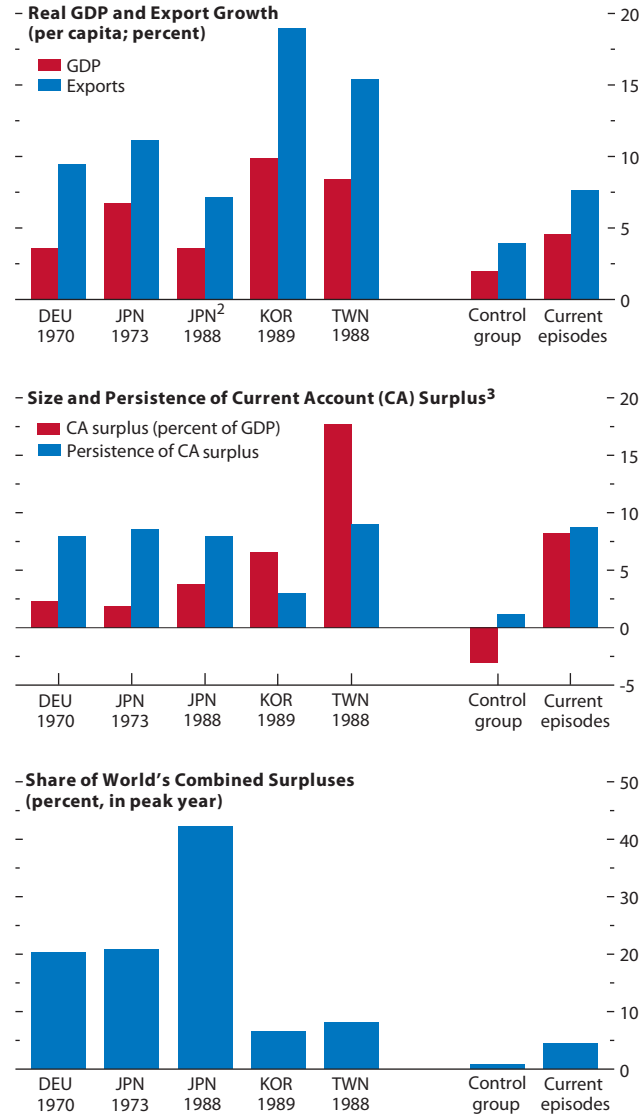


Figure 4.6. Case Studies: Pretransition Initial Conditions¹

Strong, export-led growth led to large, persistent, and globally important current account surpluses...



Source: IMF staff calculations.

¹DEU: Germany; JPN: Japan; KOR: Korea; TWN: Taiwan Province of China. The control group of nonreversals consists of all observations in the sample that are at least three years removed from a surplus reversal. The sample of current surplus episodes includes all economies with large and persistent current account surpluses, averaging at least 2 percent of GDP in the three years leading up to 2008.

²Pretransition export growth for Japan 1988 is the average from 1980–85; exports contracted during 1986–87 following the sharp appreciation after the signing of the Plaza Accord.

³Persistence of CA surplus is the number of years in the decade prior to the transition during which the economy had a CA surplus.