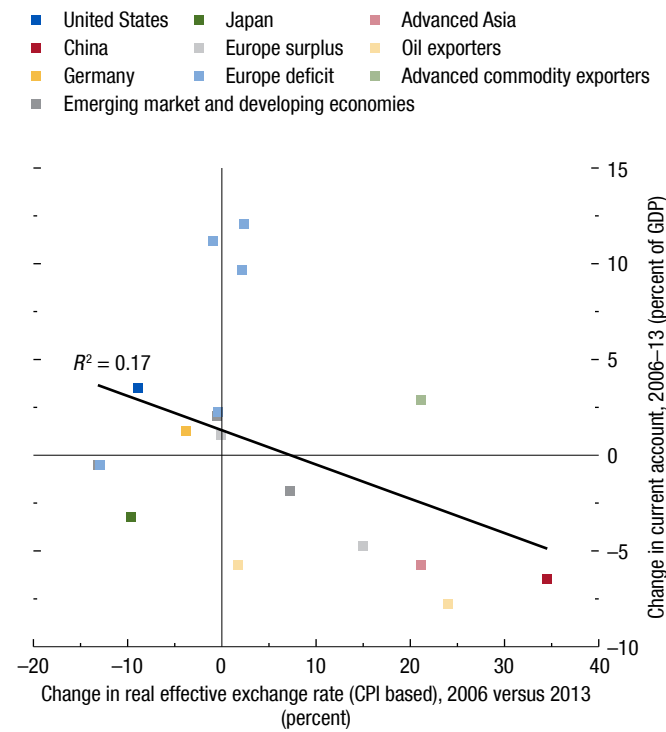


Figure 4.8. Changes in Real Effective Exchange Rate and Current Account

Expenditure switching also was at work in current account adjustment between 2006 and 2013. Economies with depreciated (appreciated) currencies typically experienced an improvement (deterioration) in their current account balances.



Source: IMF staff calculations.
 Note: CPI = consumer price index. Advanced commodity exporters = Australia; Advanced Asia = Singapore; Emerging market and developing economies = Poland, South Africa, Turkey; Europe deficit = Greece, Italy, Portugal, Spain, United Kingdom; Europe surplus = Netherlands, Switzerland; Oil exporters = Norway, Russia.