

EXTERNAL SECTOR REPORT

Preface

Produced since 2012, the IMF's annual *External Sector Report* analyzes global external developments and provides multilaterally consistent assessments of external positions of the world's largest economies representing more than 90 percent of global GDP, which include current accounts, real exchange rates, external balance sheets, capital flows, and international reserves. Together with the *World Economic Outlook* and Article IV consultations, this report is part of a continuous effort to assess and address the possible effects of spillovers from members' policies on global stability and to monitor the stability of members' external positions in a comprehensive manner.

Chapter 1, "External Positions and Policies," discusses the evolution of global external positions in 2024, key risks to external sector stability, and policy priorities for reducing excess imbalances over the medium term. Chapter 2, "International Monetary System: Currencies in a Changing World," is the first of periodic monitoring of the international monetary system (IMS). It documents historical developments, provides some conceptual foundations, and proposes indexes to track the IMS. Chapter 3, "2024 Individual Economy Assessments," provides details on the overall external assessments for 30 economies and associated policy recommendations. This year's external assessments are based on the latest version of the IMF's External Balance Assessment methodology, external sector data as of May 27, 2025, and IMF staff projections in the April 2025 *World Economic Outlook*.

This report was prepared under the overall guidance of Pierre-Olivier Gourinchas, IMF Economic Counsellor and Director of Research, and under the direction of the External Sector Coordinating Group, comprising staff from the IMF's area departments (African, Asia and Pacific, European, Middle East and Central Asia, and Western Hemisphere) and several functional departments (Fiscal Affairs; Statistics; Strategy, Policy, and Review; Monetary and Capital Markets; and Research): Ali Jawad Al-Eyd, Rudolfs Bems, Helge Berger, Pelin Berkmen, Yan Carriere-Swallow, Nigel Chalk, Jiaqian Chen, Mariana Colacelli, Borys Cotto, Ela Dabla-Norris, Mai Dao, Christopher Erceg, Davide Furceri, Kristy Howell, Kenneth Henry Kang, Vitaliy Kramarenko, Jaewoo Lee (Chair), Huidan Lin, Amine Mati, Christian Mumssen, Erin Nephew, Dragana Ostojic, Stephane Roudet, Christian Saborowski, Mustafa Saiyid, Haruko Sakai, Mika Saito, Carlos Sánchez-Muñoz, Martin Sommer, Antonio Spilimbergo, Ara Stepanyan, Hui Tong, Anita Tuladhar, and Sebastian Weber.

Rudolfs Bems and Jiaqian Chen led the preparation of the report, which draws on contributions from Cian Allen, Martin Caruso Bloeck, Eugenio Cerutti, George Cui, Ernesto Crivelli, Melih Firat, Giovanni Ganelli, Martina Hengge, Ting Lan, Yang Liu, Roman Merga, Marcello Miccoli, Racha Moussa, Dirk Muir, Josef Platzer, Rafael Portillo, Cyril Rebillard, Marco Reuter, and Hélène Rey (external consultant). Chapter 2 benefited from comments by Maurice Obstfeld, internal seminar participants, as well as collaboration with colleagues from the Bank for International Settlements for data sharing. Important input was provided by country teams as well as David Coble, Oliver Exton, Bada Han, David Florián Hoyle, Wenjie Li, Svitlana Maslova, Murad Omoev, Zhibo Tan, and Marco Rodriguez Waldo. Excellent research and editorial assistance were provided by Santiago Gomez, Jane Haizel, Jaewon Lee, David Guio Rodriguez, Jair Rodriguez, and Brian Hyunjo Shin.

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projections and policy considerations are those of the IMF staff and should not be attributed to Executive Directors or to their national authorities.