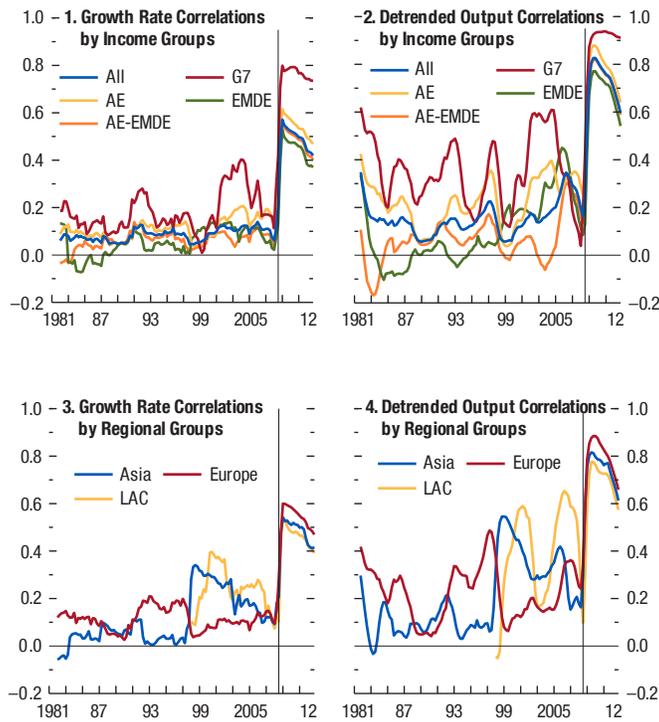


Figure 3.2. Output Comovements: 1978–2012
(Five-year rolling period correlations for various country groups)

Output growth correlations remained relatively low through much of the past three decades. But there was a sharp rise in these correlations in late 2008, evident across all country groups and regions. Correlations based on detrended output showed a similar sharp rise.



Sources: Haver Analytics; IMF, *World Economic Outlook*; Organization for Economic Cooperation and Development; and IMF staff calculations.

Note: All = all country pairs; AE = advanced economy country pairs; EMDE = emerging market and developing economy country pairs; AE-EMDE = advanced economy and emerging market and developing economy country pairs; G7 = G7 country pairs; LAC = Latin America and the Caribbean country pairs. See Appendix 3.1 for country groupings. Vertical line indicates the third quarter of 2008, when Lehman Brothers filed for bankruptcy. The Commonwealth of Independent States, Middle East and North Africa, and sub-Saharan Africa regions are excluded from panels 3 and 4 due to a lack of quarterly real GDP data for a sufficient number of countries.