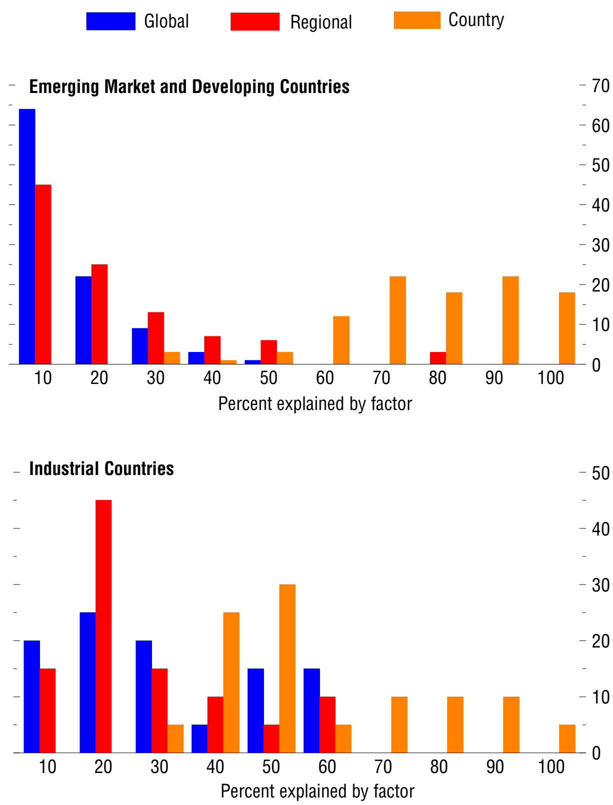
Figure 2.10. Contributors to Volatility in Real per Capita Output Growth, 1970–2004[1]

(Percent of countries on y-axis; x-axis as stated)

Output fluctuations in emerging market and developing countries are driven more by country-specific factors than in industrial countries. For example, the figure shows that the country-specific factor explains more than 60 percent of output volatility in about 90 percent of emerging market and developing countries, compared to only 40 percent of industrial countries.



Sources: Penn World Tables Version 6.1; and IMF staff calculations.

[1]Twenty percent explained by a factor refers to countries for which between 10 and 20 percent of variations in output are explained by the factor; 30 percent refers to countries for which between 20 and 30 percent of variations are explained by the factor, and so on.