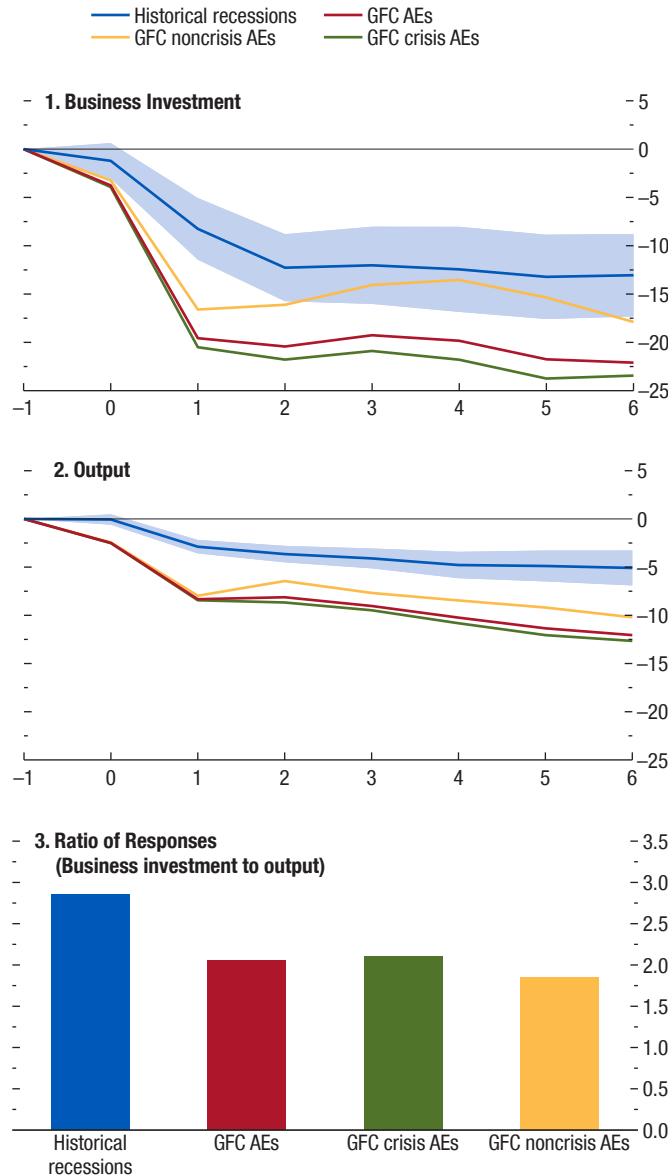


**Figure 4.6. Real Business Investment and Output Relative to Forecasts: Historical Recessions versus Global Financial Crisis**  
*(Percent deviation from forecasts in the year of recession, unless noted otherwise; years on x-axis, unless noted otherwise)*

Real business investment has contracted more severely following the global financial crisis than in historical recessions. But the contraction in output has also been more severe than after prior recessions. Overall, investment has dipped slightly less relative to the output contraction than in previous recessions.



Sources: Consensus Economics; Haver Analytics; national authorities; and IMF staff estimates.

Note: For historical recessions,  $t = 0$  is the year of recession. Deviations from historical recessions (1990–2002) are relative to spring forecasts in the year of the recession. Recessions are as identified in Claessens, Kose, and Terrones 2012. For the global financial crisis (GFC),  $t = 0$  is 2008. Deviations are relative to precrisis (spring 2007) forecasts. Shaded areas denote 90 percent confidence intervals. Panels 1 and 2 present data for the advanced economies (AEs) listed in Annex Table 4.1.1. GFC crisis and noncrisis advanced economies are as identified in Laeven and Valencia 2012.