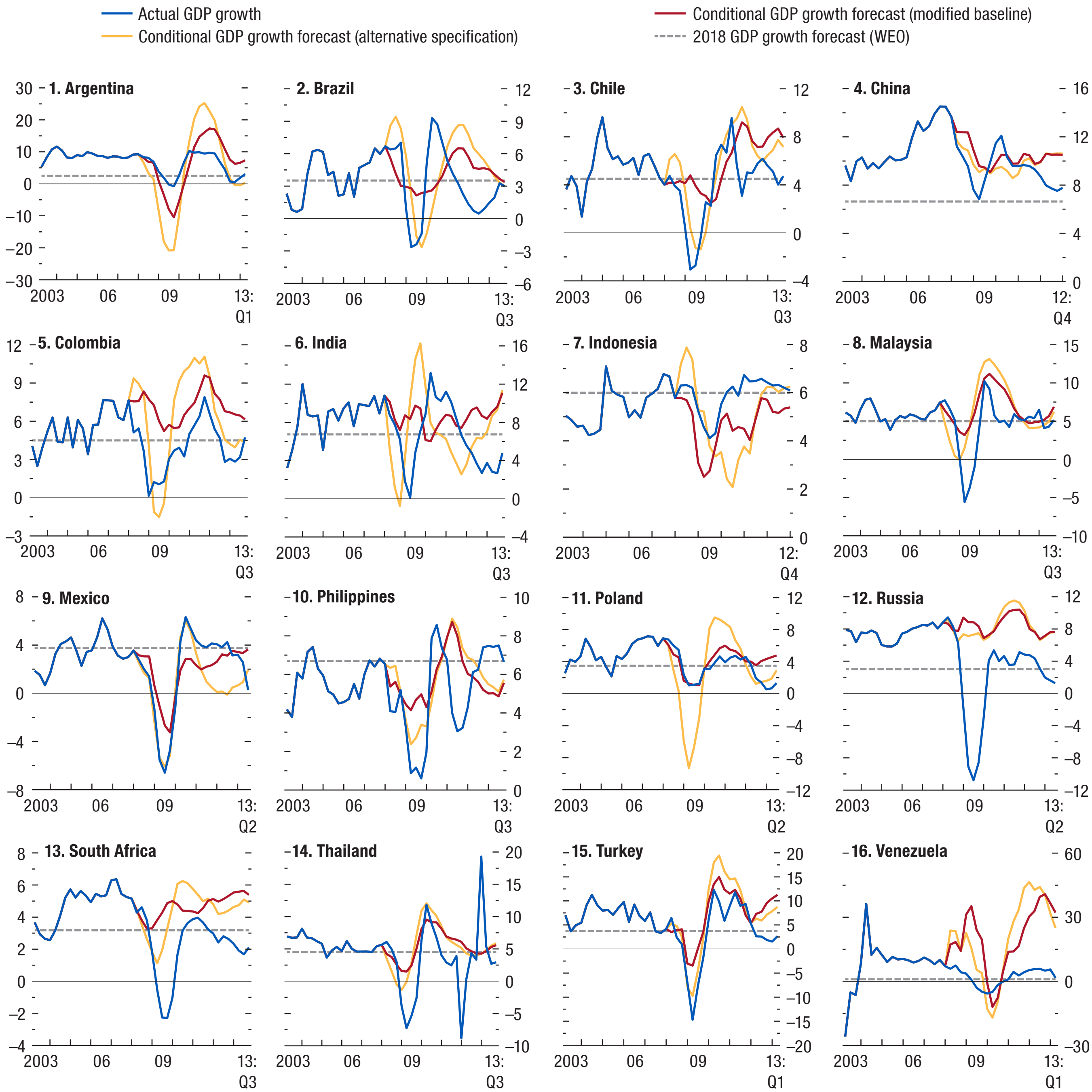
Figure 4.12. Out-of-Sample Growth Forecasts Conditional on External Factors, by Country
(Percent)

Although forecast performances differ across emerging market economies, two specific periods reveal larger forecast errors for many economies: first, during the peak of the global financial crisis, from the final quarter of 2008 until mid-2009; and second, since 2012.



Sources: Haver Analytics; Thomson Reuters Datastream; and IMF staff calculations.
Note: For all economies except China, the modified baseline vector autoregression model includes U.S. real GDP growth, U.S. inflation, 10-year U.S. Treasury bond rate, China real GDP growth, J.P. Morgan Emerging Markets Bond Index (EMBI) yield, and terms-of-trade growth in the external block; the alternative specification includes U.S. real GDP growth, euro area real GDP growth, U.S. inflation, 10-year U.S. Treasury bond rate, China real GDP growth, EMBI yield, and terms-of-trade growth in the external block. For China, the modified baseline vector autoregression model includes U.S. real GDP growth, U.S. inflation, 10-year U.S. Treasury bond rate, EMBI yield, and terms-of-trade growth in the external block; the alternative specification includes U.S. real GDP growth, euro area real GDP growth, U.S. inflation, 10-year U.S. Treasury bond rate, EMBI yield, and terms-of-trade growth in the external block.