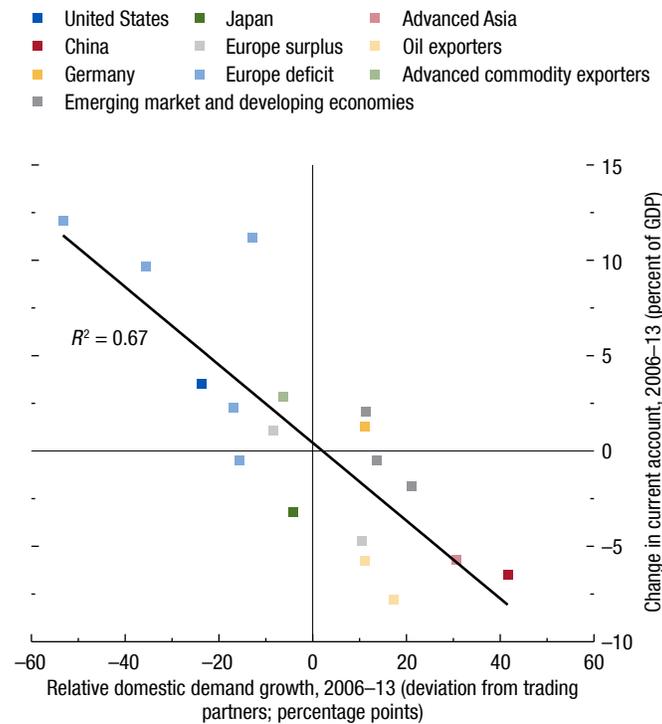


Figure 4.7. Changes in Domestic Demand and Current Account

Expenditure reduction played an important role in current account adjustment between 2006 and 2013. Economies with a larger (smaller) contraction in domestic demand relative to that of their trading partners typically experienced a larger (smaller) improvement in their current account balances.



Source: IMF staff calculations.

Note: Advanced commodity exporters = Australia; Advanced Asia = Singapore; Emerging market and developing economies = Poland, South Africa, Turkey; Europe deficit = Greece, Italy, Portugal, Spain, United Kingdom; Europe surplus = Netherlands, Switzerland; Oil exporters = Norway, Russia.