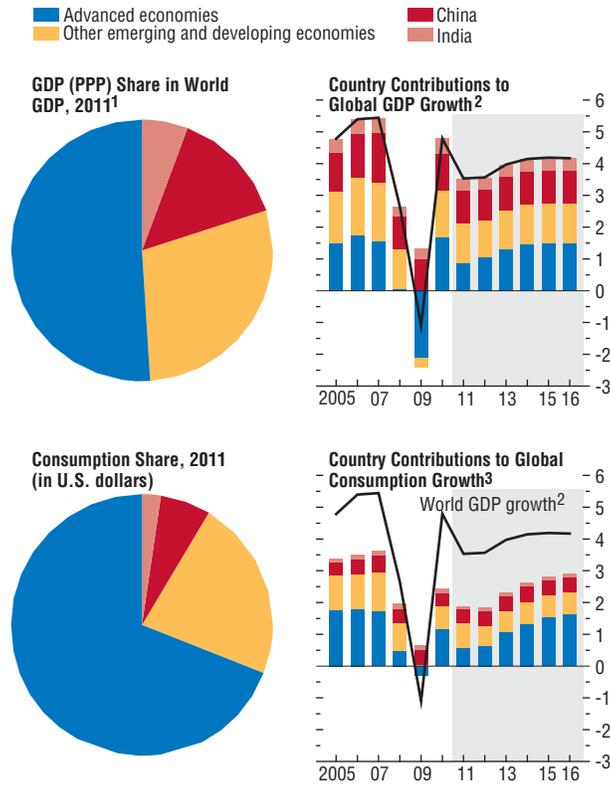


### Figure 1.22. Drivers of Global Growth and Rebalancing

Emerging and developing economies account for about half of global output and two-thirds of global growth in purchasing-power-parity (PPP) terms, much of which is accounted for by China and India. However, for purposes of demand rebalancing, the more relevant measure is not in PPP terms but, for example, in constant U.S. dollars. Furthermore, for demand rebalancing, consumption might be a better variable than GDP, considering that it is less related to exports. As shown, emerging and developing economies account for a much lower share of global consumption and consumption growth in U.S. dollar terms. Also, their contribution to global consumption growth fell during the crisis and is not expected to exceed precrisis levels because of large losses in the central and eastern European and Commonwealth of Independent States economies and few gains elsewhere, including in China.



Source: IMF staff estimates.

<sup>1</sup>Shaded areas indicate IMF staff projections. Aggregates are computed on the basis of PPP weights.

<sup>2</sup>Based on 2007 PPP weights.

<sup>3</sup>Based on GDP at 2007 market exchange rates.