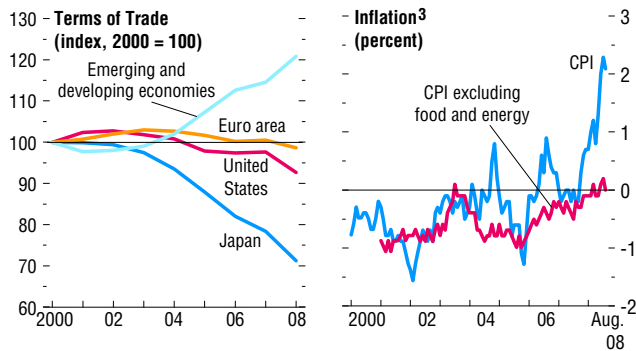
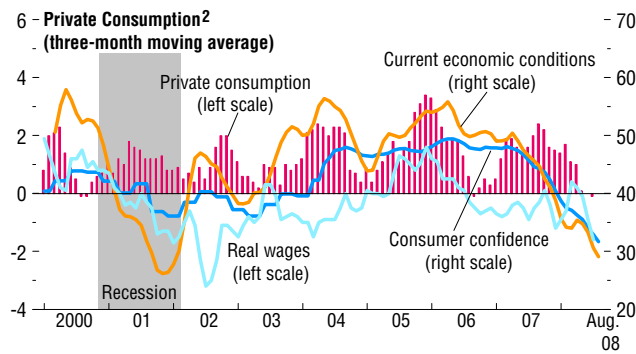
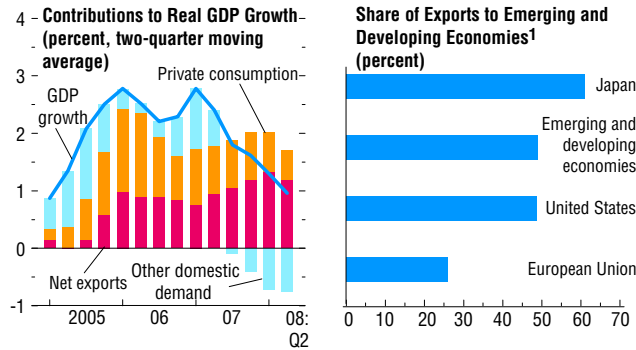


### Figure 2.3. Japan: How Well Would the Economy Weather a Terms-of-Trade Shock?

The Japanese economy has been particularly exposed to deterioration in the terms of trade. Robust exports to emerging and developing economies should provide support for growth, but the outlook for consumption is weakening.



Sources: Haver Analytics; IMF, *Direction of Trade Statistics*; and IMF staff calculations.  
<sup>1</sup>Percent of total exports, 2006–08 averages.  
<sup>2</sup>Year-over-year percent changes of real private consumption and real earnings; current economic conditions, Econ Watch Survey diffusion index; and consumer confidence, all households diffusion index.  
<sup>3</sup>CPI = consumer price index.