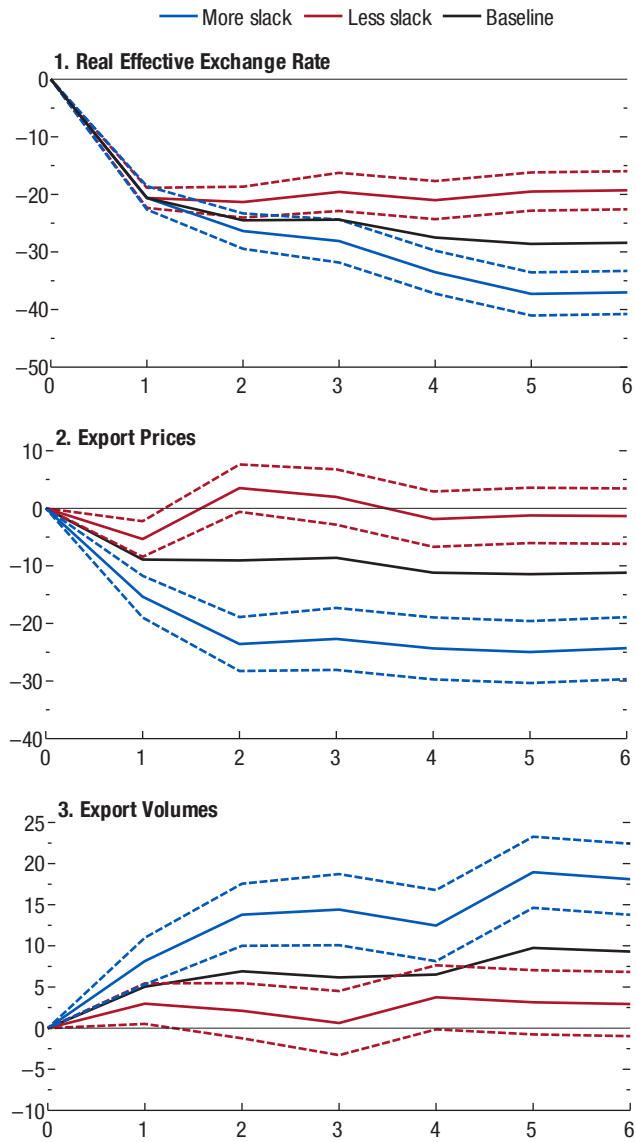


**Figure 3.5. Export Dynamics Following Large Exchange Rate Depreciations: The Role of Initial Economic Slack**

*(Percent; years on x-axis)*

The export increase associated with large currency depreciations is typically stronger when there is more economic slack in the domestic economy.



Source: IMF staff estimates.

Note: Dashed lines denote 90 percent confidence intervals.