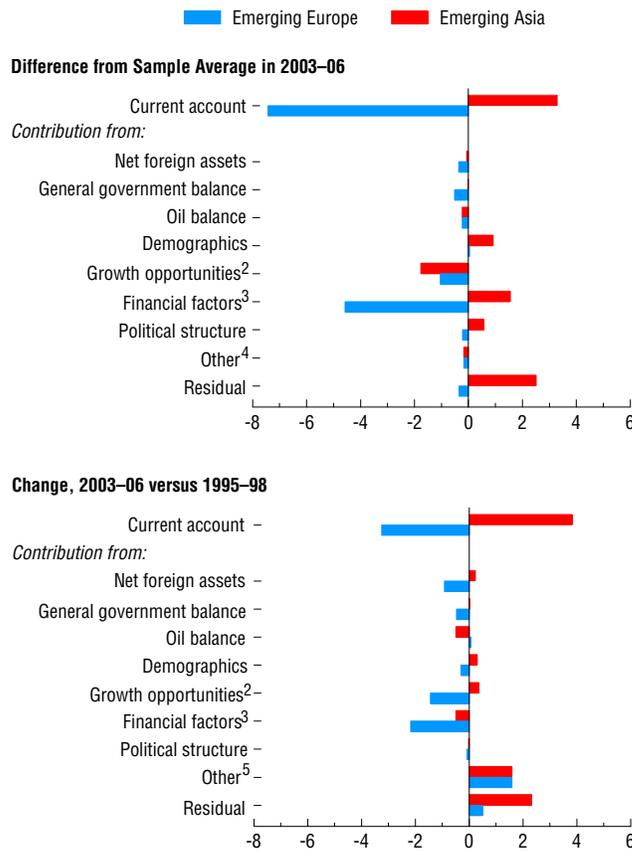


**Figure 6.9. Explaining the Current Account Balances of Emerging Asia and Emerging Europe<sup>1</sup>**  
(Percent of GDP)

The current account deficits of emerging Europe are mainly explained by financial factors, whereas a large portion of the surpluses in Asia remains unexplained by standard factors.



Source: IMF staff calculations.

<sup>1</sup>The contribution of each variable in the top (bottom) panel is computed as the deviation of the variable from the sample average (the change in the variable between 1995-98 and 2003-06) times the regression coefficient of the variable from column e of Table 6.1. See Appendix 6.2 for countries included in regional breakdowns.

<sup>2</sup>The contribution of growth opportunities is the sum of the contributions of relative per capita income and growth of per capita GDP.

<sup>3</sup>The contribution of financial factors is the sum of the contributions of financial liberalization, capital account openness, and financial depth.

<sup>4</sup>"Other" is the contribution of a dummy variable for financial centers.

<sup>5</sup>"Other" is the contribution of time-fixed effects.