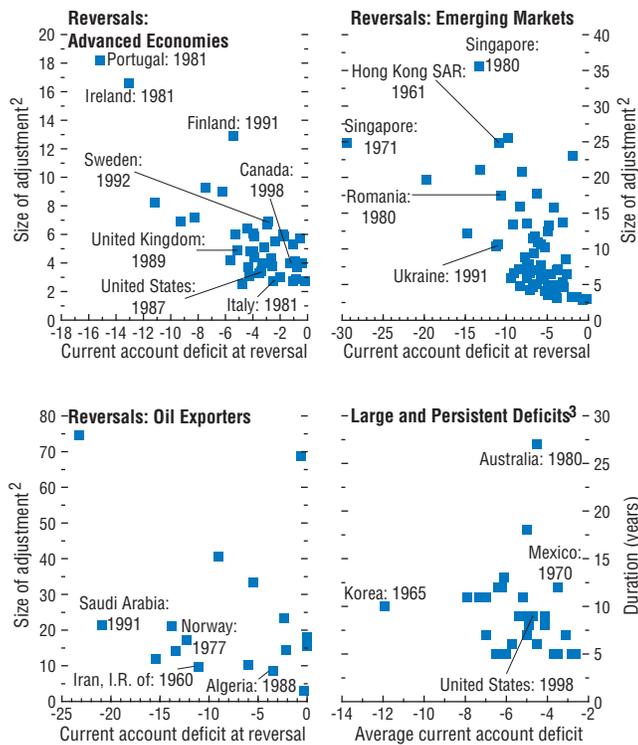


Figure 3.1. Episodes of Deficit Reversals and Large and Persistent Deficits¹

(1960–2006; current account deficit in percent of GDP)

The chapter identifies 42 episodes of large and sustained deficit reversals in advanced economies, 60 episodes in emerging markets, and 17 episodes in oil-exporting countries. Moreover, 29 cases of large and persistent deficits were identified in the entire sample.



Sources: IMF, *International Financial Statistics*; OECD, *Economic Outlook* (2006); World Bank, *World Development Indicators* (2006); and IMF staff calculations.

¹See Appendix 3.1 for the definition of deficit reversals and large and persistent deficit episodes, and information on country group composition.

²Change in current account deficit, in percent of GDP, from the trough to the end of the reversal episode.

³The x-axis refers to the average current account deficit, in percent of GDP, during the episode. The y-axis refers to the number of years the large current account deficit was sustained.