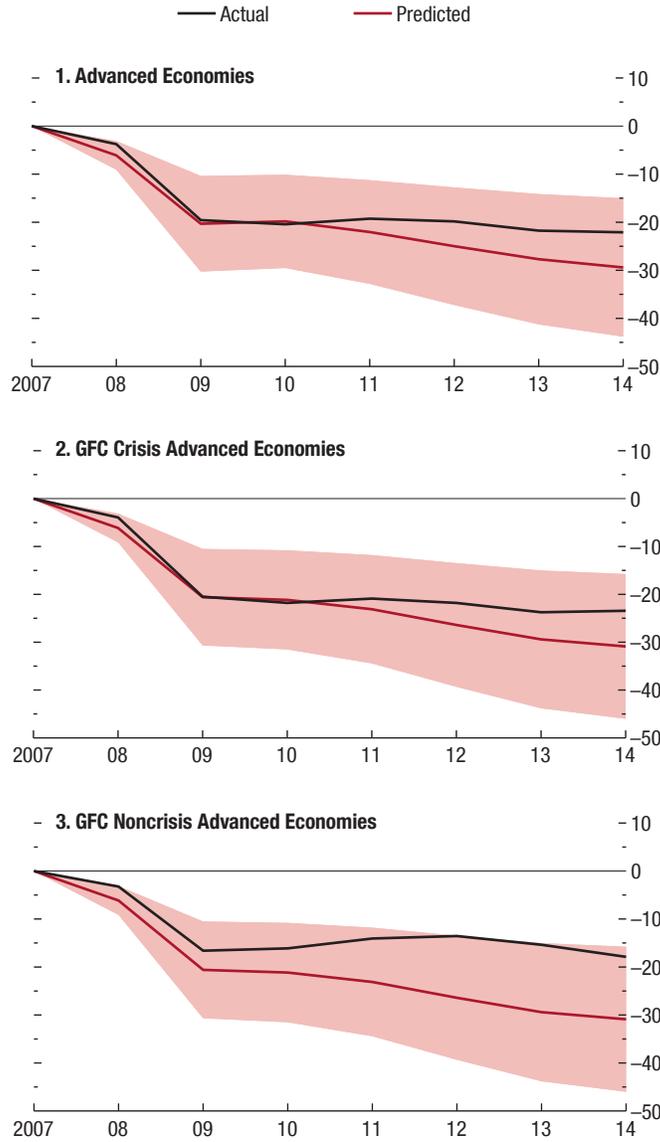


**Figure 4.7. Real Business Investment: Actual and Predicted Based on Economic Activity**  
*(Percent deviation of investment from spring 2007 forecasts)*

The bulk of the slump in business investment since the crisis reflects the weakness in economic activity. For broad groups of advanced economies, there is little unexplained investment.



Sources: Consensus Economics; Haver Analytics; national authorities; and IMF staff estimates.

Note: Prediction based on investment-output relationship estimates reported in Annex Table 4.3.1 and postcrisis decline in output relative to precrisis (spring 2007) forecasts. Shaded areas denote 90 percent confidence intervals. Global financial crisis (GFC) and noncrisis advanced economies are as identified in Laeven and Valencia 2012.