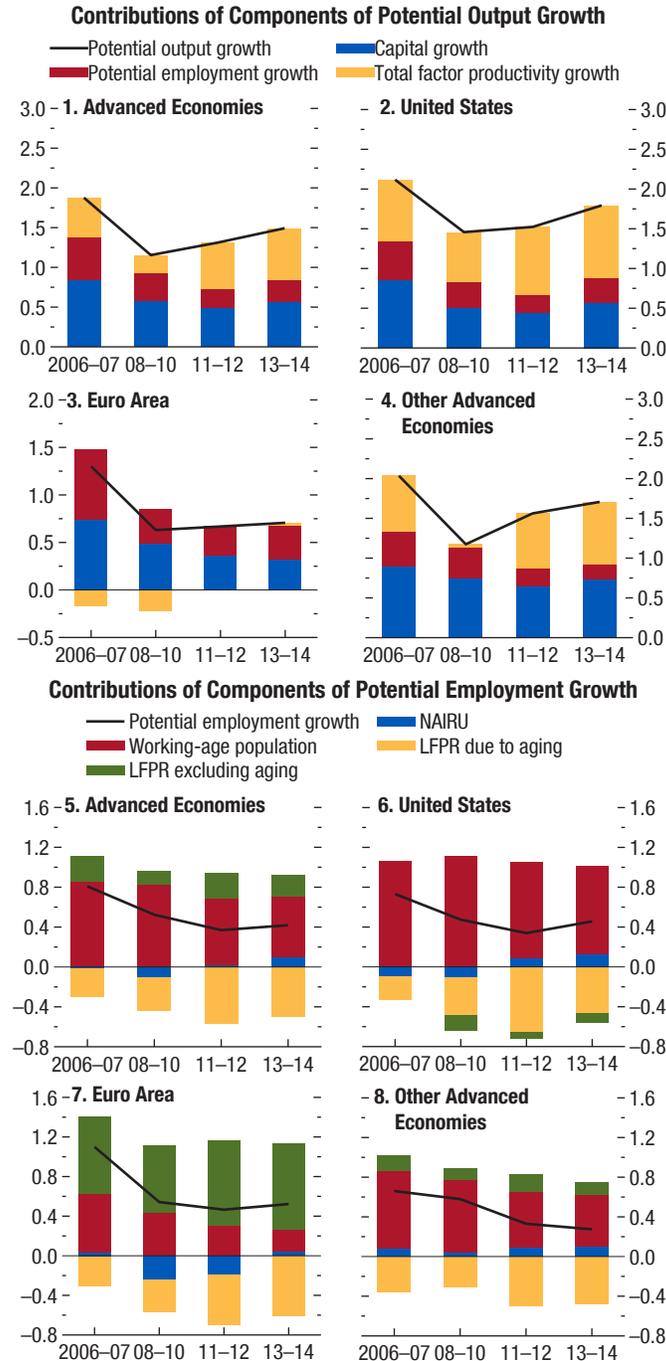


Figure 3.7. Components of Potential Output Growth during the Global Financial Crisis in Advanced Economies
(Percent)

In advanced economies, the decline in potential growth during the global financial crisis is mainly attributable to the effects of the crisis on capital growth. Potential employment also declined during this period, although the decline is mainly explained by demographic factors. The effect of the global financial crisis on total factor productivity has completely unwound.



Source: IMF staff estimates.
 Note: Economy groups are defined in Annex 3.1. LFPR = labor force participation rate; NAIRU = nonaccelerating inflation rate of unemployment.