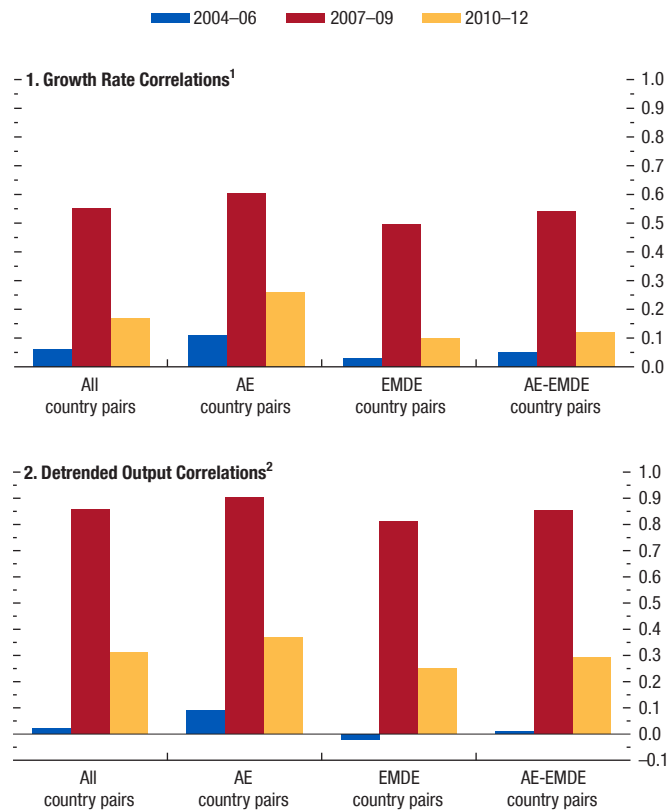


**Figure 3.1. The Evolution of Output Comovements, 2004–12**

Output comovements, whether measured by growth correlations or detrended output correlations, rose sharply at the peak of the global financial crisis in 2007–09. But they declined sharply in recent years.



Sources: Haver Analytics; IMF, *World Economic Outlook*; Organization For Economic Cooperation and Development; and IMF staff calculations.

Note: Sample includes 34 advanced economies and 29 emerging market and developing economies. AE = advanced economy country pairs; EMDE = emerging market and developing economy country pairs; AE-EMDE = advanced economy and emerging market and developing economy country pairs. See Appendix 3.1 for country groupings.

<sup>1</sup>Simple average of pairwise correlations of quarterly GDP growth rates.

<sup>2</sup>Simple average of pairwise correlations of moving average detrended output.