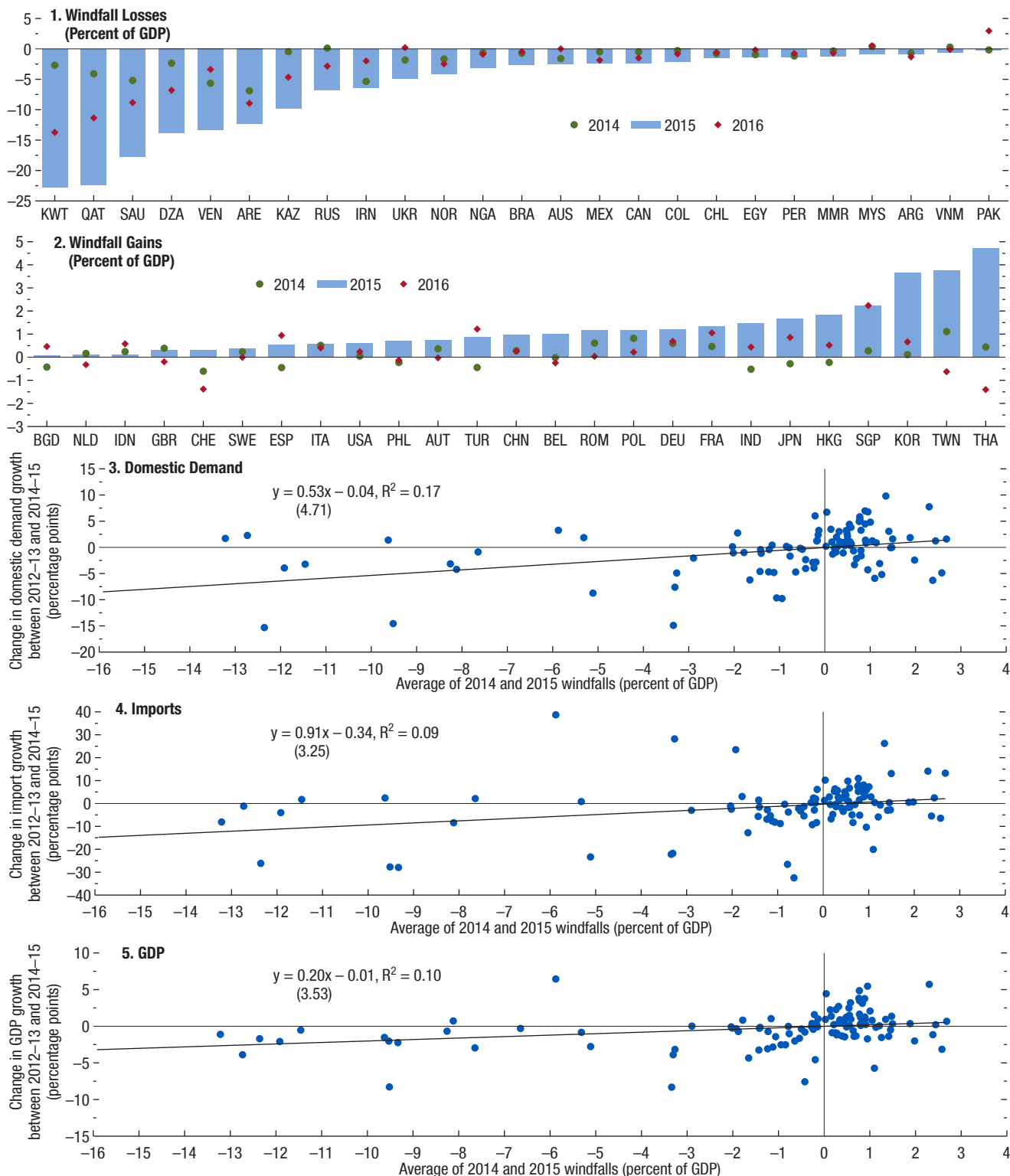


**Figure 1.11. Terms-of-Trade Windfall Gains and Losses, Domestic Demand, Imports, and Output**

The recent declines in commodity prices have generated sharp changes in disposable income across countries. Domestic demand has tended to strengthen in countries with terms-of-trade gains and weaken in those with losses. The responses of real output have typically been smaller, as net exports have tended to improve in countries with losses and weaken in those with gains, in some cases facilitated by exchange rate adjustments.



Source: IMF staff estimates.

Note: See note 2 in the chapter for the definition of windfall gains and losses. The change in growth is calculated as the difference between the average growth rate in 2014–15 and the average growth rate in 2012–13. The sample includes countries with populations above 1 million; the bottom 10 percent of countries (by GDP level, adding up to 0.5 percent of global output) are excluded. The numbers in parentheses in the equations represent *t*-statistics. Data labels use International Organization for Standardization (ISO) country codes.