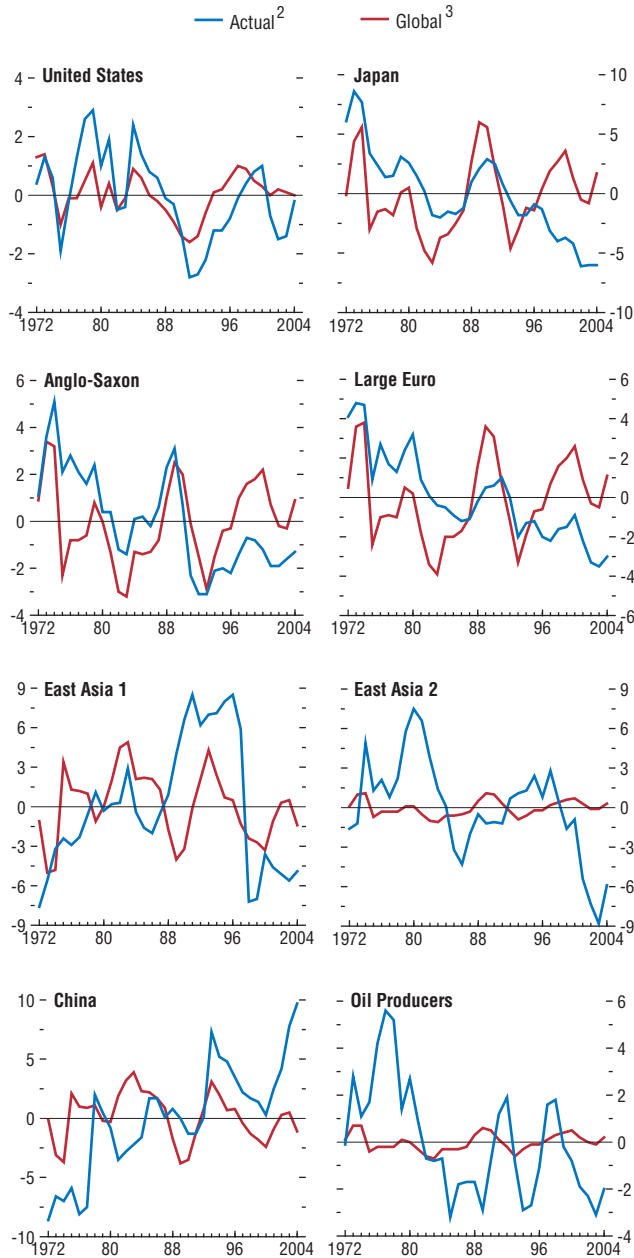


Figure 2.7. Investment: Global Factor¹
(Percent of GDP)

While the fluctuations of investment rates in industrial countries are relatively synchronized, in the emerging market economies they are more the result of idiosyncratic shocks.



Source: IMF staff calculations.

¹ See footnote 15 in main text for definition of country groupings.

² Actual time series have been rescaled by subtracting the average of the period.

³ The global factor is the sum of the world and investment factors. For each region, the world and investment factors are multiplied by their factor loadings in the investment equation.