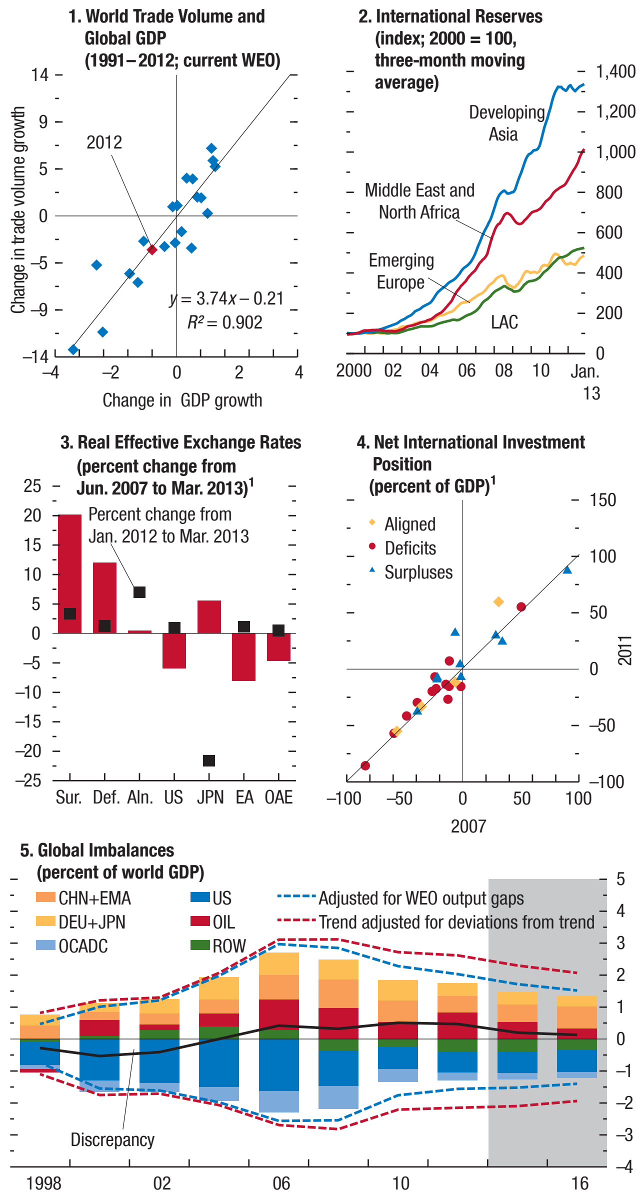
Figure 1.11. Global Imbalances

The latest slowdown in global trade is broadly consistent with the slowdown in global GDP. It has meant that global imbalances have declined modestly again. Whether imbalances stay narrow or widen again in the medium term depends on the extent to which output losses relative to precrisis trends are largely permanent: WEO projections assume they are, consistent with historical evidence. Although international capital flows have declined, persistent current account imbalances mean that economies' net international investment positions have not changed much.



Sources: IMF, *International Financial Statistics;* IMF, International Investment Position database; and IMF staff estimates.
Note: Aln. = aligned EM economies; CHN+EMA = China, Hong Kong SAR, Indonesia, Korea, Malaysia, Philippines, Singapore, Taiwan Province of China, Thailand; Def. = deficit EM economies; DEU+JPN = Germany and Japan; EA = euro area; EM = emerging market and developing economies; 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, United Kingdom; OAE = other advanced economies; OIL = oil exporters; Sur. = surplus EM economies; ROW = rest of the world; US = United States.
[1]Classifications are based on IMF (2012a).