Figure 4.6. Case Studies: Pretransition Initial Conditions

Strong, export-led growth led to large, persistent, and globally important current account surpluses...

Source: IMF staff calculations.

1DEU: Germany; JPN: Japan; KOR: Korea; TWN: Taiwan Province of China. The control group of nonreversals consists of all observations in the sample that are at least three years removed from a surplus reversal. The sample of current surplus episodes includes all economies with large and persistent current account surpluses, averaging at least 2 percent of GDP in the three years leading up to 2008.

2Pretransition export growth for Japan 1988 is the average from 1980–85; exports contracted during 1986–87 following the sharp appreciation after the signing of the Plaza Accord.

3Persistence of CA surplus is the number of years in the decade prior to the transition during which the economy had a CA surplus.