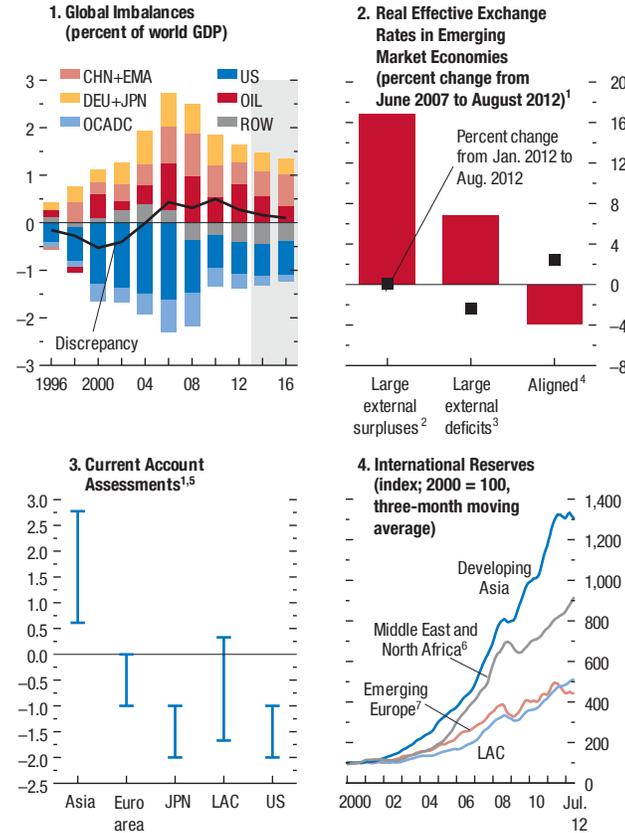


Figure 1.17. Global Imbalances

Global current account balances narrowed sharply during the Great Recession and are not projected to widen again, except for the contribution of emerging Asia. Exchange rate developments since the onset of the crisis have been consistent with global demand rebalancing. However, the appreciation of external surplus currencies has stopped during the past eight months. IMF staff assessments suggest that current account balances remain larger than desirable in emerging Asia and weaker elsewhere. Sustained accumulation of international reserves in these economies is contributing to global current account imbalances and associated vulnerabilities that are larger than desirable.



Sources: IMF, *International Financial Statistics*; and IMF staff estimates.
 Note: CHN+EMA: China, Hong Kong SAR, Indonesia, Korea, Malaysia, Philippines, Singapore, Taiwan Province of China, and Thailand; DEU+ JPN: Germany and Japan; LAC: Latin America and the Caribbean; OCADC: Bulgaria, Croatia, Czech Republic, Estonia, Greece, Hungary, Ireland, Latvia, Lithuania, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Turkey, and United Kingdom; OIL: oil exporters; ROW: rest of the world; US: United States.
¹Classifications are based on the IMF staff's *Pilot External Sector Report* (2012d), which covers Australia, Belgium, Brazil, Canada, China, euro area, France, Germany, Hong Kong SAR, India, Indonesia, Italy, Japan, Korea, Malaysia, Mexico, Netherlands, Poland, Russia, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Thailand, Turkey, United Kingdom, and United States.
²These economies account for 12.3 percent of global GDP.
³These economies account for 7.3 percent of global GDP.
⁴These economies account for 4.8 percent of global GDP.
⁵Estimated differences between cyclically adjusted current accounts and those consistent with fundamentals and desirable policies (percent of GDP).
⁶Bahrain, Djibouti, Egypt, Iran, Jordan, Kuwait, Lebanon, Libya, Oman, Qatar, Saudi Arabia, Sudan, Syria, United Arab Emirates, and Yemen.
⁷Bulgaria, Croatia, Hungary, Latvia, Lithuania, Poland, Romania, and Turkey.