Figure 4.8. Historical Decompositions of Real GDP Growth into Internal and External Factors

(Percentage points)

External factors tended to explain one-half or more of emerging market economies' growth deviation relative to the estimated sample mean during 1998–2013. The roles of external versus internal factors, however, varied across economies, with internal factors playing a more important role in relatively closed or large economies throughout the sample period.
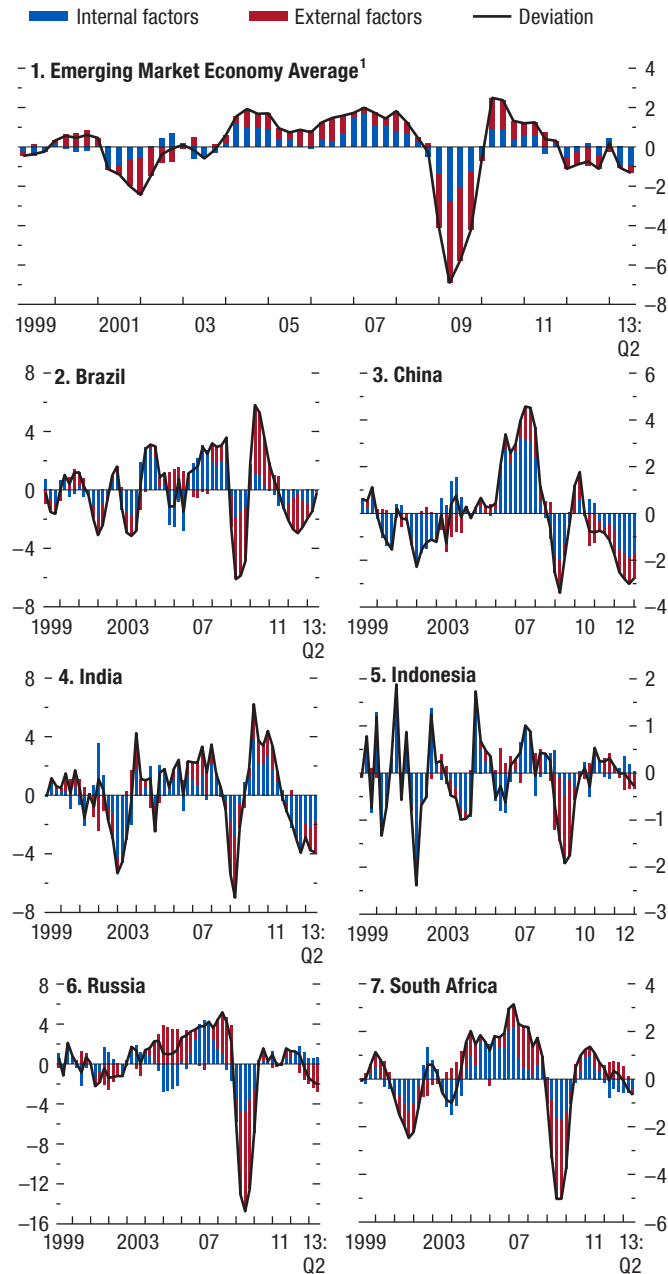
Sources: Haver Analytics; Thomson Reuters Datastream; and IMF staff calculations.

Note: The underlying vector autoregression model includes U.S. real GDP growth, U.S. inflation, 10-year U.S. Treasury bond rate, J.P. Morgan Emerging Markets Bond Index yield, and terms-of-trade growth in the external block.

[1] Average for all sample economies except Argentina, Russia, and Venezuela.