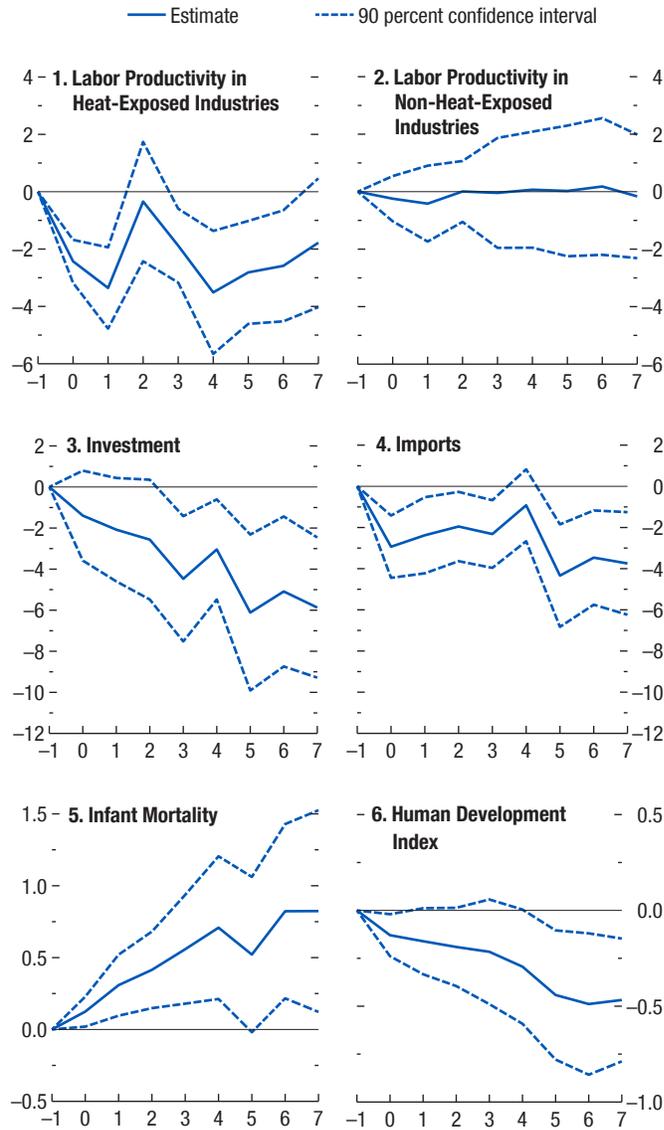


Figure 3.10. Effect of Temperature Increase on Productivity, Capital, and Labor Input Estimated at the Temperature of the Median Low-Income Developing Country
(Percent; years on x-axis)

In hot countries, an increase in temperature dampens labor productivity in heat-exposed industries, depresses investment and imports, and has damaging health effects.



Source: IMF staff calculations.

Note: The panels depict the effect of a 1°C increase in temperature estimated at the median low-income developing country temperature (25°C). Horizon 0 is the year of the shock. Heat-exposed industries include agriculture, forestry, fishing, and hunting, construction, mining, transportation, utilities, and manufacturing, following Graff Zivin and Neidell (2014).