

IMF Working Paper

Western Hemisphere Department

Patterns in IMF Growth Forecast Revisions: A Panel Study at Multiple Horizons

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Abstract

This paper investigates the performance of the IMF WEO growth forecast revisions across different horizons and country groups. We find that: (i) growth revisions in horizons closer to the actual are generally larger, more volatile, and more negative; (ii) on average, growth revisions are in the right direction, becoming progressively more responsive to the forecast error gap as horizons get closer to the actual year; (iii) growth revisions in systemic economies are relevant for growth revisions in all country groups; (iv) WEO and Consensus Forecast growth revisions are highly correlated; (v) fall-to-spring WEO revisions are more correlated with Consensus Forecasts revisions compared to spring-to-fall revisions; and (vi) across vintages, revisions for a given time horizon are not autocorrelated; within vintages, revisions tend to be positively correlated, suggesting perception of persistent short-term shocks.

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