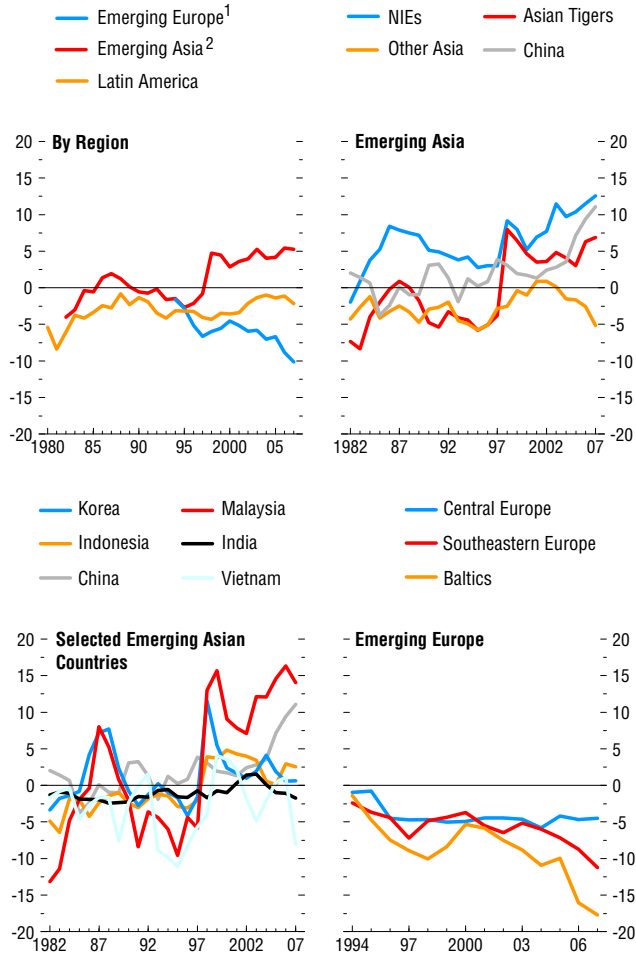


## Figure 6.1. Patterns of Divergence in Current Account Balance

(Percent of GDP; simple average)

The increasing divergence of current account imbalances in emerging economies is the result of a homogenous shift to deficits in emerging Europe and a more varied transition to surpluses in Asia following the Asian crisis, with initially large improvements by the Asian Tigers and Korea and more recently large surpluses in Malaysia and China.



Sources: IMF, *Balance of Payments Statistics*; and IMF staff calculations.

<sup>1</sup>Emerging Europe includes central Europe (Czech Republic, Hungary, Poland, Slovak Republic, and Slovenia), southeastern Europe (Albania, Bulgaria, Croatia, Macedonia, FYR, and Romania), and the Baltics (Estonia, Latvia, and Lithuania).

<sup>2</sup>Emerging Asia includes newly industrialized Asian economies (NIEs—Hong Kong SAR, Korea, Singapore, and Taiwan Province of China), Asian Tigers (Indonesia, Malaysia, Philippines, and Thailand), China, and Other Asia (India, Pakistan, Sri Lanka, and Vietnam).