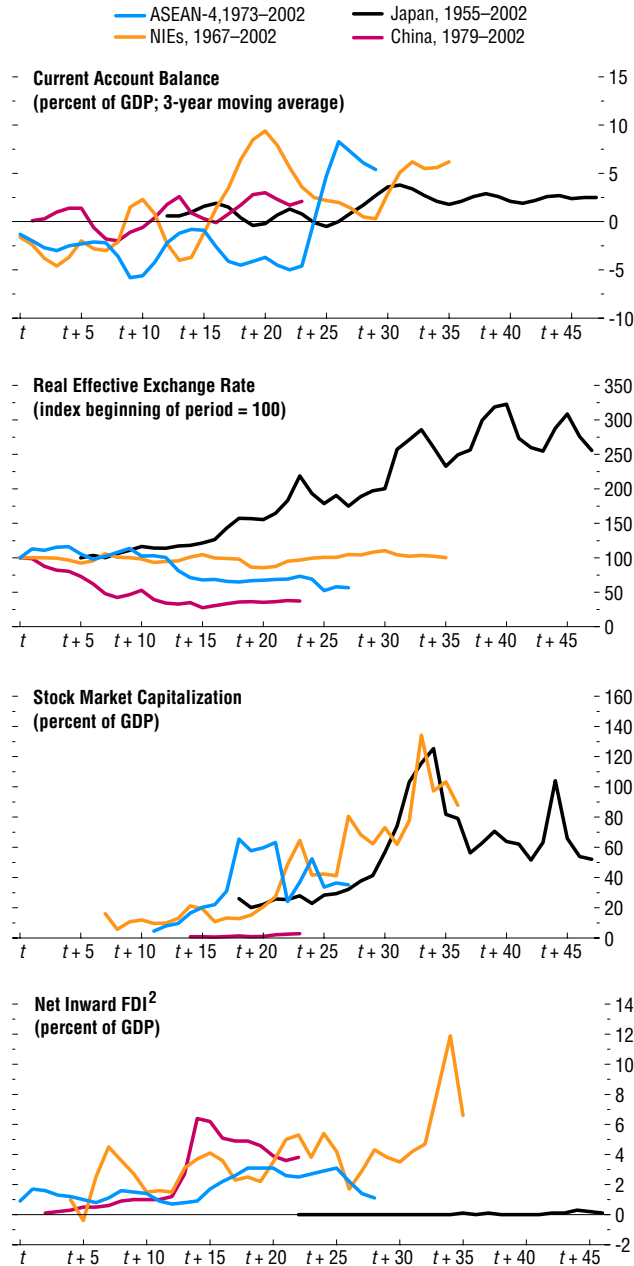


Figure 2.8. Current and Capital Accounts, and Financial Markets During Periods of Rapid Integration¹

China has often run somewhat larger current account surpluses than seen in previous integration episodes, even though its real exchange rate has stabilized since the early 1990s. Capital inflows have not been very large: China's stock market is relatively undeveloped, and even FDI inflows (relative to GDP) have not been exceptional.



Sources: Datastream International; CEIC Data Company Limited; World Bank, *World Development Indicators*; and IMF staff calculations.

¹ t denotes the year when integration starts: 1955 for Japan, 1967 for the NIEs, 1973 for ASEAN-4, and 1979 for China.

²Values end in 2001.