

Figure 5.11. Event Study of the Commodity Terms of Trade, 1970–2007^{1,2}

(Median differences in average annual percent change in selected variables; advanced economies excluded)

During past booms (compared with busts) stronger export growth tended to reflect prices much more than volumes. Commodity exports rose, whereas manufacturing exports showed mixed patterns consistent with Dutch disease and protectionist pressures. In the current boom, export volumes have responded more and manufacturing exports have grown significantly faster, reflecting in part less real appreciation in fuel exporters and greater tariff reduction in nonfuel commodity exporters.

