Figure 3.6. Key Indicators During Surplus Reversals
(Medians across episodes; \( t = 0 \) is the peak year of the ratio of current account surplus to GDP; x-axis in years before and after \( t = 0 \))

In both advanced economies and emerging markets, real effective exchange rate (REER) appreciates and GDP growth increases after the peak year of the current account surplus.

**Advanced Economies**

- Real Imports (annual percent change)
- Real Exports (annual percent change)
- Real GDP Growth (annual percent change)
- REER\(^2\) (index, 100 at \( t = 0 \))

**Emerging Markets**

- Real Imports (annual percent change)
- Real Exports (annual percent change)
- Real GDP Growth (annual percent change)
- REER\(^2\) (index, 100 at \( t = 0 \))

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 surplus reversals and information on country group composition.

2An increase in the index represents a real appreciation while a decrease represents a real depreciation of a country’s currency relative to its trading partners.