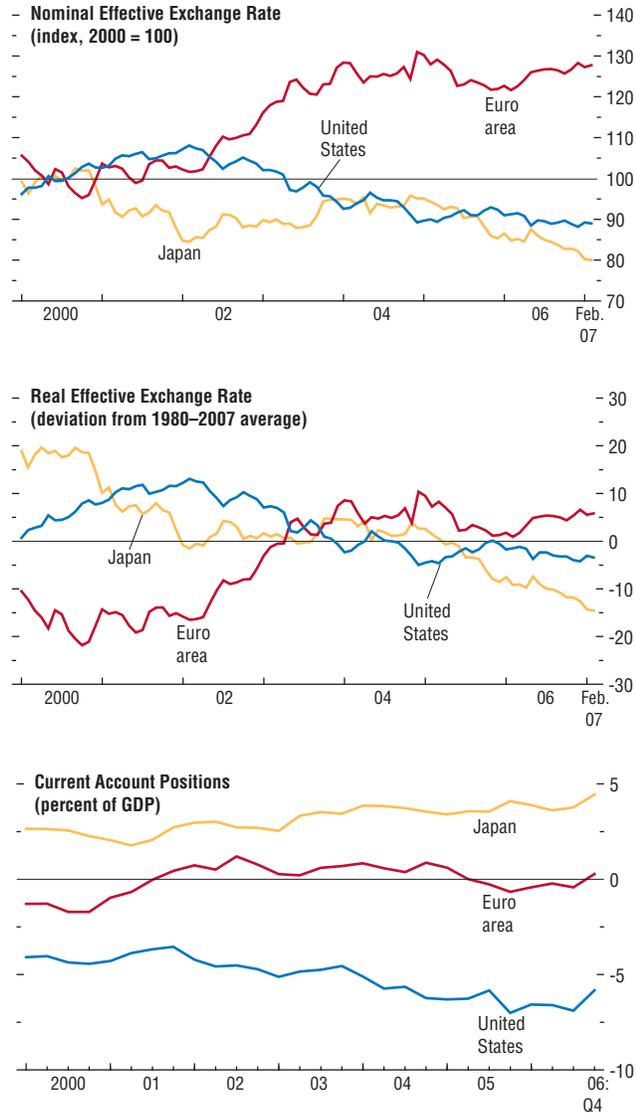


Figure 1.7. External Developments in Major Advanced Economies

The U.S. dollar has depreciated modestly in real effective terms since late 2005, but the U.S. current account deficit has remained wide. The euro area's current account is close to balance, while the euro has appreciated. Japan retains a sizable current account surplus, while the real effective value of the yen has depreciated significantly below its long-term average.



Sources: Haver Analytics; and IMF staff calculations.