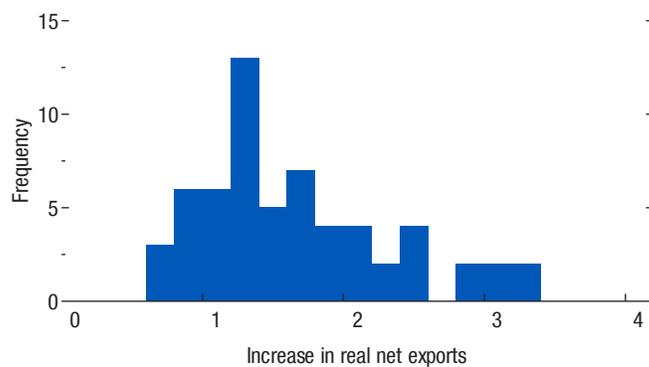


Figure 3.3. Effect of a 10 Percent Real Effective Depreciation on Real Net Exports
(Percent of GDP)

A 10 percent real effective depreciation in an economy's currency is associated with a rise in real net exports of, on average, 1.5 percent of GDP, with substantial cross-country variation around this average.



Source: IMF staff calculations.

Note: Figure shows long-term effect on level of real net exports in percent of GDP based on country-specific import- and export-to-GDP ratios and the average producer price index-based trade elasticities reported in Table 3.1 for the 60 economies in the sample.