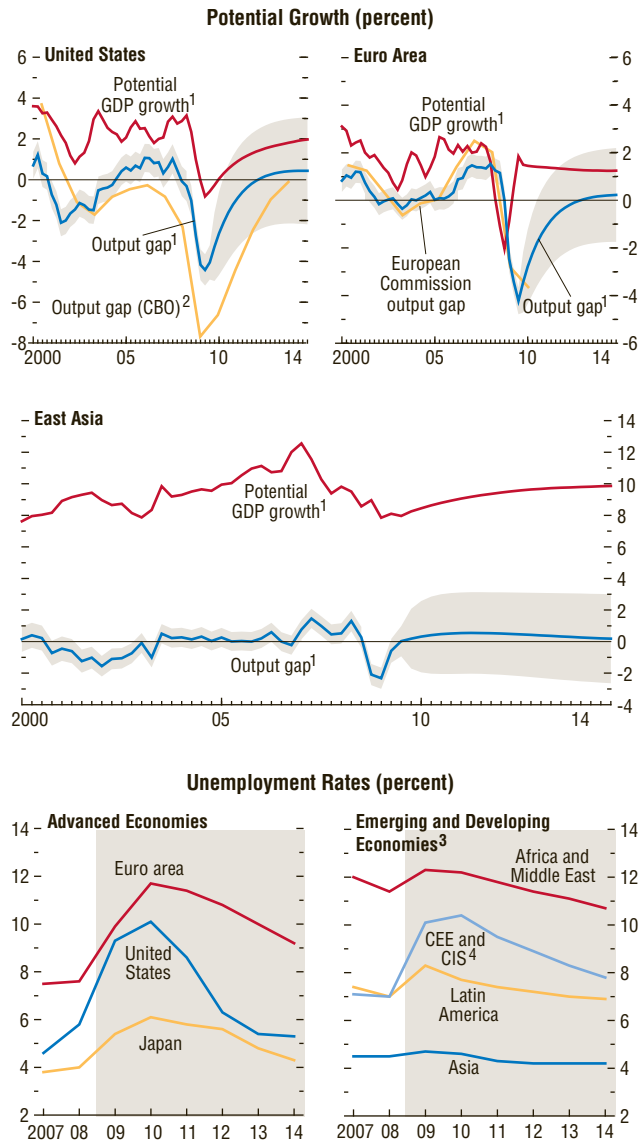


**Figure 1.11. Potential Growth and Unemployment Rates**

Potential growth is taking a hit from the crisis, particularly in advanced economies and emerging economies suffering balance of payments crises. Unemployment will be above precrisis levels for some time in advanced economies but not in most emerging and developing economies.



Sources: U.S. Congressional Budget Office; and IMF staff calculations.

<sup>1</sup>Derived using a multivariate filtering approach. For details, see Bernes and others (2009).

<sup>2</sup>CBO: U.S. Congressional Budget Office.

<sup>3</sup>Aggregates are computed on the basis of purchasing-power-parity weights.

<sup>4</sup>CEE: Central and eastern Europe; CIS: Commonwealth of Independent States.