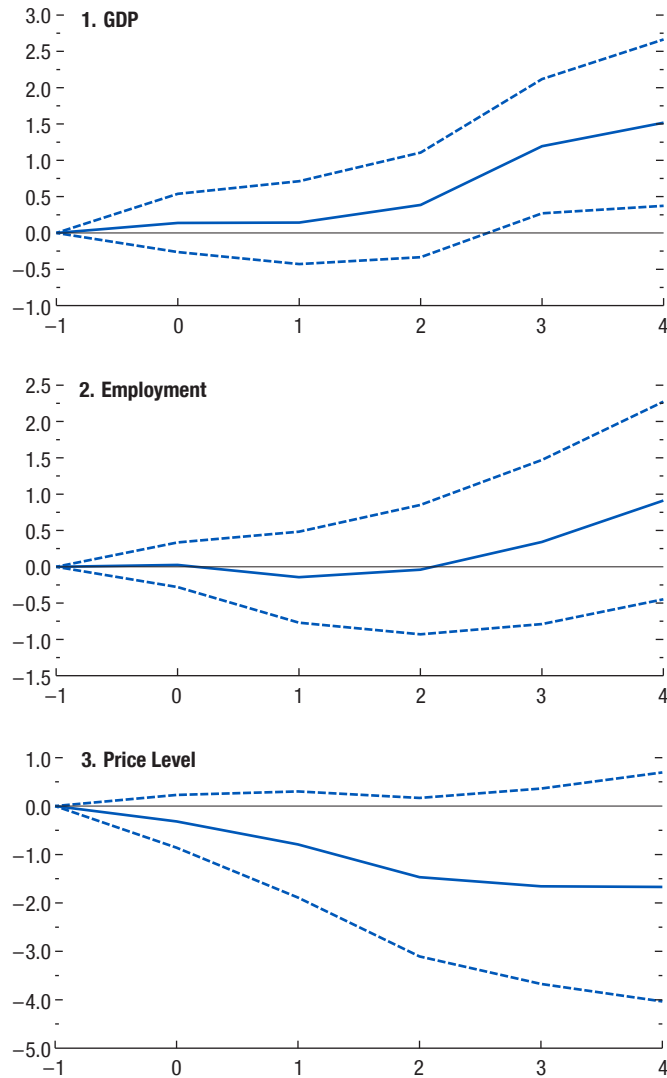


### Figure 3.5. Macroeconomic Effects of Product Market Reforms

(Percent; years on x-axis)

Product market reforms have a statistically significant medium-term impact on output, but not on employment and price level.



Source: IMF staff estimates.

Note:  $t = 0$  is the year of the shock. Solid lines denote the response to a major reform in product market regulation, and dashed lines denote 90 percent confidence bands.