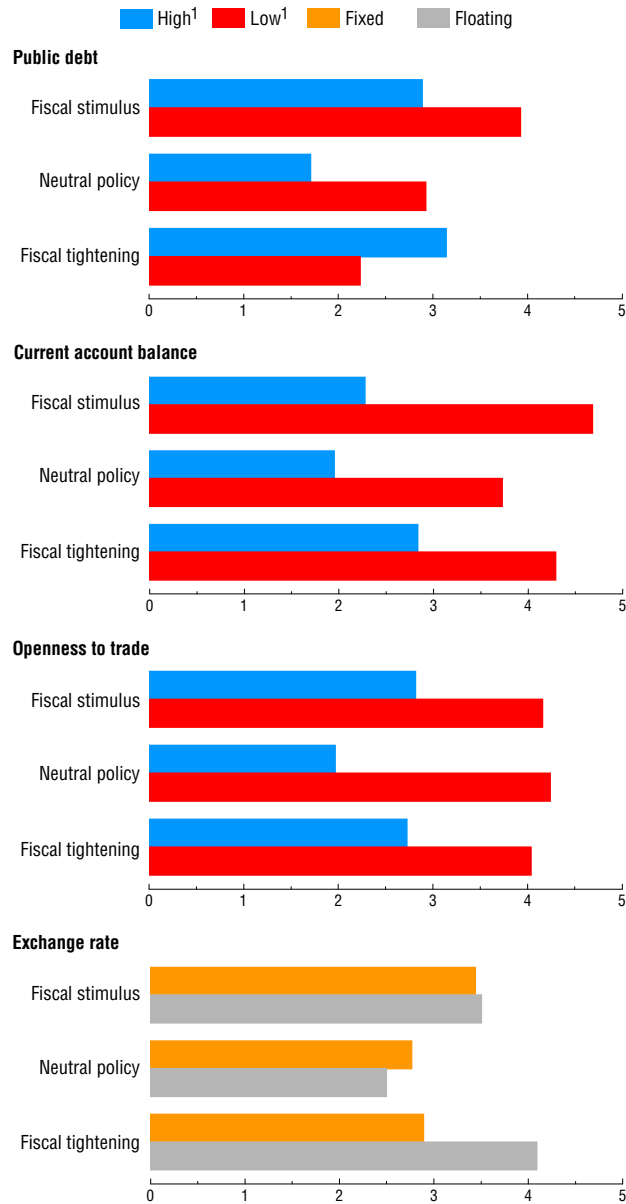


Figure 5.9. Changes in Real GDP Growth and Fiscal Policies under Various Initial Conditions

The bar charts indicate changes in real GDP growth from year of downturn to first year after downturn, differentiated by macroeconomic conditions three years before the downturn (debt, current account, openness to trade, and money growth) and by the exchange rate regime and composition of fiscal impulse in the year of downturn.



Source: IMF staff calculations.

¹The threshold for high debt is 75 percent for advanced economies and 25 percent for emerging economies. The thresholds for current account balance and trade openness are the median of the variable across the sample.