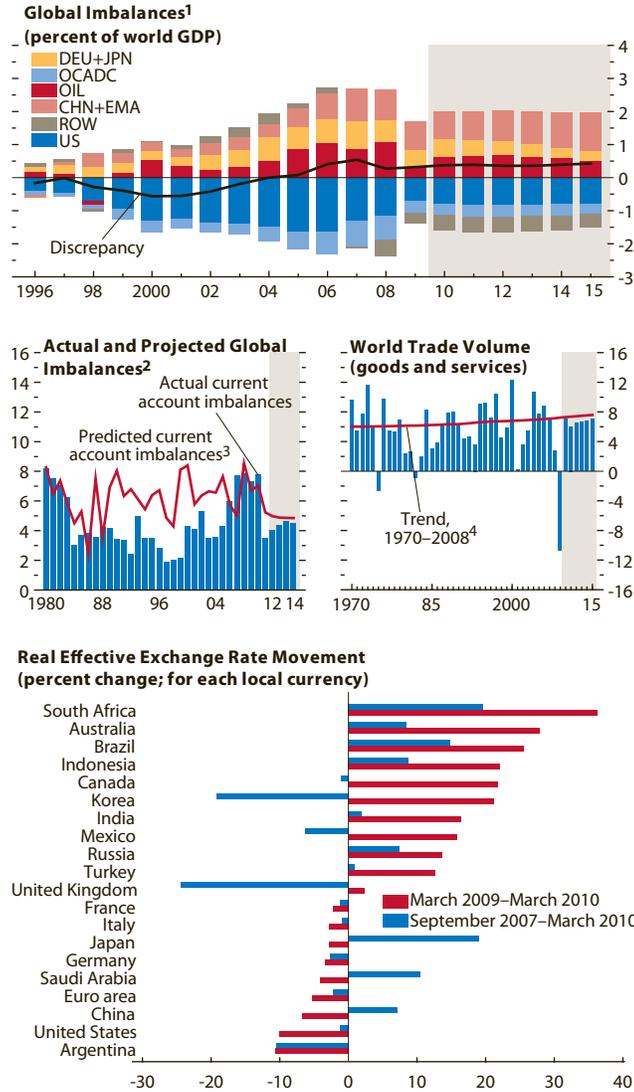


**Figure 1.6. Global Imbalances**

Current account surpluses and deficits narrowed as global trade declined and commodity prices fell. However, as the global economy recovers, imbalances are projected to grow again, but to remain lower than before the crisis. This is consistent with a drop in expected income growth in economies that ran excessive current account deficits before the crisis.



Source: IMF staff estimates.

<sup>1</sup>CHN+EMA: China, Hong Kong SAR, Indonesia, Korea, Malaysia, Philippines, Singapore, Taiwan Province of China, and Thailand; DEU+JPN: Germany and Japan; OCADC: Bulgaria, Croatia, Czech Republic, Estonia, Greece, Hungary, Ireland, Latvia, Lithuania, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Turkey, and United Kingdom; OIL: Oil exporters; ROW: rest of the world; US: United States.

<sup>2</sup>Measured as standard deviation of country-specific current accounts in G20 economies.

<sup>3</sup>Based on a 10-year rolling regression of global current account imbalance on world GDP growth and oil prices.

<sup>4</sup>Average growth rates for individual countries, aggregated using purchasing-power parity weights; the aggregates shift over time in favor of faster-growing economies, giving the line an upward trend.