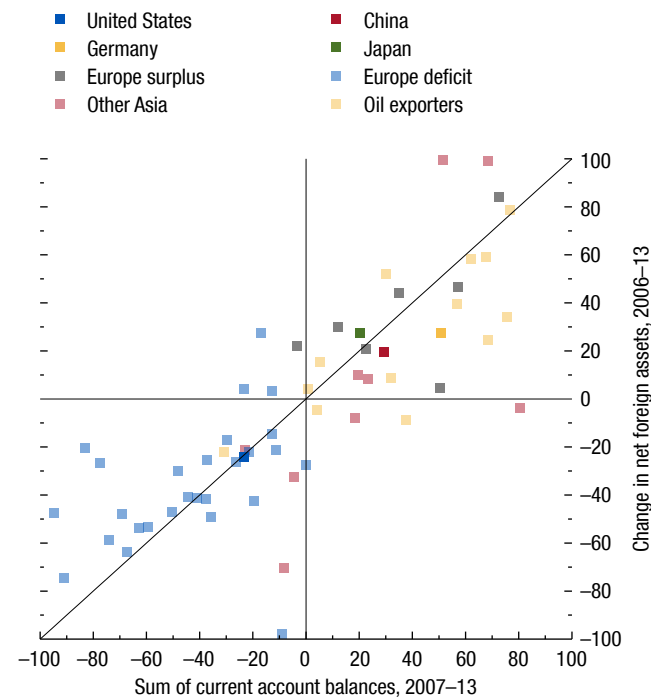


Figure 4.14. Adjustment in Net Foreign Assets versus Current Account Balance
(Percent of average GDP)

Current account balances were typically the main driver of changes in net foreign asset positions between 2006 and 2013 with R^2 of 0.73, as suggested by the closely clustered observations around the diagonal.



Source: IMF staff calculations.

Note: Europe deficit = Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, France, Greece, Hungary, Ireland, Italy, Kosovo, Latvia, Lithuania, FYR Macedonia, Moldova, Poland, Portugal, Romania, Serbia, Slovak Republic, Slovenia, Spain, Turkey, Ukraine, United Kingdom; Europe surplus = Austria, Belgium, Denmark, Finland, Netherlands, Sweden, Switzerland; Oil exporters = Algeria, Angola, Bahrain, Ecuador, Iran, Kazakhstan, Nigeria, Oman, Russia, Turkmenistan, United Arab Emirates, Uzbekistan, Yemen; Other Asia = Hong Kong SAR, India, Indonesia, Korea, Malaysia, Philippines, Taiwan Province of China, Thailand, Vietnam. Europe deficit and surplus economies are sorted based on the signs of their average current account balances between 2004 and 2006.