Figure 3.16. Effects of a Productivity Shock
(Deviation from steady state; quarters on x-axis)

The figure shows impulse response to an unanticipated productivity shock in the first quarter. The size of the shock is normalized such that it leads to a 1 percent increase in real GDP on impact under the Taylor rule regime. Paths denote different policy regimes:

- **Taylor**
- **Augmented Taylor**
- **Augmented Taylor + macroprudential**
- **Optimized augmented Taylor + macroprudential**

Source: IMF staff calculations.