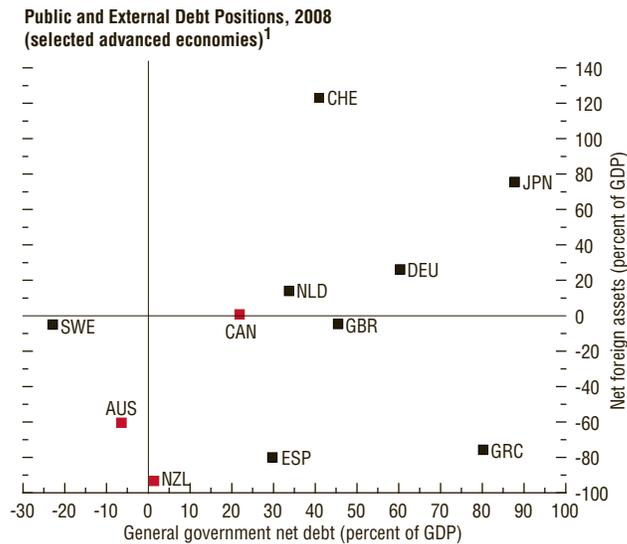
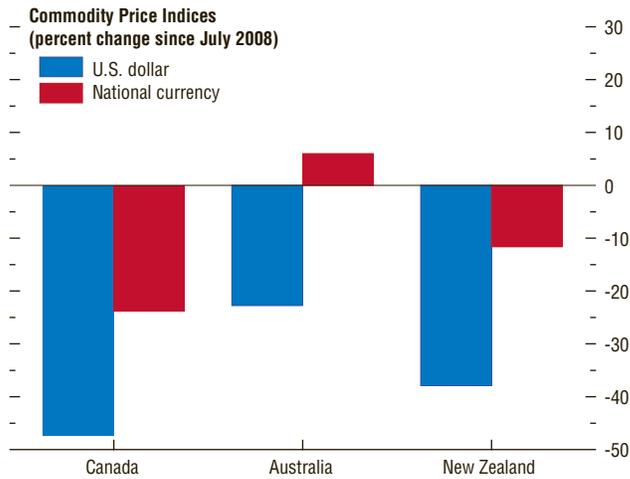


Figure 2.6. Canada, Australia, and New Zealand: Dealing with Terms-of-Trade Shocks

World commodity prices have fallen substantially from recent highs, but the effects have been mitigated by exchange rate depreciation. Governments have built up considerable room for fiscal stimulus, but larger net private external debt makes Australia and New Zealand more vulnerable to external financing shocks.



Sources: Haver Analytics and IMF staff calculations.

¹Advanced economies for which 2008 data are available include: Australia (AUS), Canada (CAN), Germany (DEU), Greece (GRC), Japan (JPN), Netherlands (NLD), New Zealand (NZL), Spain (ESP), Sweden (SWE), Switzerland (CHE), and United Kingdom (GBR).