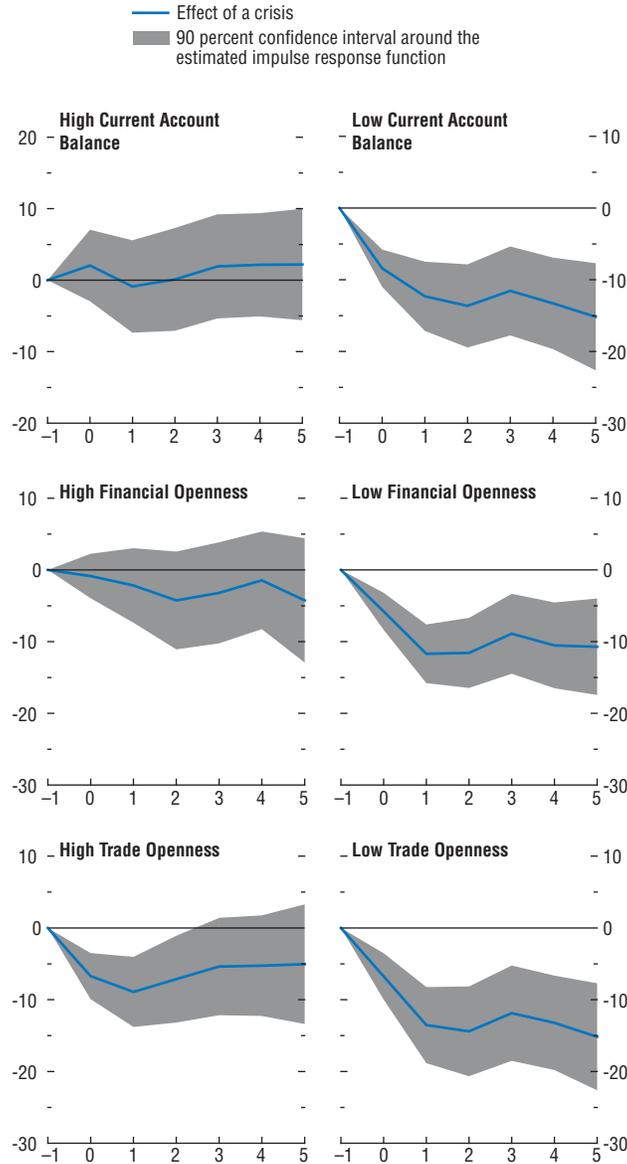


Figure 4.9. Precrisis Characteristics and Import Losses, Controlling for Output
(Percent deviation from normal; years on x-axis; crisis begins at $t = 0$)

Economies that entered a crisis with a low current account balance or a lesser degree of trade or financial openness experienced deeper import losses even after controlling for output and other standard gravity controls.



Source: IMF staff calculations.

Note: The estimated impulse response function is based on a collapsed gravity model in changes, with contemporaneous and lagged crises, home and trade-weighted partner output, a trade-weighted partner crisis dummy, and country and time dummies. Crisis episodes are split into those for which the current account balance, degree of financial openness, and trade openness are, respectively, above or below the crisis sample median in year $t - 1$.