Figure 4.8.  Accelerator Model: Real Business Investment
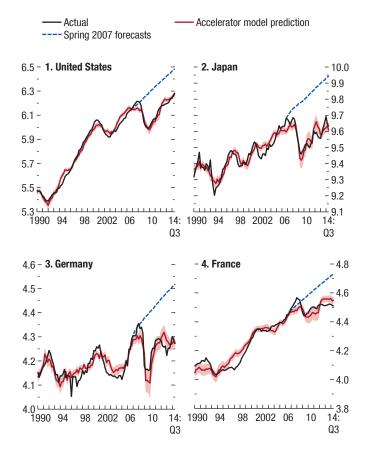
**Figure 4.8.  Accelerator Model: Real Business Investment**
*(Log index)*

Actual business investment has been close to the level predicted by the
accelerator model since the crisis.



Sources: Consensus Economics; Haver Analytics; national authorities; and IMF
staff estimates.
Note: Accelerator model predictions for investment are obtained by multiplying the
predicted value for the investment rate by the lagged capital stock. Shaded areas
denote 90 percent confidence intervals, based on the Newey-West estimator.